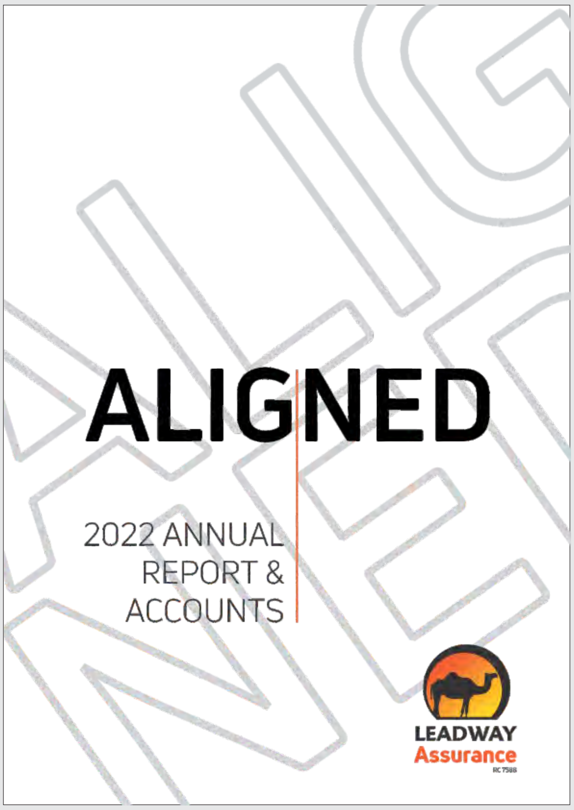
ALIGNED

2022 ANNUAL
REPORT &
ACCOUNTS

LEADWAY
Assurance
RC 7588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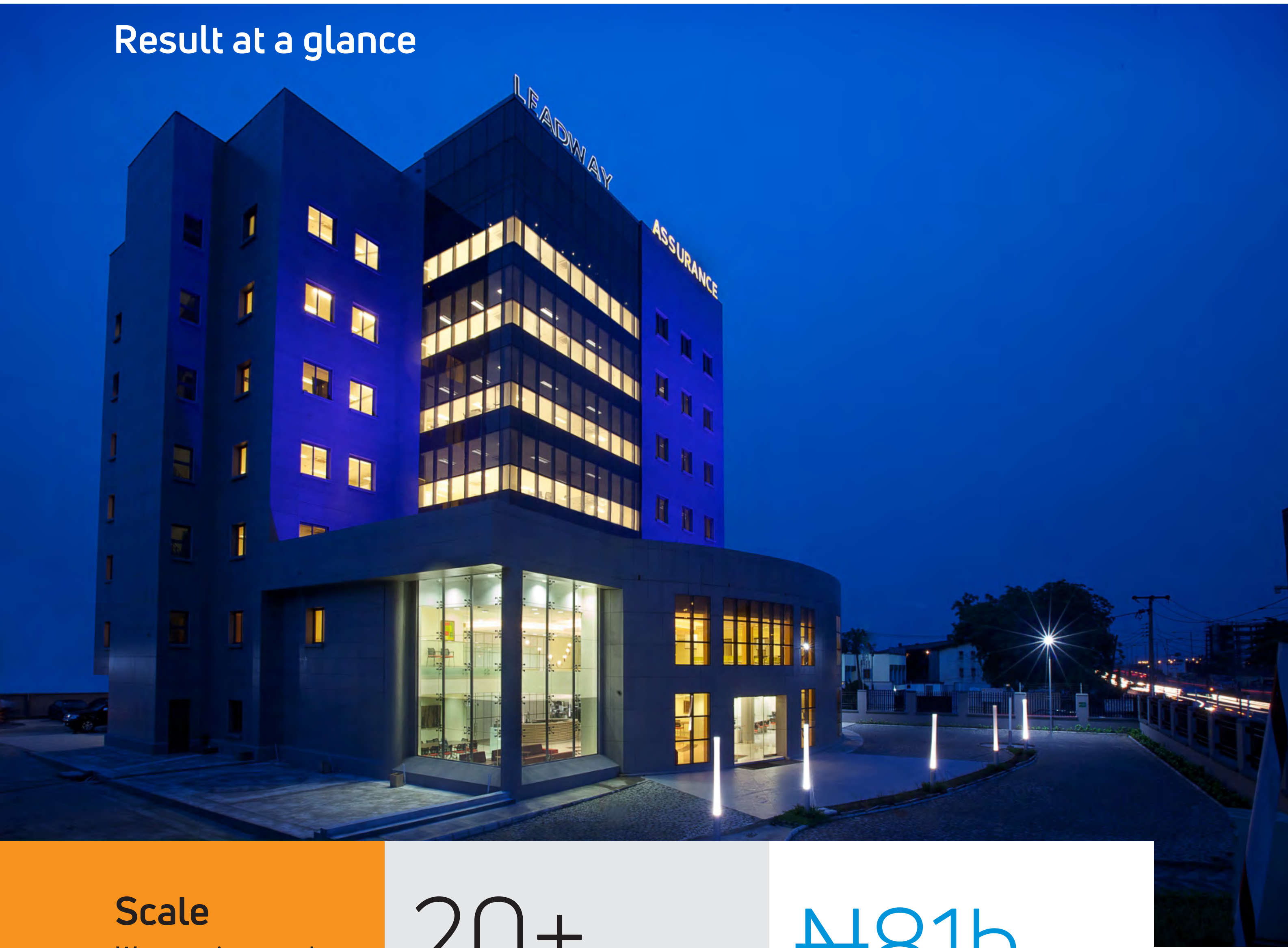
" I am confident that the future holds immense opportunities for all our businesses, in view of the Government's huge investment in public infrastructure, and imminent changes in the economy. Leadway as an organization will continue to tap into these emerging opportunities and pursue its strategic goal of being *the most dominant insurance company in Nigeria, in revenue and profit market share, within the corporate and retail market segments".*

Mr. Tunde Hassan-Odukale
Managing Director / CEO

Result at a glance



Scale

We are an integrated insurance business. We have operations in Nigeria and Cote D'Ivoire.

20+
Insurance Products

₦81b
Shareholders' Funds

331
Employees

₦104.4b
Total Premium

₦92.5b
Risk Premium

₦11.9b
Deposit Premium

24
Branches

₦536b
Total Asset base

₦57b
Claims

Overview

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Vision & Mission Statement

Vision Statement

To be a leading insurance company and non-banking financial solutions provider in Nigeria, leveraging on our strategic capabilities in other selected markets.

Mission Statement

To be a service provider of choice, bringing insurance as a risk management tool to the consciousness of all; adding value to our clients and other stakeholders in an efficient and reliable manner.

Who We Are

What We Do

Leadway offers insurance services in life and general businesses (property & casualty). Leadway also offers allied financial services like bond, secured credit, miscellaneous financial losses and fund/portfolio management.

Leadway enjoys the patronage of clients spanning all the major industries including Construction & Engineering, Manufacturing, Oil and Gas, Shipping, Government Establishments, Ministries and Parastatals. Leadway increasingly attracts patronage from retail clients from a wide variety of backgrounds.

Our Responsibilities

In discharging our responsibilities, we pledge that come what may -rain or shine, dull or bright- the Company must always meet its financial obligations to all its customers, primary of which is claims. Without claims there will be no insurance business.

The conceptual basis of our Camel logo is rested on the slogan of the company being an Efficient and Reliable carrier of financial burden/obligations which in turn ensures the happiness of its customers.

Our Culture

The Leadway Assurance has come a long way since its establishment in 1970 to carry on business as a composite insurer.

Its Board of Directors comprises of men and women of integrity with several decades of experience in financial services and other diverse fields in between them. The Board is collectively responsible for the success of the company and works with management to achieve company objectives.

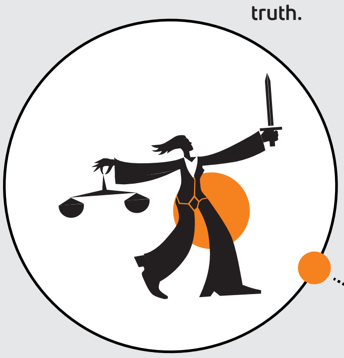
Our Core Values

Service

Serving our customers in timely, responsive, pro-active manner and meeting their needs and aiming to delight.

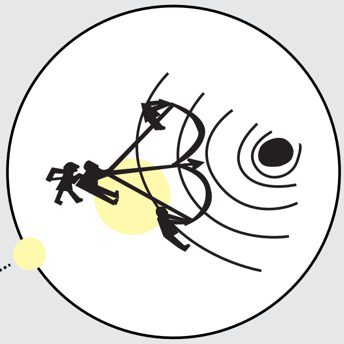
Integrity

Acting with honesty and honor towards all our stakeholders without compromising the truth.



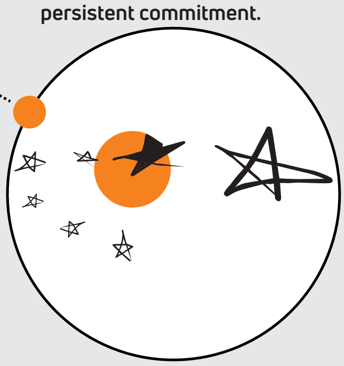
Customer focus

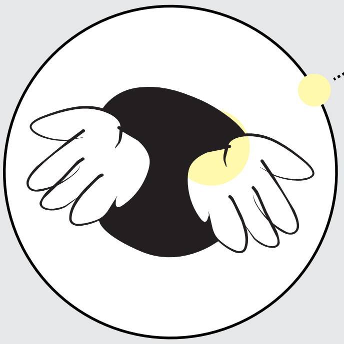
Seeking to determine the needs of our customers and taking action to satisfy them.



Excellence

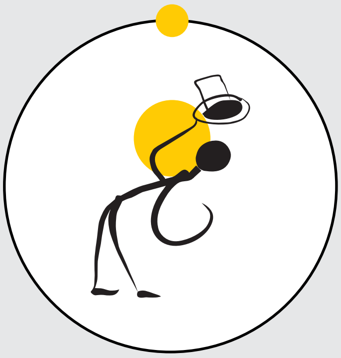
Confidently pursuing highest service quality and giving the best to our customers that warrants our persistent commitment.





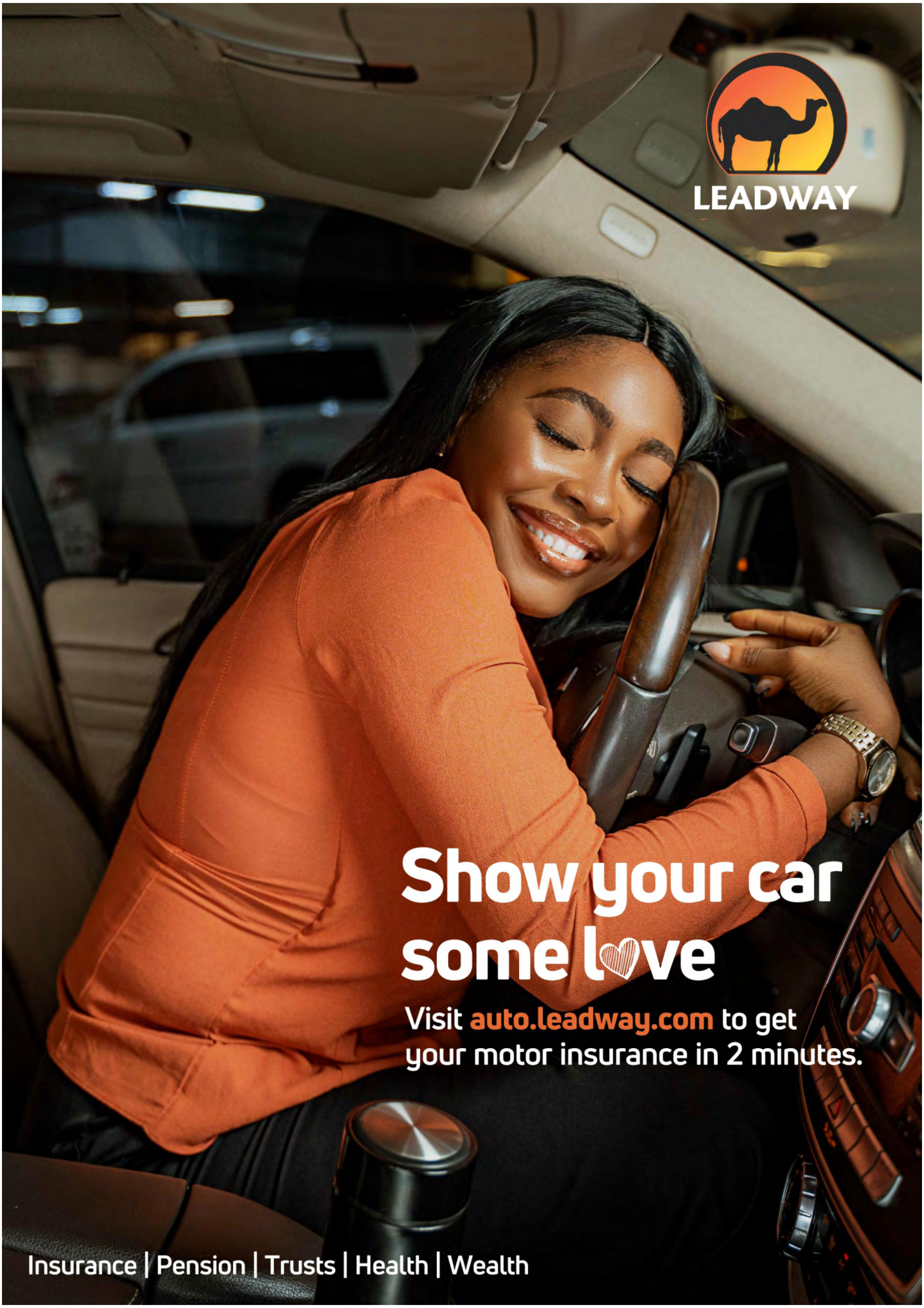
Openness

Sharing information with our customers, listening to them, receiving constructive feedback and confronting ethical problems immediately.



Respect for the individual

Treating every customer with utmost dignity and according them all the attention and care due to them.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Notice of the 51st Annual General Meeting

Olumide Hanson
Company Secretary

Notice is hereby given that the 51st Annual General Meeting of LEADWAY ASSURANCE COMPANY LIMITED will convene at the Conference Hall, First Floor, Leadway Assurance House, 121/123, Funsho Williams Avenue, Iponri, Surulere, Lagos on Friday, 31st March, 2023 at 11am for the following purposes:

ORDINARY BUSINESS

1. To receive and consider the Audited Financial Statements for the year ended 31st December, 2022 and the reports of the Directors and Auditors thereon.

2. To declare a dividend.

3. To appoint Mr. Thomas Huerlimann as Director.

4. To re-elect Ms. Hadiza Aliko Mohammed and Mrs. Adebisi Lamikanra who in accordance with Section 285 (1 & 2) of the Companies and Allied Matters Act 2020, retire by rotation, but are eligible and offer themselves for re-election.

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

6. To disclose the remuneration of Managers.

BY ORDER OF THE BOARD

Olumide Hanson
COMPANY SECRETARY
FRC/2019/NBA/00000019064
121/123, Funso Williams Avenue,
Iponri, Surulere,
Lagos.

NOTES:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her. Attendance shall be virtual and also by proxy. To be valid, executed forms of proxy should be deposited at the Office of the Company Secretary, Leadway Assurance Company Limited, 121/123, Funsho Williams Avenue, Surulere, Lagos, or sent via email to c-secretariat@leadway.com not later than 48 hours before the time of holding the meeting.

2. The Register of Members and their shareholding is available for inspection, at the office of the Company Secretary during normal business hours, from the date of this notice until the close of business on Wednesday 29th March, 2023.

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Chairman's Statement

"Despite the challenging operating environment characterised by significant headwinds, the Company through strict budget discipline, frugality and renewed focus on innovation, capitalised on the scarce opportunities available in the industry towards maintaining a laudable financial performance and driving long-term value for its shareholders. The Risk Premium grew by 31% from ₦70.6bn in 2021 to ₦92.5bn in the year under review while the Total Premium increased by 26% from ₦83bn in 2021 to ₦104.4bn in 2022."

Dear Esteemed Shareholders, fellow members of the Board, all stakeholders here present, distinguished ladies and gentlemen, I have the pleasure of welcoming you to the 51st Annual General Meeting of Leadway Assurance Company Limited, to present to you, the Annual Report and Accounts for the Financial Year ended 31 December, 2022.

Operating Environment

The year 2022 began with heightened optimism of a healthier year and sustainability of the economic growth witnessed in the prior year driven by the multiple monetary and fiscal policies from governments and Central Banks across the world.

However, this was short-lived by various events such as; Russia/Ukraine War which created significant uncertainty in Europe and other key markets. This led to disruptions to international trade, increase in commodity prices, high cost of living, exacerbated by energy crisis, and high inflationary pressures.

The devaluation of the Naira and heightened inflationary pressures dampened the optimism and hopes of Nigerians as inflation attained a record high of 21.34% in 2022, which represented a 5.71% increase compared to 15.63% recorded as at December 2021.

The commitment of the Central Bank of Nigeria (CBN) towards reducing the cash in circulation, and strengthening the economy, through the currency redesign further impacted the purchasing power of the citizens.

The increased and lingering scarcity of the Premium Motor Spirit further aggravated the increase in the prices of goods and services. Pundits have opined that total deregulation of the downstream sector will mitigate the mid and long term causes of the scarcity, one of which includes; shortage and high dollar costs of daughter vessels for ferrying petroleum products from mother vessels to depots along the coast.

Overall, the Gross Domestic Product (GDP) in 2022 as reported by the Nigerian Bureau of Statistics (NBS) stood at 3.10% representing a 0.3% decline from 3.40% reported in 2021. This performance was majorly driven by an improvement in the Services sector and decline in the Agriculture and Industry sector relative to 2021. While the Oil Sector's contribution fell by 1.57% to 5.67%, the Non-Oil Sector comprising Agriculture, Telecommunications, Trade, Manufacturing and Finance & Insurance sectors, grew by 1.57% to 94.33% with Finance & Insurance sector contributing 3.36%, reflecting a marginal growth compared to 3.05% contributed in 2021.

However, the impact of these economic realities bolstered political sensitivity and participation in the 2023 Nigerian Presidential and Gubernatorial Elections and further heightened the election momentum.

Insurance Industry

Amidst the significant macroeconomic headwinds in 2022, the Nigerian insurance industry still maintained its double-digit growth trend with an estimated Gross Premium Income (GPI) of about ₦726bn representing about 39% increase compared to ₦520bn recorded in 2021, notably driven by increased regulatory support and improved economic activities compared to previous year.

In exercise of its statutory function to establish standards for the conduct of insurance business and efforts towards improving insurance penetration in Nigeria, the National Insurance Commission (NAICOM) increased the third-party insurance policy rates from the basic rate of N5, 000 to N15, 000 while also prescribing a minimum premium rate of 5% for comprehensive motor insurance policy, amongst others.

While there have been mixed reactions on the affordability of the 200% increment in rates, there is a firm belief

Chairman's Statement

> **Claims expenses increased from ₦47.8bn in 2021 to ₦57.4bn in 2022 with an annuity pay out of ₦33.9bn accounting for the largest proportion of this amount, over ₦14.1billion net claim expenses in the General Insurance portfolio.**

that the implementation of the circular will boost the GPI, drive economic growth and the insurance industry's contribution to GDP. Other benefits that outweigh the cost include the extension of the third-party motor insurance coverage to West African sub-region without the need to obtain ECOWAS Brown Card as well as the increase of the claim limit for third-party motor insurance cover above ₦1m.

One of the additional initiatives of the regulator towards boosting insurance penetration was the liberalisation of the Bancassurance partnership arrangements. This will increase the effectiveness and efficiency of the Bancassurance scheme and expand the alternative sales channels.

During the year 2022, the Insurance regulator also released the revised Market Conduct and Prudential Guidelines to ensure that insurance institutions conduct themselves in a professional manner and in accordance with international best practices.

Overall, there is assurance that with the various regulatory initiatives and insurance awareness, the industry would continue in its upward trajectory in 2023.

Financial Results

Despite the challenging operating environment characterised by significant headwinds, the Company through strict budget discipline, frugality and renewed focus on innovation, capitalised on the scarce opportunities available in the industry towards maintaining a laudable financial performance and driving long-term value for its shareholders.

The Risk Premium grew by 31% from ₦70.6bn in 2021 to ₦92.5bn in the year under review while the Total Premium increased by 26% from ₦83bn in 2021 to ₦104.4bn in 2022. Profit Before Tax was largely flat at ₦11.954bn compared to ₦11.956bn achieved in previous year. The increase in GWP was largely experienced by all classes of our business (Life & Non-life), while the slight decrease in the reported profit was as a result of upward movement in bond yield, and increase in operating expenses when compared with the prior year's performance.

Claims expenses increased from ₦47.8bn in 2021 to ₦57.4bn in 2022 with an annuity pay out of ₦33.9bn accounting for the largest proportion of this amount, followed by over ₦14.1billion net claim expenses in the General Insurance portfolio. Investment income increased by 49.7% from ₦27.1bn in 2021 to ₦40.6bn in 2022 with interest income from bonds dominating our investment income. Underwriting and Operating expenses increased by 41% and 26% respectively compared to 2021 while Total assets increased by 6% from ₦502bn in 2021 to ₦534bn in 2022.

Dividend

In fulfillment of the objective of the Company to maximize shareholders' wealth for tangible returns, the Board of Directors hereby recommends a cash dividend of ₦3.2bn which translates to 16 kobo per ordinary share subject to withholding tax at the prevailing rate and approval at the Annual General Meeting.

Future Outlook

Agusto & Co. Limited, a pan-African credit rating agency opines that the first half of 2023 would be significantly dominated by electioneering activities while the second half would welcome a new administration and fresh ideas for fiscal and economic transformation. This would inevitably present opportunities for the Company to strategically secure new insurance contracts from the public sector.

The outcome of the 2023 elections is expected to be a catalyst for the market and liquidity levels to provide an economic direction on various asset performance. An increase in economic activities is anticipated particularly within the insurance industry as a

Chairman's Statement

> **Your Company's commitment to drive its strategic initiatives, premised on technology, innovative ideas and talents remains unshaken as it is well positioned to deliver value and sustainable growth while meeting the basic and remote needs of its global and local clients.**

result of an expansion in public sector demand from the new government, improved regulatory intervention as well as the introduction of fresh ideas to drive overall economic transformation.

As a flexible and market-sensitive Company, we remain resilient and resolute in the execution of our business strategy as well as our engagement with stakeholders across the value chain. We remain firmly committed to intensify and amplify our group synergy towards enhancing our business reach and replicating successes achieved in Nigeria across other regions in Africa.

We will strengthen our human capacity, promote international exchange programmes to upskill and develop our staff into global unparalleled talents to sustain our legacy of experts and solution providers.

We remain resolute to exploring the opportunities created from the regulatory initiatives on Bancassurance partnership, increased premium rates for motor insurance cover and strategically acquire annuity portfolios to sustain an overall improved performance.

Your Company's commitment to drive its strategic initiatives, premised on technology, innovative ideas and talents remains unshaken as it is well positioned to deliver value and sustainable growth while meeting the basic and remote needs of its global and local clients.

Director's Appointment

Within the year, Mr. Martyn Parker resigned from the Board after years of valuable contributions to the growth of the Company.

Consequently, the Board appointed another seasoned insurance expert with decades of proven experience to fill the casual vacancy created by the resignation. Mr. Thomas Huerlimann's appointment as Non-Executive Director will be presented to shareholders for ratification during the course of this meeting.

Conclusion

Our leadership repositioning as premier of the insurance industry in premium, profitability and assets can only be attributed to the fidelity and collaboration with our revered customers to deliver their desired satisfaction.

The overall performance in 2022 was no doubt an improvement on our 2021 performance and this impressive record is majorly attributed to the collective probity, professionalism, diligence and determination of our loyal workforce and the extraordinary leadership of the Executive Management.

The Leadway brand has remained fortified by its integrity which instils the unshaken confidence of many in the company's capacity to create wealth from its array of thriving businesses. Our sincere appreciation to you all for your outstanding support through the years.

As a Board, we will continue to be diligent in our oversight to build a legacy for future generations to nurture.

Thank you.

Gen. (rtd) Martin Luther Agwai, cfr
Chairman


LEADWAY
Health
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Introducing Our TELEMEDICINE SERVICES
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Consultation
Get Medications
Run Lab Test
Register
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ANDROID APP ON Google Play

Corporate Information

Certificate of Incorporation Number
RC 7588

NAICOM License Number
RIC-025

Date of Incorporation
22 September, 1970

Directors

Gen. (rtd) Martin Luther Agwai	Chairman, Independent
Mr. Tunde Hassan-Odukale	Managing Director
Ms. Adetola Adegbayi	Executive Director
Mr. Odein Ajumogobia	Non-Executive Director, Independent
Mr. Martyn Parker	Non-Executive Director, (Resigned wef 11 May, 2022)
Mr. Ire Hassan-Odukale	Non-Executive Director
Ms. Hadiza Aliko Mohammed	Non-Executive Director, Independent
Mrs. Adebisi Lamikanra	Non-Executive Director, Independent
Dr. Ademola Odeyemi	Non-Executive Director, Independent
Mr. Thomas Hurlimann	Non-Executive Director, (Appointed wef 18 January, 2023)

Registered Office
NN 28/29 Constitution road,
Kaduna State Nigeria
www.leadway.com

Company Secretary
Olumide Hanson
FRC/2019/NBA/00000019064

Corporate Information

Bankers and other Professional Advisors

Auditors

KPMG Professional Services
KPMG Towers
Bishop Aboyade Cole Street
Victoria Island, Lagos
Tel: (01) 2718955
Kabir Okunola (Signing Partner)
FRC/2012/ICAN/00000000428

Bankers

Access Bank Plc
Citibank Nigeria Limited
FBN Bank (UK) Limited
Fidelity Bank Plc
First Bank of Nigeria Limited
First City Monument Bank Limited
FSDH Merchant Bank Nigeria Limited
Guaranty Trust Bank Plc
Keystone Bank Nigeria Limited
Polaris Bank Plc
Stanbic IBTC Bank Plc
Standard Chartered Bank Nigeria Limited
Standard Chartered Bank United Kingdom
Standard Chartered Bank Cote d'Ivoire
Sterling Bank Plc
Union Bank Plc
United Bank of Africa Plc
Wema Bank Plc
Zenith bank Plc
La Fayette Microfinance Bank

Reinsurers

African Reinsurance Corporation
Continental Reinsurance Plc
Waica Reinsurance
Hannover Reinsurance Company Limited
General Insurance Company, Indian
Swiss Reinsurance Africa Limited
AIG Europe
Kiln Syndicate
Chubb Limited

Actuaries

Ernst & Young Nigeria
FRC/2012/NAS/00000000738

Estate Surveyor and Valuer

Diya Fatimilehin & Co.
FRC/2013/NIESV/00000002773

Governance

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Board of Directors

Gen. Martin Luther Agwai (Rtd)
Chairman

- Visiting Professor, African Leadership Center, London
- Former Chief of Army Staff, Nigerian Army
- Former Chief of Defense Staff, Nigerian Army
- Former Chairman, Subsidy Reinvestment Programme
- Alumnus, National Defense University, Washington DC, USA
- Alumnus, Administrative Staff College of Nigeria

Mr. Tunde Hassan-Odukale
Managing Director / CEO

- Chairman, First Bank of Nigeria Ltd.
- Member, Royal Society of Mathematics and the Institute of Actuaries
- Former Director, Stanbic IBTC Bank Plc
- Former Director, Union Assurance
- Alumnus, University of London
- Alumnus, City University, London
- Alumnus, Harvard Business School, USA

Mr. Odein Ajumogobia SAN.
Director (Non-Executive, Independent)

- Member of Nigerian Bar Association
- Fellow, Chartered Institute of Arbitrators (FCI) Arb London.
- Former Attorney General and Commissioner of Justice, Rivers State
- Former Minister of State for Petroleum Resources
- Former Minister of Foreign Affairs
- Alumnus, Harvard Law School, Massachusetts.

Board of Directors

Mr. Thomas Hurlimann
Director (Non-Executive)

- Senior Advisor, Swiss Re
- Director, Hiscox Limited
- Director, Leadway Holdings
- Former CEO, Zurich Insurance (Global Corporate)
- Alumnus, IMD
- Alumnus, University of Zurich
- Alumnus, INSEAD

Dr. Ademola Odeyemi
Director (Non-Executive, Independent)

- Former Executive Director, Guaranty Trust Bank, Plc
- Fellows, Institute of chartered Accounts of Nigeria
- Member of chartered Institute of Taxation
- Alumnus, Obafemi Awolowo University
- Alumnus, Havard Business School
- Alumnus, Wharton Business School
- Doctor of Philosophy, Tests and Measurement Obafemi Awolowo University

Ms. Hadiza Aliko Mohammed
Director (Non-Executive, Independent)

- Chief Executive Officer, The Recovery place Nigeria ltd
- Partner, C Clear consulting
- Former Director, Nigeria Aviation Hardly Company (NAHCO)
- Former Managing Director Turners Building Products (A) ltd
- Alumnus, University of Surrey
- Alumnus, University of Gloucestershire
- Member, Institute of Director
- Associate, Chartered Insurance Institute UK

Board of Directors

Mrs. Adebisi Lamikanra
Director (Non-Executive, Independent)

- Director, Standard Chartered Bank Nigeria
- Director, Evercare Hospital Lekki
- Director, Corona Schools Trust
- Former Partner, Andersen Nigeria
- Former Partner, KPMG Nigeria.
- Fellow, Institute of Chartered Accountants of Nigeria
- Alumnus, University of Lagos
- Alumnus, Lagos Business School
- Alumnus, Havard Business School.

Mr. Ire Hassan-Odukale
Director (Non-Executive)

- Cofounder of Ikoyi London Limited.
- Member of the Chartered Institute of Insurance.
- Graduate of LSE (London School of Economics and Political Science), UK.
- Non-Executive Director at Leadway Hotels Limited until March, 2020.
- One of 10 graduates recruited into JLT's graduate scheme in 2008 out of a pool.
- Former staff of AIG Europe Limited.

Ms. Adetola Adegbayi
Executive Director / Technical Services

- Director, Leadway Hotels Limited
- Director, Energy and Allied Insurance Pool of Nigeria
- Director, Nigerian Liability Insurance Pool
- Associate, Chartered Insurance Institute, London
- Associate, Chartered Institute of Arbitrators, UK.
- Former Director, Prestige Assurance Plc.
- Alumnus, University of Bristol, UK. Alumnus, University of South Wales, UK.
- Alumnus, Harvard Business School, USA

Board of Directors

Mr. Olumide Hanson
Company Secretary

- Member, Chartered Institute of Arbitrators, United Kingdom
- Member, Nigerian Bar Association
- Alumnus, University of Lagos
- Fellow, Institute of Chartered Secretaries and Administrators, UK.

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Assurance

Corporate Office:
121/123 Funso Williams Avenue, Iponri
G.P.O. Box 6437, Marina, Lagos.
Tel: (01)2800700
E-mail: Lcs@leadway.com

Registered Office:
NN 28/29 Constitution Road
Kaduna

Website: www.leadway.com

Connect with us on:

Director's Report

For The Year Ended 31 December 2022

All amounts are in thousands of Naira unless otherwise stated

The directors have pleasure in presenting their annual report on the affairs of Leadway Assurance Company Limited ("the Company") and subsidiary companies ("the Group") together with the consolidated and separate financial statements and the auditor's report for the year ended 31 December 2022

Legal form and principal activity

The Company was incorporated in Nigeria as a private limited liability company in September 1970. It obtained a license to operate as an insurance company in January 1971 and commenced business in January 1971.

The Company is principally engaged in the business of providing risk underwriting and related financial services to its customers. Such services include provision of life and non-life business insurance services to both corporate and individual customers.

Subsidiary company

The company owns 99.99% and 56% share holding in Leadway Vie Limited and Leadway IARD Limited respectively (""The Subsidiaries"").The subsidiaries, Vie Limited a Life insurance services provider based in Cote D'Ivoire, was acquired in April 2018, having obtained control over it and obtaining other regulatory approvals in Nigeria and Cote D'Ivoire. The General insurance business (IARD Limited) was incorporated in Cote D'Ivoire in 2022 and started business in the same year having obtained the relevant regulatory approvals in Nigeria and Cote D'Ivoire.

Operating results

The highlights of the Group and Company's operating results for the year ended 31 December 2022 is as follows:

	Group 31-Dec-22	Group 30-Dec-21	**Company 31-Dec-22**	Company 30-Dec-21
	N'000	N'000	**N'000**	N'000
Gross premium written	**92,529,579**	**70,624,353**	**90,850,483**	**70,107,557**
Profit before tax	**11,954,719**	**11,956,794**	**11,771,798**	**12,487,251**
Income tax expense	(101,125)	(576,362)	(102,263)	(542,330)
Profit for the year	**11,853,594**	**11,380,432**	**11,669,535**	**11,944,921**
Other comprehensive income	**(7,610,621)**	**4,317,798**	**(7,610,621)**	**4,317,798**
Total comprehensive income	**4,242,972**	**15,698,230**	**4,058,914**	**16,262,718**
Earnings per share (kobo) - Basic/diluted	119	114	117	119
Profit attributable to:				
- Owners of the Company	11,853,535	11,380,488	11,669,535	11,944,921
- Non-controlling interest	59	(56)	-	-
Appropriation of profit attributable to owners of the company	**11,853,594**	**11,380,432**	**11,669,535**	**11,944,921**
Transfer to:				
- Contingency reserve	1,465,013	2,353,018	1,465,012	2,353,022
- Retained earnings	10,388,522	9,027,470	10,204,523	9,591,899
	11,853,535	**11,380,488**	**11,669,535**	**11,944,921**
	-		-	

Dividends

The dividend declared and paid in 2022 was a cash dividend of N3.5bn (2021: N3.5bn) at 17.5 kobo per share (2021: 17.5 kobo per share). A dividend of N3.2bn (16 kobo per share) will be proposed at the next annual general meeting in respect of the year ended 31 Dec 2022. This has been disclosed in the financial statements.

Director's Report (continued)

For The Year Ended 31 December 2022

All amounts are in thousands of Naira unless otherwise stated

Directors and their interest

In accordance with sections 301 and 302 of the Companies and Allied Matters Act of Nigeria, 2020, Every company shall keep a register showing as respects each director of the company the number, description and amount of shares in, debentures of the company or any other corporate body. The directors who held office, together with their direct and indirect interests in the shares of the company, were as follows:

		Direct 31-Dec-22	Indirect 31-Dec-22	Direct 31-Dec-21	Indirect 31-Dec-21
Gen. Martin Luther Agwai	Chairman, Independent	-	-	-	-
Mr. Tunde Hassan-Odukale	Managing Director	-	1,069,352	-	1,069,352
Ms. Adetola Adegbayi	Executive Director	26,061	-	26,061	-
Mr. Odein Ajumogobia	Non-Executive Director, Independent	-	-	-	-
Mr. Martyn Parker*	Non-Executive Director	-	-	-	-
Mr. Ire Hassan-Odukale	Non-Executive Director	-	-	-	-
Ms. Hadiza Aliko Mohammed	Non-Executive Director, Independent	-	-	-	-
Mrs. Adebisi Lamikanra	Non-Executive Director, Independent	-	-	-	-
Dr. Ademola Odeyemi	Non-Executive Director, Independent	-	-	-	-
Mr. Thomas Huerlimann**	Non-Executive Director, Independent	-	-	-	-

Retirement and appointment of Directors

*During the year, Mr. Martyn Parker resigned as Non-Executive Director effective 11th May, 2022 .

**Mr. Thomas Huerlimann was appointed as Non-Executive Director to represent the interest of Swiss Re Direct Investments Company Limited on the Board of the Company effective 18th January, 2023.

Analysis of shareholding

The analysis of the distribution of the shares of the Company is as follows:

	31 December 2022			
Share range	**No of shareholders**	**Percentage of shareholders**	**No of holdings ('000)**	**Percentage of holdings**
Above 800,000,000	6	16%	14,870,686	74%
400,000,001 - 800,000,000	5	13%	3,193,863	16%
200,000,001 - 400,000,000	4	10%	1,000,181	5%
100,000,001 - 200,000,000	4	10%	544,781	3%
Below 100,000,000	20	51%	390,489	2%
Total	**39**	**100%**	**20,000,000**	**100%**

	31 December 2021			
Share range	**No of shareholders**	**Percentage of shareholders**	**No of holdings ('000)**	**Percentage of holdings**
Above 800,000,000	6	16%	14,870,686	74%
400,000,001 - 800,000,000	5	13%	3,190,863	16%
200,000,001 - 400,000,000	4	10%	1,000,181	5%
100,000,001 - 200,000,000	4	10%	544,781	3%
Below 100,000,000	20	51%	393,489	2%
Total	**39**	**100%**	**20,000,000**	**100%**

Shareholders with Substantial Interest in Shares

Name of shareholders	Nationality of shareholder	No. of holdings ('000)	Percentage of holdings
Swiss Re Investment Company Limited	Switzerland	5,000,000	25%
Sir. Hassan O. Odukale TRUST	Nigeria	3,934,561	20%
OHO Investments Ltd.	Nigeria	2,481,517	12%
Leadway Capital & Trusts Ltd.	Nigeria	1,459,639	7%
Book Holding I Limited	Mauritius	1,069,352	5%

Property and equipment

Information relating to changes in property and equipment is given in Note 12 to these financial statements.

Director's Report (continued)

For The Year Ended 31 December 2022

All amounts are in thousands of Naira unless otherwise stated

Donations and charitable gifts

A total sum of N50,301,000 (2021: N56,021,744) was donated to non-political and charitable organizations, in order to identify with the aspirations of the community and the environment within which the Company operates (see note 34). Details of such donations and charitable contributions are as follows:

Beneficiaries (All amounts in Naira)	**Purpose**	**31-Dec-22**	**31-Dec-21**
ACE Charity	Support for IDP's Through Ace Charity	-	2,876,560
ACE Charity	Sir Hassan 2021 Remembrance CSR	-	200,000
Action Aid	IDP Support to Women and Children in Yobe	5,500,000	-
Adire Market Week	Support to the 2022 Ogun state government Adire Week to empower women & promote the	5,000,000	-
Best Man Games	Sponsorship of the 2022 Children Finance Fair	350,000	-
Covenant University	Support for Convocation Ceremony	-	300,000
Debriche Health Development Center	Sponsorship of the 2021 Debriche Center TB/Leprosy Advocacy Campaign in Abuja	-	200,000
Dept. of Obstetrics & Gynaecology LUTH	Maintenance of Bathrooms & Toilets for Dept of Gynaecology Luth 2020/2021	-	900,000
Experience Centers	Student Experience Centers in Unilag / UI & Pan Atlantic Center	18,014,000	-
Federal Road Safety Corps	FRSC IWD Support/Ember Month Campaign	400,000	-
Genotype Foundation	Year 2021 Symposium Support	-	200,000
Gideon Orphanage Home	Sir Hassan Remembrance 2021: Payment of	-	68,000
Gideon Orphanage Home	Sir Hassan Remembrance 2021: Underwear for Gideon Orphange Kids	-	107,000
God's Home for Women Foundation	Donation to the GWHF 2021 financial Goals	-	500,000
Ile-Aanu Olu	Sir Hassan Remembrance 2021 CSR: Support for Educational Materials	-	120,000
Institute of Directors	Silver support to the 2022 IOD Luncheon	1,000,000	-
Kirikiri Female Correctional Center	Support of the Female Inmates Beauty Pageant to celebrate Women's Day	50,000	-
Lagos Creative Enterprise Week	Sponsorship of 9 Entrepreneurs to the 2022 Enterprise Week	90,000	-
Lagos State Security Trust Fund	Donation to LSSTF	5,000,000	5,000,000
Lakeshore Cancer Center	Support to the 2022 Lakeshore cancer Awareness Walk	557,400	-
Luth Cancer Press Conference	Support for media Coverage of the Awareness Programme	100,000	3,144,070
Nat. Comm for Museums & Monuments	Support to the Children's Day Event to Protect & Impact Values for Children	100,000	-
NEEM Foundation	Support for IDP's through NEEM Foundation	-	3,333,333
Nigeria Correctional Center	Prison CSR: Procurement of Freezers for Kirikiri Female Prison & Payment for Pressure	-	778,398
Nigerian Ladies Open Golf Tournament	Co-sponsorship of the 1st Western Zone Pro-Am Golf Tournament	500,000	-
Ogun State Security Trust Fund	Donation to the OGSSTF	5,000,000	5,000,000
Preventive Health Managers	Iponri Police Barracks Project	-	14,178,700
Pride Multi Media Ventures Ltd	Support to 30 Youths at the 2021 Lagos Enterprise Week	-	450,000
Runtown Communications	Founders Remembrance: Bethesda Laptop Gift	-	451,500
Sapphital Learning Ltd	Sponsorship of 100 E-Learners at the SMEDAN Digital Academy	-	1,440,000
Slum2School	Anniversary CSR: Education Sponsorship	-	2,500,000
Slum2School	Mentorship Session for Kids / Cinema Trip	589,600	-
Solid Gold	Cash Donation to support Teens Competition	50,000	-
Special Persons Association of Nigeria (SPAN)	Support to the 2022 BBOY Dance to empower Youth Communities	1,500,000	-
Toleram Science Challenge - TLZ	Science Session for All Science secondary school students in Ibeju-Lekki Axis	1,000,000	-
WIMBIZ	Sponsorship of the 2022 Networking & Personal Development Conference	1,000,000	-
Youth Leadership Initiative	IDP Support to Women and Children in Abuja IDP Camp	4,500,000	-
Others		-	2,274,183
		50,301,000	**56,021,744**

Director's Report (continued)

For The Year Ended 31 December 2022

All amounts are in thousands of Naira unless otherwise stated

Post balance sheet events

Aside from the appointment of Mr Thomas Huerlimann as Non Executive director on the 18th of January, 2023 and the proposal of a dividend of N16k. per share (Dec 2021: N17.5k) by the Board of Directors, there were no other events subsequent to the financial date which require adjustment to, or disclosure in, these financial statements.

Diversity in Employment

The group is an equal opportunity employer. Its recruitment process is devoid of any form of racial, gender or religious bias. The group boasts of a diverse and modern workforce made up of individuals (male and female) with varying skills, backgrounds and experiences. The inclusive environment promotes equity and self-belief among employees and discourages all forms of discrimination.

Employment of disabled persons

The Group operates a non-discriminatory policy in the consideration of applications for employment, including those received from disabled persons. The Group's policy is that the most qualified and experienced persons are recruited for appropriate job levels irrespective of an applicant's state of origin, ethnicity, religion or physical condition. In the event of any employee becoming disabled in the course of employment, the Group is in a position to arrange appropriate training to ensure the continuous employment of such a person without subjecting him/her to any disadvantage in his/her career development. Currently, the group has 2 persons in its employment with physical disability.

Health, safety and welfare of employees

The Group maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards.The Group also operates a contributory pension plan in line with the Pension Reform Act, 2014. It is also fully compliant with the provisions of the Employee Compensation Act. Employees are also covered under the Group Personal Accident and Workmen's Compensation Insurance schemes."

Employee involvement and training

The Group encourages participation of employees in arriving at decisions in respect of matters affecting their well-being. Thus, the Group provides opportunities for employees to deliberate on issues affecting them, with a view to making inputs to decisions thereon. The Group places a high premium on the development of its manpower. Consequently, employees are sponsored for various training courses both locally and internationally.

Directors' interests in contracts

In accordance with sections 302 and 303 of the Companies and Allied Matters Act of Nigeria, 2020, none of the directors has notified the Company of any declarable interest in contracts deliberated by the Company during the year (2021: Nil).

Auditors

Messrs KPMG professional services having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue on office as auditors to the company in accordance with section 401 (2) of the companies and Allied Matters Act of Nigeria, 2020.

BY ORDER OF THE BOARD

Olumide Hanson
FRC/2019/NBA/00000019064
Company Secretary
121/123 Funso Williams Avenue
Iponri
Lagos

20 February, 2023

Statement of Directors' Responsibilities in relation to the consolidated and separate financial statements

For The Year Ended 31 December 2022

Statement of Directors' Responsibilities in relation to the consolidated and separate financial statements for the year ended 31 December 2022

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

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

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

SIGNED ON BEHALF OF THE DIRECTORS BY:

General (Rtd) Martin Luther Agwai
Chairman
FRC/2019/CDIR/00000019923
20 February 2022

Mr. Tunde Hassan-Odukale
Managing Director
FRC/2013/IODN/00000002040
20 February 2022

Report of External Consultants on the Board Performance Evaluation of Leadway Assurance Limited

22nd February 2023

The Chairman,
Leadway Assurance Company Limited,
House 121/123 Funsho Williams Avenue,
Iponri, Surulere,
Lagos.

Dear Sir,

REPORT ON THE OUTCOME OF THE BOARD AND CORPORATE GOVERNANCE EVALUATION EXERCISE FOR THE PERIOD ENDED 31 DECEMBER 2022

PricewaterhouseCoopers ("PwC") was engaged to carry out an evaluation of the Corporate Governance practices of Leadway Assurance Company Limited ("the Company") and an evaluation of the Company's Board of Directors as required by Principle 15.1 and 14.1 of the Nigerian Code of Corporate Governance ("NCCG") 2018 and the relevant recommended principles of the National Insurance Commission Corporate Governance Guidelines for Insurance and Reinsurance Companies in Nigeria ("the CGGIRC") for the period ended 31st December 2022.

Our responsibility was to reach a conclusion on the Corporate Governance practices of the Company and the Board of Director's performance within the scope contained in our Letter of Engagement dated 21st December, 2022.

In carrying out the evaluation, we relied on representations made by members of the Board and Management of the Company, and on the documents provided for our review.

We also facilitated a Self and Peer Assessment of each Director's performance in the year under review. This assessment covered each Director's time commitment to the business of the Company and continuous learning and development. Each Individual Director's Assessment report was prepared and made available to them respectively, while a consolidated report of the performance of all Directors was submitted to the Company's Board Chairman.

The Company and the Board of Directors have complied significantly with the provisions of the Codes. Areas of compliance include oversight over:

- the Company's risk management practices;
- implementation of the Company's strategic plan; and
- financial performance of the Company, and the internal audit function.

Details of other findings and recommendations are contained in the full report.

Yours faithfully,

Femi Osinubi
Partner
FRC/2017/ICAN/00000016659
for: PricewaterhouseCoopers Chartered Accountants

PricewaterhouseCoopers Chartered Accountants
Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria
T: +234 1 271 1700, www.pwc.com/ng TIN: 01556757-0001 BN: 958268

Partners: S Abu, O Adekoya, T Adeleke, W Adetokunbo-Ajayi, S Adu, E Agbeyi, A Akingbade, UN Akpata, O Alakhume, A Atitebi, C Azobu, A Banjo, E Erhie, K Erikume, M Iwelumo, H Jaiyeola,T Labeodan, U Muogilim, C Obaro, C Ojechi, U Ojinmah, O Oladipo, W Olowofoyeku, P Omontuemhen, O Osinubi, T Oyedele, O Ubah, C Uwaegbute, Y Yusuf

Corporate Governance Report

For The Year Ended 31 December 2022

All amounts are in thousands of Naira unless otherwise stated

Introduction

Leadway Assurance Company Limited is committed to adhering with high standards of good corporate governance at all levels of its operations. The Board of Directors has continued to ensure the implementation of corporate governance principles that guarantee fairness, accountability and transparency in all its dealings within and outside the Company and its subsidiary companies. Leadway complies with all laws, regulations, rules and guidelines, applicable to insurance business, including the Code of Business Ethics and the Nigerian Code of Corporate Governance issued by the Financial Reporting Council (FRC).

Composition Of Directors

The Board of Leadway Assurance comprises a total of Eight (8) directors as at 31 December 2022. This includes the Chairman, (who is an Independent Non-Executive Director), the Managing Director, one Executive Director, one Non-Executive Director and four Independent Non-Executive Directors. The members of the Board are reliable, skilled and bring to the Board decades of experience and expertise which positively impact the oversight responsibility of the Board. Their level of expertise has manifested in the strategic direction of the company and high quality of management policies formulated over the years.

Separation Of The Role Of The Chairman From The Managing Director

The way and manner the company structured the roles of the Chairman and the Managing Director has assisted in averting overlap of roles. The Chairman who is first among equals is responsible for the overall leadership of the Board and for creating an enabling environment for the effectiveness of individual directors, while the Managing Director is responsible for the day-to-day running of the company to achieve overall efficiency of management controls. This is done in accordance with the Nigerian Code of Corporate Governance, 2018.

Diversity

"Leadway Assurance understands that diversity is fundamental to the success and sustainability of the company and enriches discussions among directors, better reflects the company's relationship with all of its stakeholders and allows for improved stewardship from a risk-management perspective. The company has its diversity policy and has committed to establish measurable objectives for achieving diversity on the Board and within management positions. In accordance with global best practice and good corporate governance, the Company maintains a female to male proportion of 38% to 62% on the Board. Also, the company maintains a 40% to 60% proportion of women to male employees of the company, out of which a portion of 32% female to 68% male exist at the Senior Management level.

The company intends to continue to create a diverse and inclusive culture by deliberately promoting increased women representation in Management positions and overall employees, based on availability of vacancy and appropriately-skilled candidates. The company remains committed to improving other dimensions on diversity to reflect global best standard and will reflect its efforts in future disclosures.

Process Of Board Appointment

"The process for the selection, nomination and appointment of a candidate to the Board is essential to ensure the Company has an optimum combination of experience and commitment towards achieving the effectiveness of the Board.

Potential candidates are identified by referrals of suitably qualified individuals by other Directors; and/or engaging external consultants that will present diverse candidates from the pool of candidates sourced.

The Nomination, Remuneration and Governance Board Committee is saddled with the responsibility of engaging, interviewing and recommending the suitable candidates, having regard to the expertise, integrity, qualification, age, experience, positive attributes, independence, competency, relationships, industry standing, diversity of gender, background, professional skills and personal qualities required to operate successfully as director. The Committee is further guided by the Succession and Diversity policies in its engagement.

In the year under review, Mr. Thomas Huerlimann was appointed as Non-Executive Director following the resignation of Mr. Martyn Parker. Mr. Huerlimann's appointment was approved by the regulator in 2023, and he will be presented to shareholders at the Annual General Meeting for approval.

Board Training and Induction

"The Chairman, in conjunction with the Company Secretary, is responsible for ensuring that induction programmes are conducted for new Directors and a continuing education programme is in place for all Directors. The Continuing education is expected to assist directors to consistently familiarize themselves with their roles and responsibilities, Corporate Governance, the Company's strategic plan, operations, and the business environment within which the company operates.

New directors undergo an Orientation and Induction programme which holds within three months of the director's appointment and entail an engagement with the Management of the company coordinated by the Company Secretary. The various sessions provide directors with understanding of the company's business, current strategy/business plan, organizational structure, delegation of authority, Board and Board Committees' annual plan, Corporate Governance and Risk Management information, the company's Board approved policies and Code of Conduct. The session also provides an insight into the Financial and Capital Management of the Company.

Directors are encouraged to attend internal and external seminars and workshops that are organized on the financial standards, new development within Corporate Governance and Mandatory trainings organized by the regulator, in order to enhance their skills and knowledge.

During the year, the directors of the company attended the following trainings/ seminars to enhance their knowledge in the discharge of their duties within the company.

- Understanding Oversight Responsibilities of Directors on Information Technology
- SG Workshop for Leadway Board of Directors facilitated by PwC
- Training on Reinsurance and its Impact on Insurance Companies
- Insurance Directors Conference 2022 organized by National Insurance Commission and College of Insurance on Corporate Governance.

Board Evaluation

The assessment of the effectiveness of the Board is key in the Board Governance Structure. The Board undergoes a rigorous evaluation process every year to assess the performance of the Board, its committees, individual directors and assessment of the Corporate Governance Practices. This exercise has been previously carried out by an independent external consultants and the Company Secretariat with outcomes reported to the Board and the sectoral regulator.

In the last 3 years, Ernst & Young carried out the evaluation of the Board, its committees, the Chairman, individual Directors, and the Company's corporate governance practices. This was in compliance with the Nigerian Code of Corporate Governance 2018 which requires

Corporate Governance Report (continued)

For The Year Ended 31 December 2022

All amounts are in thousands of Naira unless otherwise stated

the exercise to be facilitated once every three years by an Independent External Consultant. This exercise involved the use of Board Effectiveness Maturity Assessment Model which allows for quantitative performance assessment with a road map to improvement. This tool adequately assisted in the evaluation of the effectiveness of directors on the Board.

In view of the requirement by the National Insurance Commission (NAICOM) Corporate Governance Guidelines 2021, which provides for Board Evaluation to be facilitated annually by an Independent External Consultant, the evaluation for the year 2022 was conducted by PricewaterhouseCoopers. The consultant understands the expectation on Corporate Governance and improved on the Board Evaluation carried out by Ernst & Young, measure the extent of resolution of the gaps identified and provide an independent assessment report that will be submitted to the company's regulator."

Directors Standing For Re-election
In compliance with Section 285 (1 & 2) of the Companies and Allied Matters Act 2020, one-third of the company's directors are required to retire by rotation at the Annual General Meeting (AGM). This is applicable to directors who have been longest in office since their last election.

Consequently, Ms. Hadiza Aliko Mohammed and Mrs. Adebisi Lamikanra are up for retirement and are both eligible for re-election. They have both offered themselves for re-election.

The Nomination, Remuneration and Governance Committee has the responsibility to review and assess the performance of the Directors that are subject to re-election at the AGM and submits its recommendation to the Board for the proposed re-election being presented to the Shareholders for approval. The Committee makes its recommendation, taking into consideration, value contribution at Board and Board Committee meetings, deliverables on the expectations in relation to their roles and responsibilities and continuing value to the Board through in-depth reasoning, knowledge, experience and expertise.

Board Responsibility
The Board is saddled with the responsibility of making policies for the company, reviewing corporate performance, monitoring strategic decisions while ensuring regulatory compliance, safeguarding shareholders' interest and fulfilling the expectations of stakeholders. The Board met five times in the last financial year and through their leadership, the company was able to achieve its set objectives. The record of the attendance is provided below:

Meetings Held	1	2	3	4	5
Names	17th February, 2022	11th May, 2022	29th July, 2022	3rd November, 2022	2nd October, 2022
Gen. (rtd) Martin Luther Agwai (Chairman, Independent)	✓	✓	✓	✓	✓
Mr. Odein Ajumogobia (Non-Executive, Independent)	✓	✓	✓	✓	✓
Mr. Martyn Parker (Non-Executive)	✓	✓	NLD	NLD	NLD
Mr. Ire Hassan-Odukale (Non-Executive)	✓	✓	✓	✓	✓
Ms. Hadiza Aliko Mohammed (Non-Executive, Independent)	✓	✓	✓	✓	✓
Mrs. Adebisi Lamikanra (Non-Executive, Independent)	✓	✓	✓	✓	✓
Dr. Ademola Odeyemi (Non-Executive, Independent)	✓	✓	✓	✓	✓
Mr. Tunde Hassan-Odukale (Managing Director)	✓	✓	✓	✓	✓
Ms. Adetola Adegbayi (Executive Director)	✓	✓	✓	✓	✓

Key:
✓ Present   NYA - Not Yet Appointed   NLD – No Longer Director   * Apology

Committees of the board
The Board committees have been engineered to ensure proper coordination and effectiveness and these committees are saddled with responsibilities which are aimed at enhancing the operations of the company. Over the years, the committees have rendered immense assistance to the Board through regular reporting. Below are the committees of the Board:

Corporate Governance Report (continued)

For The Year Ended 31 December 2022

All amounts are in thousands of Naira unless otherwise stated

a. Enterprise Risk Management and Technical Committee:

The Committee comprise three Non-Executive Directors and two Executive Directors. Dr. Ademola Odeyemi (independent) is the presiding Chairperson of the Committee following the resignation of the erstwhile chairman, Mr. Martyn Parker and other members are Mr. Odein Ajumogobia (Independent), Ms. Hadiza Aliko Mohammed (Independent), Mr. Tunde Hassan-Odukale (Managing Director) and Ms. Adetola Adegbayi (Executive Director).

This committee assists the Board in carrying out its oversight responsibilities by:

- Coordinating and overseeing the application and effectiveness of technical controls and analysis in the insurance activities;
- Enhancing the quality, effectiveness and relevance of insurance technical reports and management information;
- Overseeing the strategic risk management process and monitoring the quality, integrity, reliability and effectiveness of the process;
- Reviewing the adequacy and effectiveness of controls on the development, introduction and maintenance of IT systems and processes.

The Committee held four meetings in the year 2022 and the attendance of directors stated below:

Meetings Held	1	2	3	4
Names	15th February, 2022	9th May, 2022	26th July, 2022	2nd November, 2022
Mr. Martyn Parker (Chairman, Non-Executive)	✓	✓	NLD	NLD
Mr. Odein Ajumogobia (Non-Executive, Independent)	✓	✓	✓	*
Ms. Hadiza Aliko Mohammed (Independent, Non-Executive)	✓	✓	✓	✓
Dr. Ademola Odeyemi (Independent, Non-Executive)	✓	✓	✓	✓
Mr. Tunde Hassan-Odukale (Managing Director)	✓	✓	✓	✓
Ms. Adetola Adegbayi (Executive Director)	✓	✓	✓	✓

Key:
✓ Present NYA - Not Yet Appointed NLD – No Longer Director * Apology

b. Audit & Compliance Committee

The Committee comprise three Non-Executive Directors. Mrs. Adebisi Lamikanra (Independent) chairs the Committee and other members are Dr. Ademola Odeyemi (Independent) and Mr. Ire Hassan-Odukale (Non-Executive Director). Mr. Martyn Parker (Non-Executive Director) exited the Board and Committee during the year. All members of the committee are financially literate and can read and understand financial statements. The Committee Chairperson is a financial expert, have current knowledge in accounting and financial management and is able to interpret financial statements.This committee assists the Board in carrying out its oversight responsibilities by:

- Monitoring the Nigerian regulatory environment for threats and/or opportunities
- Reviewing the Company's relationship with relevant regulatory agencies and authorities and recommend required steps and activities for improvement in such relationships;
- Monitoring overall compliance by the Company with the provisions of the National Insurance Commission (NAICOM) and other relevant industry regulations;
- Co-coordinating and overseeing the effectiveness of the Company's audit management and shall assist the internal and external Auditors in preparing financial reports;

Corporate Governance Report (continued)

For The Year Ended 31 December 2022

All amounts are in thousands of Naira unless otherwise stated

The committee held four meetings in the year 2022 and the attendance of directors stated below:

Meetings Held	1	2	3	4
Names	**16th February, 2022**	**10th May, 2022**	**27th July, 2022**	**3rd November, 2022**
Mrs. Adebisi Lamikanra (Independent, Chairperson)	✓	✓	✓	✓
Mr. Martyn Parker (Non-Executive)	✓	✓	NLD	NLD
Mr. Ire Hassan-Odukale (Non-Executive)	✓	✓	✓	✓
Dr. Ademola Odeyemi (Independent Non-Executive)	NYA	✓	✓	✓

Key:
✓ Present **NYA - Not Yet Appointed** **NLD – No Longer Director** *** Apology**

c. Finance, Investment & General Purpose Committee

The Committee comprise four Non-Executive Directors and two Executive Directors. Mr. Odein Ajumogobia (Independent) Chairs the Committee and other members are Ms. Hadiza Aliko Mohammed (Independent), Dr. Ademola Odeyemi (Independent), Mr. Ire Hassan-Odukale (Non-Executive Director), Mr. Tunde Hassan-Odukale (Managing Director) and Ms. Adetola Adegbayi (Executive Director).

This committee assists the Board in carrying out its oversight responsibilities by:

- Reviewing Management Accounts and report to the Board against Best Practice;
- Developing, monitoring and reviewing efficiency of the Company's investment policies;
- Determining, developing and reviewing the Company's investment parameters inconsistence with business trends, Company's investment capacity and compliance obligations;
- Ensuring at all times that the Company's investment policies reflect the objectives of safety and maintenance affair returns on investments;
- Establishing standards, rules and guidelines for the Company's investment management operations;
- Evaluating the value of the daily marked-to-market portfolios and make proposals to the Company's Board accordingly;
- Reviewing from time to time the Company's investment strategy with a view to sustaining medium to long term competitive edge.

The committee held four meetings in the year 2022 and the attendance of directors stated below: "

Meetings Held	1	2	3	4
Names	**16th February, 2022**	**10th May, 2022**	**27th July, 2022**	**3rd November, 2022**
Mr. Odein Ajumogobia (Independent, Chairman)	✓	✓	✓	✓
Mr. Ire Hassan-Odukale (Non-Executive)	✓	✓	✓	✓
Ms. Hadiza Aliko Mohammed (Non-Executive, Independent)	✓	✓	✓	✓
Dr. Ademola Odeyemi (Non-Executive, Independent)	✓	✓	✓	✓
Mr. Tunde Hassan-Odukale (Managing Director)	✓	✓	✓	✓
Ms. Adetola Adegbayi (Executive Director)	✓	✓	✓	✓

Key:
✓ Present **NYA - Not Yet Appointed** **NLD – No Longer Director** *** Apology**

Corporate Governance Report (continued)

For The Year Ended 31 December 2022

All amounts are in thousands of Naira unless otherwise stated

d. Nomination, Remuneration & Governance Committee

The Committee comprise three Non-Executive Directors. Mr. Odein Ajumogobia (Independent) (replaced the erstwhile Mr. Martyn Parker who previously chaired the Committee) and the other members are Mrs. Adebisi Lamikanra (Independent) and Mr. Ire Hassan-Odukale (Non-Executive Director).

This committee assists the Board in carrying out its oversight responsibilities by:

- Annually review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and other Committees;
- Give full consideration to and ensure the company has a succession policy and planning for Chairman of the Board, Managing Director, all other Executive Directors, Non-Executive Directors and other Senior Management positions;
- Be responsible for the process of identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- Establish a formal and transparent process for Board appointments, including establishing the criteria for appointment to the Board and Board committees, reviewing prospective candidates' qualifications and any potential conflict of interest; assessing the contribution of current Directors against their re-nomination suitability, and making appropriate recommendations to the Board;
- Develop a process for, and ensure that the Board undertakes, an annual performance evaluation of itself, its committees, the Chairman and individual Directors, as well as the Company's corporate governance practices.
- Undertake the annual assessment of the independent status of Independent Non-Executive Directors (INED);
- Consider the extent to which the company's governance arrangements are consistent with the various Corporate Governance Codes, and make recommendations to the Board accordingly;
- Review the governance section of the annual report and make recommendations to the Board for approval;
- Develop, review, administer and recommend to the Board for approval of Corporate Governance policies;
- Review annually the Key Performance Indicators (KPIs) set for the Chief Executive and Executive Directors by the Board and their performance evaluation;
- Ensure the development and periodic review of Board charters, Board committee charters and other governance policies, such as the code of ethics, conflict of interest and whistleblowing policies among others.

The committee held three meetings in the year 2022 and the attendance of directors stated below: "

Meetings Held	1	2	3
Names	**3rd February, 2022**	**11th May, 2022**	**3rd November, 2022**
Mr. Martyn Parker (Non-Executive Director, Chairman)	*	✓	NLD
Mr. Odein Ajumogobia (Independent, Non-Executive)	✓	✓	✓
Mrs. Adebisi Lamikanra (Independent, Non-Executive)	✓	✓	✓
Mr. Ire Hassan-Odukale (Non-Executive Director)	✓	✓	✓

Key:
✓ Present **NYA - Not Yet Appointed** **NLD – No Longer Director** *** Apology**

e. Strategy Implementation Committee

The Committee comprise three Non-Executive Directors and two Executive Directors. Dr. Ademola Odeyemi (Independent) chairs the Committee and other members are Ms. Hadiza Aliko Mohammed (Independent), Mrs. Adebisi Lamikanra (Independent), Mr. Tunde Hassan-Odukale (Managing Director) and Ms. Adetola Adegbayi (Executive Director).

This committee assists the Board in carrying out its oversight responsibilities by:

- To act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company and to conduct the business of the company in line with high ethical and sound best practices;
- To exercise objective independent judgment on corporate affairs.
- To review and implement the company's strategic plans and the risks associated with those plans
- To review the corporate strategy, major plans of actions, risk policy, business plans, set performance objectives, monitor implementation and corporate performance and oversee major capital expenditures and acquisitions.
- To review the company's overall strategy with regards to mergers and acquisitions, exit from existing lines of business, joint ventures, business expansions, etc. and any strategic initiatives identified by the Board or Management from time to time.
- Assist management in the development of the company's strategy including reviewing and discussing with management, the strategic directions and initiatives of the company and the risks associated with the company's strategy.
- Review with Management, the process for development, approval, and modification of the company's strategy and strategic plan
- Assist management with identifying key issues, options and external developments impacting the Company's strategy. To discuss with management periodically to monitor the Company's progress against its strategic goals.
- Ensure the Board is regularly apprised of the Company's progress with respect to implementation of any approved strategy.
- Ensure the annual budget is consistent with strategic intents."

Corporate Governance Report (continued)

For The Year Ended 31 December 2022

All amounts are in thousands of Naira unless otherwise stated

The committee held two meetings in the year 2022 and the attendance of directors stated below:

Meetings Held	1	2
Names	**1st May, 2022**	**1st November, 2022**
Dr. Ademola Odeyemi (Independent, Non-Executive, Chairman)	✓	✓
Ms. Hadiza Aliko Mohammed (Independent, Non-Executive)	✓	✓
Mrs. Adebisi Lamikanra (Independent, Non-Executive)	✓	✓
Mr. Tunde Hassan-Odukale (Managing Director)	✓	✓
Ms. Adetola Adegbayi (Executive Director)	✓	✓

Key:
✓ Present NYA - Not Yet Appointed NLD – No Longer Director * Apology

a. Tenor of directors

The tenure for the Managing Director and the Executive Directors are determined by the Board taking into account performance, the existing succession planning mechanism, continuity of the Board and the need for continuous refreshing of the Board.
The tenure of each of the company's Non-Executive Director is for a defined period and can be re-elected for additional terms subject to satisfactory performance and approval by the shareholders. However, the principles of Nigerian Code of Corporate Governance 2018 caps the tenure of an Independent Non-Executive Director at a cumulative term of nine years.

	Directors	Date of Admission	Years of Service
1	Gen. Martin Luther Agwai (Chairman, Independent)	10th November, 2016	6 years 2 months
2	Tunde Hassan-Odukale (Managing Director)	1st January, 2020	3 year
3	Adetola Adegbayi (Executive Director)	6th December, 2012	10 years, 1 month
4	Mr. Odein Ajumogobia (Non-Executive, Independent)	1st January, 2017	6 years
5	Mr. Martyn Parker (Non-Executive)	3rd February, 2020	2 years, 4 months
6	Mr. Ire Hassan-Odukale (Non-Executive)	8th May, 2020	2years, 8 months
7	Ms. Hadiza Aliko Mohammed (Non-Executive, Independent)	1st April, 2021	1 year, 9 months
8	Mrs. Adebisi Lamikanra (Non-Executive, Independent)	19th July, 2021	1 year, 5 months
9	Dr. Ademola Odeyemi (Non-Executive, Independent)	28th September, 2021	1 year, 3 months

The Director and Chairman, Enterprise Risk Management & Technical Committee, Mr. Martyn Parker resigned effective 11th May, 2022.

Corporate Governance Report (continued)

For The Year Ended 31 December 2022

All amounts are in thousands of Naira unless otherwise stated

b. External auditor

KPMG Professional Services was appointed as the company's External Auditor in 2018 following the expiration of the 5 year tenure of PricewaterhouseCoopers Chartered Accountants as required by the National Insurance Commission Code of Corporate Governance 2009. This was before the advent of the Nigerian Code of Corporate Governance 2018 which provided for a 10 year tenure for External Auditors.

The Company went through a tender process and after careful review of the value proposition of the bidders and the commitment to avoid potential conflict of interests in relation to non-audit services and ensure the independence of the auditor, KPMG was selected and approved by the company's shareholders.

In compliance with the NAICOM Corporate Governance Guidelines which provides that the tenure of external auditors shall be for a period of four (4) years in the first instance and may be re-appointed for a further period of four (4) years, the re-appointment of KPMG Professional Services has been presented to NAICOM for approval.

The audit partner leading the 2022 financial audit is Kabir Okunlola and has held the role for four years. The role of audit partner will be rotated after completion of the 2022 year-end audit in line with the Nigerian Code of Corporate Governance 2018.

c. Statement on availability of code of business conduct and ethics

The company has a Board approved Code of Business Conduct and Ethics which sets out broad principles and practices that guide each and every member of the Board, Management and employees in their conduct and decision making for the company. The directors, Management and employees are abreast with the Code of Business Conduct and Ethics and have declared their understanding of their fiduciary duty to shareholders and other stakeholders of the Company.

Highlights Of Human Resources Management

HR policy highlights

The Company continues to review her governance frame works, risks as well as proactively design human resource practices that will enable it thrive as dynamics of the workplace evolves. The Human Resources policies are reviewed periodically as part of the company's commitment to ensure continued applicability and growing changes in the Human Resource space and workspace dynamism.

As the world heaved a sigh of relief from the Covid-19 pandemic, the workplace globally began to grapple with the increased voluntary attrition and emigration driven by the economic reality of the world. The company's evaluation of the situation reflects that external factors accounted for more than 85% of this phenomena. Steps were taken to ensure that the business was edged from indicative risks exacerbated by this factor and provided varying mitigating measures.

This includes different type of contracts such as shared, remote, exploration of agile alumni for fixed terms and use of contingent workforce as maybe applicable. The frequency of the company's Graduate Trainee program was also revised to increase speed to business and pipelining while employer value proposition was revised and innovation was infused into the onboarding experience in a bid to drive retention. The company has maintained hybrid model of work and embraced the concept of Micro-workers, Mobile workers, Gig workers etc. The various technologies utilized for hybrid work models continue to set us apart while enhancing collaboration and delivery of excellent service to customers.

In furtherance of our strategy, we will continue to embrace multiple change management approaches that guarantee a Customer experience culture that provides value to our stakeholders.

- **Performance Management Policy** is to establish and maintain a performance culture, creating an enabling environment for employees to develop their abilities and achieve optimal possible potential to ensure a workplace where the staff performance review process is fair, consistently applied and shall not be perceived nor used as a punitive system. The process is designed to measure the achievement of company strategic goals.

- **Recruitment & Selection Policy** seek to attract, select, recruit and retain people with the right skill set, expertise, experience and qualifications to meet business aspirations, whilst offering a rewarding and fulfilling career with opportunities for growth and personal development. The recruitment process is driven by the Workforce plan, utilizing the Build, Borrow, Buy and Bounce strategy.

- **Compensation & Benefit Policy** adopts a compensation philosophy that ensures employees are equitably remunerated within competitive market salary scales to drive and reward excellent performance while utilizing global recognized frameworks. The aim is to maintain a pay structure that attracts, motivates and retains the highest caliber of talents at all levels. These include recognition awards, short and long term incentives pay as well as non-monetary rewards, benefits and perquisites.

Workplace Initiatives

- **Capability Building –** One of such is Leader-led sessions, a business continuity initiative that ensures knowledge transfer across the company it provides the opportunity to directly address knowledge gaps from day to day operation and increase breadth of knowledge in teams. We also have instituted, job rotation and expansions, mentorship and coaching frameworks, Talent Exchange programme and pipeline building, Quarterly Performance Reviews where we proactively assess market dynamics and align our strategies accordingly. We strategically partnered with Functional Experts to drive expertise in functional areas, thereby skilling employees, ensuring they are at par with colleagues globally.

- **Employee Engagement and Support –** The Company recognizes that employee engagement is a key driver of productivity which directly impacts profitability. It has multifaceted initiatives to feel the pulse of the workforce and creating tools and drivers for such engagements that the drive workplace productivity. These include Annual Engagement Surveys, Town Halls and Village Meetings, Open days, Dial in sessions, CSR events, power clusters etc. In addition we practice customized onboarding systems, Team Bonding, Happy Hour, motivational talks, career conversations. We have structured support systems such as fund channels, Health plans and annual medical checks, Gym, Crèche, Corporate Fitness, interdepartmental-games, Employee Wellbeing Sessions as well as Employee Assistance Programs in place to drive positive mental wellbeing and create an exceptional employee experience.

- **Diversity and Inclusion –** As an equal opportunity organization, the company is committed to an inclusive culture that respects and embraces the diversity of employees, clients and community. This aims to attract, develop and retain the best people from all culture, ethnicity, gender, abilities, background and experiences. We increased the numbers of differently abled employees to the workforce and modified the working environment to cater for this category of employees.

- **Culture Audit –** This is a detailed assessment of the organization's culture to help us determine overall working environment, employee sentiments, and unspoken rules around employee interactions and team communication. This will assist the company to determine the critical areas to focus on towards positively increasing employee experience, drive focus on our customer centric culture and achieve our aspirations over the next few years.

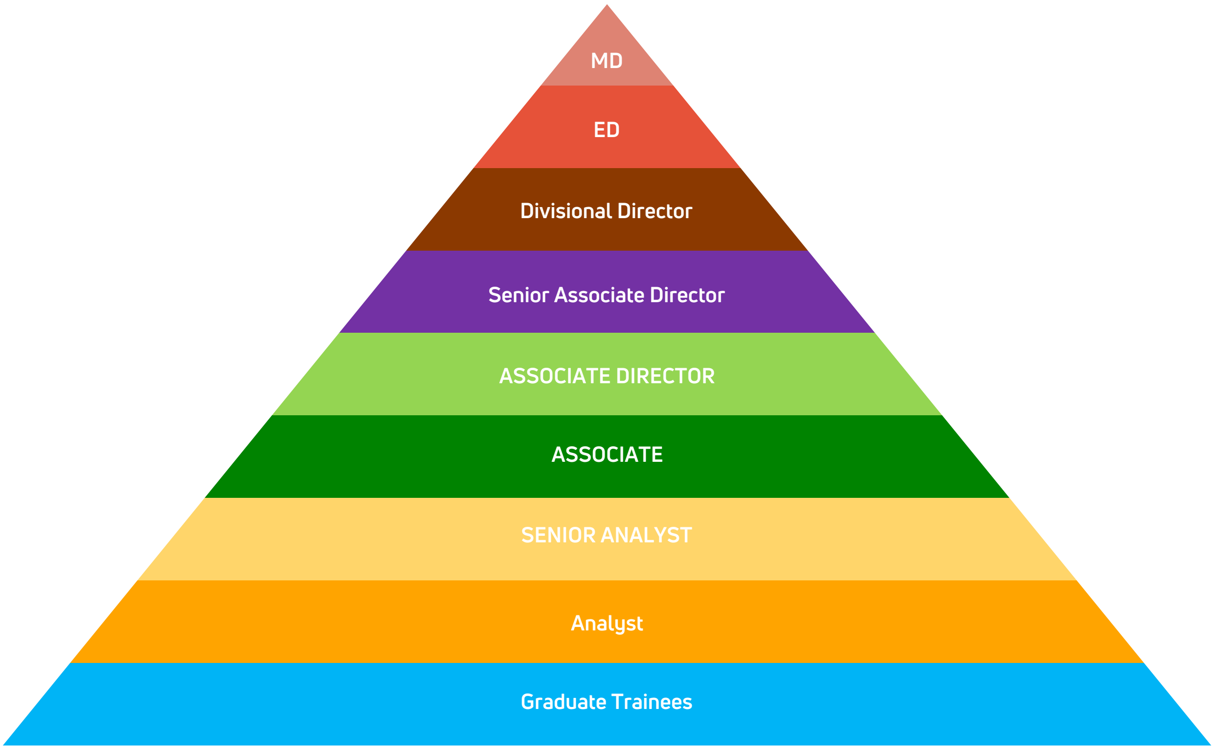
Corporate Governance Report (continued)

For The Year Ended 31 December 2022

All amounts are in thousands of Naira unless otherwise stated

Internal Management Structure

The internal Management Structure of the company is as reflected below.



Highlights of Programs on Social Issues

Highlights of Cases of Claw Back

In line with the company's Claw Back policy, the Nomination, Remuneration & Governance Committee has reviewed the company's account and financial performance to ascertain if there has been undeserved award arising from the company's account and financial performance that has been materially false, misstated, misleading, erroneous, or there has been instances of misdemeanour, fraud, material violation of Company policy or material regulatory infractions.

The Committee has satisfied itself that there is no incidence necessitating the company to recover excess or undeserved reward, such as bonuses, incentives, share of profits, or any performance-based reward, from Directors and senior employees.

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Fines and Penalties

This has been disclosed in notes 41

Nature of Any Related Party Transactions

This has been disclosed in note 39

Directors' Renumeration Policy

Remuneration policy of Leadway Assurance was initially approved in 2019. A revised version was approved by the Board in November, 2022 and shall apply for a period of three (3) years except there is an earlier review to ensure its continued appropriateness and applicability. The remuneration of Non-Executive Directors is not necessarily market leading but reflective of the prudence and conservatism of the company without undermining sufficient remuneration commensurate with the dedication and responsibility of directors.

The remuneration of Executive Directors is fairly competitive and incentivizes the directors to achieve the business plan, in alignment with the company's long term strategy and to promote the retention of Executive Directors.

The remuneration of directors takes into primary consideration the performance of the company and prevailing economic situation.

Corporate Governance Report (continued)

For The Year Ended 31 December 2022

All amounts are in thousands of Naira unless otherwise stated

KEY ASPECTS OF THE REMUNERATON POLICY OF DIRECTORS

EXECUTIVE DIRECTORS

Remuneration Elements	Payment basis and mode
Basic Salary Salaries earned during the payroll period. **Benefits and Allowance** (In cash or kind) An amount paid as Benefits/packages by the company to meet the basic needs.	Monthly Quraterly / Annually
Variable Pay A performance based sum awarded to Executive Directors for attaining or exceeding their assigned responsibilities	• **Quantitative** Gross Premium, Profit Before Tax (PBT), Taxes, Return on Invested Capital (ROIC) and performance of Leadway (Annually)
Long term incentive plan A plan created to reward directors for attaining company's long term goals and shareholders' interest. This aids the retention of key personnel and promotes commitment to long term growth.	• **Qualitative** Strategic milestones and initiatives that need to be achieved and implemented on areas such as strategy, innovation, business development, synergy, human capital management, financial management and societal development."

NON-EXECUTIVE DIRECTORS

Category- Fixed/Variable	Component	Component description
Fixed	Fees	A fixed annual sum provided to Non- Executive Directors for their ongoing contribution to the Board and as an incentive to attract and retain talent. This is payable on a quarterly basis.
Fixed	Meeting/ Sitting allowance	A payment made to Non-Executive Directors on a per-meeting basis. This is condition on attendance (physical or virtual) which is a prerequisite for remittance.
Fixed	Medical Allowance	A fixed annual amount paid to Non-Executive Directors for the medical needs and upkeep. This is payable on the first working day of every year.

Highlights of the remuneration paid to directors is contained in Note 33 of the financial statements.

Corporate Governance Report (continued)

For The Year Ended 31 December 2022

All amounts are in thousands of Naira unless otherwise stated

SUMMARY OF RISK MANAGEMENT FRAMEWORK

Introduction

The Summary of the Risk Management Framework is contained in the Risk Management disclosures on page 54.

STATEMENT ON THE COMPANY'S ENVIRONMENTAL, SOCIAL, AND CORPORATE GOVERNANCE (ESG) ACTIVITIES

Leadway Assurance is devoted to being one of the businesses in Africa strengthening societies' risk-resilience, protecting people, and preserving the environment that sustains us. To improve our response to ESG, we have partnered with one of the Big Fours to develop a sound ESG strategy that drives a mindset of change and inspires action from our internal and external stakeholders towards achieving sustainability.

Our ESG pillars would focus on customer centricity, building an ethical and trusted organization and improving our employees' experience. We would continue to work with our partner consultants to develop and implement an ESG strategy that involves building customer centricity through more sustainable operations, assisting communities in becoming more resilient to natural catastrophes through preventive measures, and delivering long-term value for shareholders.

We have the desire to run an impactful business which inspires our commitment to Corporate social responsibility (CSR), we support several programs and initiatives that significantly improve the lives of the less privileged in our society. These programs and initiatives reach people with disabilities, public schools, and internally displaced people nationwide. We sincerely believe that acting morally includes generating benefits for the business as well as society.

Our ultimate goal is to conduct business in a morally upright manner by balancing the needs of the economy, the environment, and society. We are dedicated to collaborating with everyone who supports our ambition because we believe that by working together, we can have the most impact."

STATEMENT ON THE BOARD'S LEVEL OF APPLICATION OF THE CORPORATE GOVERNANCE CODE

The Board of Leadway Assurance engaged the services of PricewaterhouseCoopers to evaluate its level of compliance with the Nigerian Code of Corporate Governance 2018. The Board, in its commitment to ensure compliance with the Code, has taken steps to remedy gaps identified and is now adequately compliant with the application of the Code. The Board will continue to improve its effectiveness to ensure that it becomes a leading practice reference in Corporate Governance for others to emulate.

BY ORDER OF THE BOARD

Olumide Hanson
FRC/2019/NBA/00000019064
Company Secretary
121/123 Funso Williams Avenue

Iponri
Lagos

20 February, 2023

Strategy for Handling Feedback and Complaints

For The Year Ended 31 December 2022

Our customers progressively become more informed and erudite, there is greater demand for customized and personalized insurance products and services.

One of our key strategy to providing an enhanced customer experience is our provision of a 24/7 customer service. This ensures continuous customer engagement through our complaints management and customer resolution. Our Investment in technology has grown tremendously to provide our customers with the option of self –service . To this regard a continuous gear to enhancing our own data management is very pertinent. We have also improved our feedback gathering mechanisms. Our services have been extended to managing our customers efficiently through our digital platforms which includes our Mobile Apps, Web chats, WhatsApp and CRM integration. We are constantly incorporating customer feedback from these channels into product design/ redesign. This has resulted in improved product acceptability and reduced cases of product failures and attainment of customer goodwill.

With the above, Leadway seeks to expand its customer loyalty with an all-inclusive view and wider understanding of the customer. Customer journey maps and plans are been developed based on insights and analysis from direct feedback from customers. This has proven to be very effective in understanding customer's pain points and boosting our customer retention.

Complaints Channels
We have provided various channels for customers to provide feedback on our products and services.
These platforms include:

- Our Leadway Assurance Company Limited Customer Service front desks, corporate office and designated branches for walk in customers
- Complaint e-mail channel; insure@leadway.com
- Our Leadway Assurance Company Limited hotline; 01-2700700, 01-2800700, 08129997027, 08129997178
- Our website platform; www.leadway.com
- Our Leadway Mobile App
- Our Leadway WhatsApp - 08080577724
- Social media
  - Facebook - www.facebook.com/LeadwayAssurance/
  - Twitter - @LeadwayInsure
  - Google Plus - Plus.google.com/+LeadwayAssurance
  - Linkedin - www.linkedin.com/company/leadway-assurance-co--ltd"

Customers can also pay a visit to any of our Leadway Assurance Company Limited Welcome Centers located across the country for business enquiries and resolution.

Resolution Mechanism

At Leadway Assurance Company Limited, we have put in place a standard system to ensure that customers' feedback are received and promptly resolved. For this purpose we have a dedicated Customer Service Department (CSD) which is responsible for the prompt investigation and resolution of customers' complaints within the approved period. The Customer Service Department liaises with other units within the organization and ensures that customers' complaints are satisfactorily resolved.

Customers' complaints are stream-lined based on the type of complaints to provide an enabling environment for proper monitoring, proper documentation and effective feedback process of received complaints.

The process flow of customer complaint and resolution is as follows:

- The customer care officer acknowledges and attends to the various customers' complaints.
- The complaint is reviewed and it is determined if the complaint could be resolved at first-level.
- Where the complaint can be resolved at the first level, a resolution is immediately provided to the customer.
- If such complaint cannot be resolved at the first level, the customer care officer creates a case on our Dynamics CRM (Customer Relationship Management) application. This will in turn generate a Case ID number for escalation and tracking of case to resolution.
- Customer Care officer forwards and follow-up on the complaint with the appropriate unit in the organisation to handle.
- Upon resolution, the customer is contacted and the resolution is explained to the customer.
- The case is closed and marked as resolved.

In addition to our present process, we are currently building a more robust CRM to adequately manage all complaints and to give the best response time in this area of our services.

Strategy for Handling Feedback and Complaints (continued)

For The Year Ended 31 December 2022

Customers' loyalty and opinion on products

To enrich our customers experience we also periodically evaluate public/customer opinion about our services, products and policies. The evaluation is conducted in various ways including:

- One-on-one focus meetings with key customers
- Interviews with selected customers
- Online Customer Feedback Survey and Questionnaires administered to customers

This is to afford our organization the opportunity of receiving customers' perception about the company, in order to ensure that efforts can be put in place to close such gap(s) in our service delivery or improve upon the process, service or product.

Feedback on Customers' Complaints to Leadway Assurance

Feedback on customers' complaints is provided to Management and other relevant Units in the organisation

The feedback gathered ensures that:

- Leadway Assurance Company Limited retains her customers as customers feel appreciated and respected,
- The quality service delivery at Leadway Assurance Company Limited is maintained and made uniform across board.
- A reliable source of identifying improvement opportunities is presented to management.
- A reliable source of data on customers' complaints and expectations is collated.

The feedbacks are circulated to management staff through the company's internal information channel for the general information of all staff.

Report of complaints received and resolved by the organisation between January-December 2022.

Month	Complaints received during the year	Number of complaints resolved	Number complaints unresolved	Number of unresolved complaints within SLA*
January	2	2	-	-
February	2	2	-	-
March	4	4	-	-
April	1	-	-	1
May	2	2	-	-
June	3	3	-	-
July	1	1	-	-
August	2	2	-	-
September	1	1	-	-
October	2	1	-	1
November	2	2	-	-
December	1	-	-	1
Total	23	20	-	3

Complaints not resolved within the turnaround time, can be attributed mainly to the unavailability of these customers either via mail or phone call after resolution of their complaint but all complaints are usually treated within 24hrs (depending on the source of the error). The unresolved complaits are receiving management attention for resolution

Strategy for Handling Feedback and Complaints (continued)

For The Year Ended 31 December 2022

Month	Complaints received during the year	Number of complaints resolved	Number complaints unresolved	Number of unresolved complaints within SLA*
January	3	3	-	-
February	5	4	1	1
March	3	3	-	-
April	2	2	-	-
May	7	7	-	-
June	8	8	-	-
July	5	5	-	-
August	5	4	1	1
September	4	4	-	-
October	1	1	-	-
November	1	1	-	-
December	1	1	-	-
Total	45	43	2	2

Complaints not resolved within the turnaround time, can be attributed mainly to the unavailability of these customers either via mail or phone call after resolution of their complaint but all complaints are usually treated within 24hrs (depending on the source of the error).

Management Discussion and Analysis

This 'Management Discussion and Analysis'" (MD&A) has been prepared as at 31 December 2022 and should be read in conjunction with the consolidated financial statement account of Leadway Assurance Company Limited and subsidiary.

Leadway Group is made up of Leadway Assurance Company Limited, (parent company) and two subsidiaries Leadway Vie and Leadway Incendie, Accident,et Risque Divers (IARD) Cote d'Ivoire. The company is registered and incorporated in Nigeria and its major business activities are: provision of Insurance risk underwriting to Public Sector, corporate and individuals customers in Nigeria. The Group is also established and run in such a way that it will become the biggest insurance company in Nigeria with future outlook to expand to other parts of Africa. Leadway Vie Cote d'Ivoire is a life Insurance Company which was "born digital"

Leadway Vie was launched in (2018). The Company completed it's third full year this financial year. Leadway Vie has been planned and is being executed as a digital-led business. The Company is continually changing the insurance landscape with its suite of digital tools, products and digitized processes. Leadway Vie will continue to be a pacesetter and a company that can be trusted- we will not tell stories when our customers need us. This remains our first venture outside Nigeria as at this reporting date.

Leadway Incendie, Accident,et Risque Divers (IARD) is a non-life Insurance company which started operations in 2022

Forward Looking Statements
The MD&A contains factual statements relating to Leadway Assurance Company Limited Group's financial and other projections, expected future plans, event, financial and operating results, objectives and performance as well as underlying assumptions all of which involve risk and uncertainties. These statement reflect management's current belief and are based on information available to Leadway Assurance Company Limited and are subject to certain risk, uncertainties and assumptions.

Business Strategy of the Company and Overall Performance
Leadway is running a new strategic cycle that spans from 2022 to 2024. Our Ambition is to remain the dominant insurance company in Nigeria in Revenue and Profit Market share within the corporate and retail market segments. The Strategy is centered on enhancing our current Business model and growing the market. We would focus on improving Customer Centricity, Building a Leading People & Culture, Rewarding Digital Transformation and reconfiguring the business for agility and efficiency.

To enhance our current business, we would pay attention to improving Operational Efficiency to deliver quality service, Simple and unique customer experience across all touch points. We will seek to maintain our technical leadership by having the best in class underwriting team in the markets that we play. Considering the tightening margins, we would work towards becoming the lowest cost producer in order to continue to deliver value to our customers and shareholders. Our brokers remain our biggest partners, we would seek to strengthen our relationships with them.

For our share of the market to grow, we will continue to grow the market by pursuing new customer segments and distribution channels. We can only serve these new segments by understanding the customer and coming up innovative products that meet their needs, that is within their budget and easily accessible.

We believe that the Retail and MSME segments will deliver the next phase of our growth. We would work towards driving insurance uptake by this segment by becoming the Insurer they think of in moments that matter.

Financial Performance
(Amounts are stated in thousands of Nigerian Naira)

	Group			Company		
	31-Dec-22	31-Dec-21	% change	31-Dec-22	31-Dec-21	% change
Gross Premium	92,529,579	70,624,353	31%	90,850,483	70,107,557	30%
Net Premium	65,214,927	47,558,050	37%	64,040,321	47,083,619	36%
Total Underwriting Income	68,288,918	50,650,695	35%	67,059,098	50,167,806	34%
Investment Income	40,609,127	27,128,970	50%	40,364,485	27,100,693	49%
Claims expenses	23,555,798	16,455,880	43%	23,274,515	16,313,010	43%
Annuity Claim	33,900,226	31,370,835	8%	33,900,226	31,370,835	8%
Underwriting expenses	13,435,296	9,520,194	41%	13,259,557	9,435,364	41%
Underwriting Profit/(Loss)	(5,633,099)	71,642,102	-108%	(6,272,471)	71,555,436	-109%
Operating expenses including employee benefit expenses	13,068,778	10,340,138	26%	11,811,571	9,938,121	19%
Profit before tax	11,954,719	11,956,794	0%	11,771,798	12,487,251	-6%
Earnings per share in kobo	119	114	4%	117	119	-2%

Management Discussion and Analysis (continued)

Performance ratios (based on Gross Written Premium)

	Group		Company	
	31-Dec-22 %	31-Dec-21 %	31-Dec-22 %	31-Dec-21 %
Underwriting expenses ratio	15	13	15	13
Claims ratio	62	68	63	68
Operating expenses ratio	14	15	13	14
Combined ratio	91	96	91	96
Underwriting profit ratio	-6	101	-7	102
Profitability ratio	13	17	13	18

Performance ratios (based on Net Written Premium)

	Group		Company	
	31-Dec-22 %	31-Dec-21 %	31-Dec-22 %	31-Dec-21 %
Underwriting expenses ratio	21	15	21	14
Claims ratio	88	73	89	73
Operating expenses ratio	20	22	18	21
Combined ratio	129	110	128	109
Underwriting profit ratio	-9	151	-10	152
Profitability ratio	18	25	18	27

Revenue and underwriting Result
The Group recorded a 31% increase in Gross Premium Written, this could be attributed to our ability to acquire new businesses for Group Life and also ensure the renewal of our existing businesses.

The Group paid out N57 billion in claims and insurance benefits, an increase of 20% over the previous year's payout. The Gross claims ratio finished at 62%, compared to the previous we witnessed a reduction, this is supported by our improved revenue.

Underwriting results at the end of the year amounted to an N6.26 billion loss compared with the N71.6 billion profit recorded in the prior year. This was mainly due to a rise in the yield on Bond securities during the course of the year which resulted in an increase in liabilities of our life business by N3 billion compared to the previous year's decrease of N78 billion.(see note 25 a.ii)

Investment Income
Group's Investment income for the year amounted to N40.6 billion with a prior year performance of N27.1 billion which translates to a 50% increase over the previous year. Interest income from bonds continues to dominate our investment income. Our Investment strategy continues to be liability-led where we position our Investment activities to reflect the nature of our Insurance liabilities in accordance with regulatory dictate and Internal Governance Framework.

Operating Expenses
The Group's total Operating expenses for the year amounted to N13.0 billion as against N10.3 billion in the prior year. As a proportion of our Net Written Premium operating expense was flat. However, in absolute terms it increased by 34% Year-on-Year reflecting both local and international inflationary environments. There are however ongoing initiatives to keep our operating expenses within reasonable limits, we expect some of these initiatives to have multi-year effects on our costs into the future. (see note 33 and note 34)

Foreign exchange revaluation gain
The foreign exchange gain on performance was due to the impact of currency devaluation which was gradually carried out during the course of the year. This resulted in exchange gains on financial assets as stated in the financial statements, at the same time, liabilities denominated in foreign currencies were translated at the closing FMDQ rate to reflect an accurate position of these liabilities. The foreign currencies liabilities are well-matched as the assets supporting them were also held in foreign currencies as at 31 December 2022.

Fair Value Gain/Loss
The Investment Portfolio responded to upward movement in yield with the Monetary Policy rate increasing cumulatively by 500bps to 16.5% (11.50%, 2021), this was driven by the response of Monetary Authorities to the consistent high inflation witnessed during the year. Another factor that drove interest rate rise includes an increase in government borrowing required to fund the budget deficit.

Profit Before Tax
We reported a Group Profit Before Tax of N11.954 billion compared to the previous year of N11.956 billion, this was a decrease of 0.02%. This movements was a result upward movement in Bond yield, and increase in Operating expenses.

Independent Auditor's Report

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

Telephone 234 (1) 271 8955
234 (1) 271 8599
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Leadway Assurance Company Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Leadway Assurance Company Limited ("the Company") and its subsidiaries (together, "the Group"), which comprise:

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

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Company and its subsidiaries as at 31 December 2022, and of its consolidated and separate financial performance and its consolidated and separate 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 consolidated and separate Financial Statements* section of our report. We are independent of the Group and 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 consolidated and separate 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 consolidated and separate 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.

Independent Auditor's Report (continued)

KPMG

Valuation of Insurance Contract Liabilities

The Group had Insurance contract liabilities of ₦383 billion in its books as at 31 December 2022 (Dec.2021: ₦358 billion). The valuation of insurance contract liabilities involves high estimation uncertainties and management makes significant judgments over uncertain future outcomes. The level of complexity, the assumptions and judgment involved in estimating the amounts make insurance contract liabilities a matter of significance to our audit.
Provisions for reported claims are based on historical experience. However, the eventual liabilities may differ from the estimated amounts. Furthermore, the estimated liabilities for claims that have occurred but are yet to be reported in respect of non-life insurance contracts involve economic assumptions about inputs such as inflation rate, ultimate loss ratio and discount rates, hence the eventual outcome is uncertain.
The actuarial assumptions used in the valuation of life insurance contract liabilities are judgmental, particularly with respect to mortality rates, expenses and discount rates.

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 implemented by the Group and the Company which includes management review of data used for the valuation of insurance contract liabilities.
- We tested the accuracy and completeness of the data used in actuarial valuations by checking the claims paid, outstanding claims and underwriting information to the underlying data.
- We engaged our actuarial specialists to challenge the appropriateness of the methodology used by the Group and the Company's external actuary in calculating the insurance contract liabilities. This also involved an assessment of the appropriateness of the valuation methods, taking into account industry practice and specific product features of the Group and the Company.
- With the assistance of our actuarial specialist, we evaluated the reasonableness of the actuarial assumptions used by the Group and the Company's external actuary and independently perform liability adequacy tests on insurance contract liabilities including assumptions and estimates on the projected cashflows, basic chain ladder runoff period, inflation rate, mortality and discount rate by comparing them to Group and the Company specific data and market experience.
- We assessed whether the Group and the Company's valuation methodology and assumptions were consistent between reporting periods as well as indicators of possible management bias. We were assisted by our actuarial specialists in this regard.

  The Group's accounting policy on valuation of insurance contract liabilities and related disclosures are shown in notes 2.13 and 2.14 (accounting policy), note 4(a) (critical accounting estimates and judgments) and note 21 (insurance contract liabilities).

Information Other than the Financial Statements and Audit Report.
The Directors are responsible for the other information. The other information comprises its corporate profile, directors' report, statement of directors' responsibilities, corporate governance report, complaint channels, management discussions and analysis, value added statement, five year financial summary, Non-Life business statement of financial position, Non-Life business statement of comprehensive income, Non-Life business revenue account, life business statement of financial position, life business statement of comprehensive income, life business revenue account, deposit administration revenue account, life business annuity statement, but does not include the consolidated and separate financial statements and our audit report thereon.
Our opinion on the consolidated and separate 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 consolidated and separate financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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

Independent Auditor's Report (continued)

KPMG

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 Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate 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 consolidated and separate financial statements, the directors are responsible for assessing the Group (and 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 Group (and Company) or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate 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 Group (and 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 Group (and 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 consolidated and separate 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 Group (and Company) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report (continued)

KPMG

We communicate with 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.

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

From the matters communicated with Audit Committee, we determine those matters that were of most significance in the audit of the consolidated and separate 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 (and proper returns adequate for the purposes of our audit have been received from branches not visited by us).

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 did not pay any fine during the financial year. This has been disclosed in note 41 to the financial statements.

Kabir O. Okunlola FCA
FRC/2012/ICAN/00000000428
For: KPMG Professional Services
Chartered Accountants
30 March 2023
Lagos, Nigeria

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0077568

Company Information and Summary of Significant Accounting Policies

For The Year Ended 31 December 2022

1 General information

Leadway Assurance Company Limited is a company incorporated and domiciled in Nigeria. The address of its registered office is NN 28/29 Constitution Road, Kaduna State, Nigeria. The Company was incorporated as a private limited liability company on 22 September 1970. It obtained a license to operate as an insurance company in January 1971 and commenced business in January 1971.The Company is principally engaged in the business of providing risk underwriting and related financial services to its customers. Such services include provision of life and non-life underwriting insurance risks to both corporate and individual customers, and also issuing of Investment contracts that provide returns.At 31 Dec 2022, the company holds 99.99% and 56% shareholding in Leadway Vie Limited, a Life insurance services provider, and Leadway IARD Limited, a General insurance services provider respectively. Both subsidiaries are based in Cote d'Ivoire.The consolidated financial statements of the Group for the year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as " Group entities"). These financial statements were authorised for issue by the directors on the 20 of February 2023."

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements for the group consist of Leadway Assurance Company Limited and its subsidiary.

2.1 Basis of preparation

These financial statements have been prepared in accordance with IFRS Standards issued by the International Accounting Standards Board (IFRS Standards) and IFRS Interpretations Committee (IFRIC) as issued by the International Accounting Standards Board (IASB).

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

i. Financial instruments at fair value through profit or loss
ii. Available for sale financial assets measured at fair value
iii. Investment properties measured at fair value
iv. Revaluation of land and buildings measured at fair value
v. Insurance liabilities measured at fair value of estimated future cashflows

Use of estimates : The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively. The areas where assumptions and estimates are significant to the preparation of the consolidated financial statements are disclosed in note 4.

Use of judgements : In preparation of financial statements, management is expected to exercise its judgement in the process of applying the group's accounting policies and the reported amount of assets, liabilties, income & expenses, actual results may differ from these estimates. The areas involving a high degree of judgement or complexity that are significant to the consolidated financial statements are disclosed in note 4.

Functional currency & presentation currency: The financial statements are presented in Nigerian currency (Naira) which is the company's functional currency. Except otherwise indicated, financial information presented in Naira have been rounded to the nearest (N '000)."

2.2 Changes in accounting policy, amendments and disclosures

2.2.1 New and amended standards adopted by the group

The following new or revised standards and amendments which have a potential impact on the Group are effective for the year ended 31 December 2022 and have been applied in preparing these consolidated financial statements.

Standard	Effective date	Comments
IAS 39 and IFRS 7, 'Interest Rate Benchmark Reform'	1 January 2022	This amendment, issued in September 2019, seeks to address uncertainties related to the market-wide reform of interbank offered rates (IBOR reform). The amendment which is split into 2 phases, focuses on IFRS 9 Financial Instruments; IAS 39 Financial Instruments: Recognition and Measurement; IFRS 7 Financial Instruments: Disclosures; IFRS 4 Insurance Contracts and IFRS 16 Leases. Phase 1 addresses issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark while phase 2 focuses on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform.There was no impact on the financial statements.

Company Information and Summary of Significant Accounting Policies (continued)

For The Year Ended 31 December 2022

Standard	Effective date	Comments
Amendment to IFRS 16(Leases)-Covid-19 Rent Related Concessions	1 January 2022	The IASB issued amendments to IFRS 16 in May 2020 to address the impact of rent concessions received as a direct result of COVID-19. The amendment applies only to lessees and not to lessors. It allows lessees to account for COVID-19 related rent concessions as variable lease payments instead of as a lease modification affecting the asset. The variable lease payment is to be recognised through the income statement in the period in which the event or condition that triggers those payments occurs. The 2021 amendments are applied retrospectively with the cummulative effect of initially applying it being recognised in opening retained earnings. There was no impact on the Group financial statements.
Annual Improvement to IFRSs 2018-2020 Cycle	1 January 2022	The amendments to IFRS1, IFRS 9, IFRS 16 and IAS 41 are all effective for annual periods beginning on or after January 1,2022. ****IFRS1, First-time Adoption of International Financial Reporting Standards** The amendment permits a subsidiary (as a first time adopter) that applies paragraph D16 (a) of IFRS1 to measure cumulative translation differences using the amount reported by its parent, based on the parents date of transition to IFRS. The impact of this amendment on the Group is being assessed ****IFRS 9 FINANCIAL INSTRUMENTS (Fees in the'10 per cent' test for de-recognition of financial liabilities)** The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. There was no impact on the Group financial statement.
		****IFRS 16 -Lease incentives.** The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. There was no impact on the Group financial statement. ****IAS 41, Agriculture(Taxation in fair value measurements)** . The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13. There was no impact on the Group financial statement.
Amendments to IFRS 3 (Reference to the Conceptual Framework)	1 January 2022	The amendment: 1. updates IFRS 3, so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; 2. adds to IFRS 3, a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; 3. add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination Early application of the amendment is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier. There was no impact on the Group financial statement.

Company Information and Summary of Significant Accounting Policies (continued)

For The Year Ended 31 December 2022

2.2.2 New standards and interpretations not yet effective

The following new or revised standards and amendments which have a potential impact on the Group are not yet effective for the year ended 31 December 2022 and have not been applied in preparing these consolidated financial statements. The Group also plans to apply all the standards and amendments disclosed below once they are applicable. However, the Group's assessments of the new standards and amendments is not yet concluded but is expected to have significant impact on our Group operations and financial position

IFRS	Effective date	Key Requirements
IAS 1, 'Classification of Liabilities as Current or Non current'	1 January 2023 (earlier application permitted)	This amendment seeks to clarify the requirements for classifying liabilities as current or non-current. Including the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists, Management expectations about events after the balance sheet date, and the situations that are considered settlement of a liability. The amendments will be applied retrospectively, and is not expected to have a significant impact on the financial statements. The impact of this amendment on the group is being assessed.
Amendments to IAS 1 and IFRS Practice Statement 2 (Disclosure of Accounting Policies)	1 January 2023	The amendments were issued to assist companies in determining which accounting policies to disclose. IAS 1 was amended in the following ways: 1. Companies are now required to disclose its material accounting policy information instead of its significant accounting policies. Several paragraphs are included to explain how a company can identify material accounting policy information 2. the amendment clarifies that accounting policy may be material; i. because of its nature, even if the related amounts are immaterial ii. if users of an entity's financial statements would need it to understand other material information in the financial statements 3. the amendment also clarifies that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information In addition, IFRS Practice Statement 2 has been amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information in order to support the amendments to IAS 1 The amendments are applied prospectively, earlier application is permitted. The impact of the adoption of this amendment on the Group is being assessed. Early application of the amendment is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier. There was no impact on the Group financial statement.
Amendment to IAS 12 (Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction)	1 January 2023	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. 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. • The impact of the adoption of this amendment on the group is being assessed.
Amendment to IAS 16-PPE proceeds before intended use	1 January 2023 (earlier application permitted)	It amends the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. There was no impact on the Group financial statement.

Company Information and Summary of Significant Accounting Policies (continued)

For The Year Ended 31 December 2022

IFRS	Effective date	Key Requirements
Amendments to IFRS 10 and IAS 28 (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)	Deferred Indefinitely by the IASB	The amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the definition of a 'business' under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors' interests in the associate or joint venture is recognised. The definition of a business is key to determining the extent of the gain to be recognised. When a parent loses control of a subsidiary in a transaction with an associate or joint venture (JV), there is a conflict between the existing guidance on consolidation and equity accounting. Under the consolidation standard, the parent recognises the full gain on the loss of control. But under the standard on associates and JVs, the parent recognises the gain only to the extent of unrelated investors' interests in the associate or JV. In either case, the loss is recognised in full if the underlying assets are impaired. The IASB has decided to defer the effective date for these amendments indefinitely. Though the IASB has deferred the effective date for this amendment, the group will review the impact of adoption of the amendment in future.
Amendment to IAS 1 (Classification of Liabilities as Current or Non-current Liabilities with Covenants)	1 January 2024	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 12 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. The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged. In addition a company will classify a liability as non-current if it has a right to defer settlement for at least 12 months after the reporting date. Such right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. 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 impact of the adoption of this amendment on the group is being assessed.
Amendment to IFRS 16 (Lease Liability in a Sale and Leaseback)	1 January 2024	Amendments to IFRS 16 Leases requires a seller-lessee impacts how a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendment also requires the seller-lessee to include variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. The amendments confirm the following. • On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. • After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Under IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16. This means that it will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. The impact of the adoption of this amendment on the group is being assessed.

Company Information and Summary of Significant Accounting Policies (continued)

For The Year Ended 31 December 2022

Standard	Effective date	Comments
Amendments to IAS 8 (Definition of Accounting Estimates)	1 January 2023 (Earlier application is permitted)	The purpose of this amendment was to clarify the distinction between a change in an accounting policy and a change in an accounting estimate, in relation to the application of IAS 8. This distinction is important because changes in accounting estimates often affect an entity's profit or loss, but changes in accounting policies generally do not. The amendment also seeks to clarify how accounting policies and accounting estimates relate to each other and how companies decide whether a change in valuation technique or a change in estimation technique is a change in an accounting estimate. The impact of the adoption of this amendment on the Group is being assessed.

IFRS 17, Insurance contracts
The Group will apply IFRS 17 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 Group's consolidated financial statements in the period of initial application.

A. Estimated impact of the adoption of IFRS 17
The assessment of the impact of IFRS 17 below is preliminary because not all of the transition work has been finalized. The actual impact of adopting IFRS 17 on 1 January 2023 and 2022 may change from the information presented below:
- the Group is continuing to refine the new accounting processes and internal controls required for applying IFRS 17.
- the dry and parallel runs have not been completed 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 Group has not finalized the testing and assessment of controls over its new 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 Group finalizes its first financial statements that include the date of initial application.

B. IFRS 17 Insurance ContractsIFRS 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 Group 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 IFRS17. For products that are outside the scope of IFRS17, 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 Group 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

Company Information and Summary of Significant Accounting Policies (continued)

For The Year Ended 31 December 2022

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 Group can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and investment services). A substantive obligation to provide services ends when:

• the Group 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 Group 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.

Some term life and critical illness contracts issued by the Group have annual terms that are guaranteed to be renewable each year. Currently, the Group accounts for these contracts as annual contracts. Under IFRS 17, the cash flows related to future renewals (i.e., the guaranteed renewable terms) of these contracts will be within the contract boundary, this is because the Group does not have the practical ability to reassess the risks of the policyholders at individual contract or portfolio level

Some universal life contracts contain a guaranteed annuity option, which allows the policyholder to convert, on maturity of the stated term, the maturity benefit into an immediately starting life contingent annuity at a predetermined rate. Currently, the Group does not consider the cash flows related to the options when measuring the contracts until the option is exercised, The Group has assessed the contract boundary for the contracts, including the options, and concluded that, under IFRS 17, the cash flow s related to the guaranteed annuity options will fall within the boundary of the contracts, this is because the Group does not have the practical ability to reprice the contract on maturity of the stated term

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 Group 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.

iv. 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 Group fulfills the contracts, an explicit risk adjustment for non-financial risk, and a CSM.

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 Group will apply the PAA. The Group 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 group is one year or less.

• Risk-attaching reinsurance contracts: The Group 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 aboveImpracticability TestIFRS17 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.

v. Measurement-Life contracts

Insurance contracts and investment contracts with DPF

On initial recognition, the Group will measure a group of contracts as the total of (a) the fulfilment cash flows, which comprise estimates of future cash flows, adjusted to reflect the time value of moneyand the associated financial risks, and a risk adjustment for non-financial risk; and (b) the CSM. The fulfilment cash flows of a group of contracts do not reflect the Group's non-performance risk.

• The Group's objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. The cash flows from each scenario will be discounted and weighted by the estimated probability of that outcome to derive an expected present value. If there are significant interdependencies between cash flows that vary based on changes in market variables and other cash flows, then the Group will use stochastic modelling techniques to estimate the expected present value. Stochastic modelling involves projecting future cash flows under a large number of possible economic scenarios for variables such as interest rates and equity returns.

All cash flows will be discounted using risk-free yield curves adjusted to reflect the characteristics of the cash flows and the liquidity

Company Information and Summary of Significant Accounting Policies (continued)

For The Year Ended 31 December 2022

characteristics of the contracts. Cash flows that vary based on the returns on any underlying items will be adjusted for the effect of that variability using risk-neutral measurement techniques and discounted using the risk-free rates as adjusted for illiquidity. When the present value of future cash flows is estimated by stochastic modelling, the cash flows will be discounted at scenario-specific rates calibrated, on average, to be the risk-free rates as adjusted for illiquidity.
The risk adjustment for non-financial risk for a group of contracts, determined separately from the other estimates, is the compensation that the Group would require for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.
The CSM of a group of contracts represents the unearned profit that the Group will recognize as it provides services under those contracts. On initial recognition of a group of contracts, the group is not onerous if the total of the following is a net inflow:
(a)the fulfilment cash flows;
(b)any cash flows arising at that date; and
(c)any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group (including assets for insurance acquisition cash flows; see below).
In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition. If the total is a net outflow, then the group is onerous and the net outflow is generally recognised as a loss in profit or loss; a loss component is created to depict the amount of the net cash outflow, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue (see (viii)) on presentation and disclosure. Subsequently, the carrying amount of a group of contracts at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claim s. The liability for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The liability for incurred claims includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

- The fulfilment cash flows of groups of contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in fulfilment cash flows are recognised as follows.
- Changes relating to future services Adjusted against the CSM (or recognised in the insurance service result in profit or loss if the group is onerous)
- Changes relating to current or past services Adjusted against the CSM (or recognised in the insurance service result in profit or loss if the group is onerous)Effects of the time value of money, financial risk and Recognised as insurance finance income or expenses changes therein on estimated future cash flows.

- The CSM is adjusted subsequently only for changes in fulfilment cash flows that relate to future services and other specified amounts and is recognised in profit or loss as services are provided. The CSM at each reporting date represents the profit in the group of contracts that has not yet been recognised in profit or loss because it relates to future service.

Reinsurance contracts
The Group will apply the same accounting policies to measure a group of reinsurance contracts, with the following modifications.The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises
(a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods and
(b) any remaining CSM at that date.The Group will measure the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in the insurance service result in profit or loss. The risk adjustment for non-financial risk will represent the amount of risk being transferred by the Group to the reinsurer.
The CSM of a group of reinsurance contracts represents a net cost or net gain on purchasing reinsurance. It is measured such that no income or expense arises on initial recognition, except that the Group will:

- recognise any net cost on purchasing reinsurance coverage immediately in profit or loss as an expense if it relates to insured events that occurred before the purchase of the group; and
- recognise income when it recognises a loss on initial recognition of onerous underlying contracts if the reinsurance contract is entered into before or at the same time as the onerous underlying contracts are recognised. A loss-recovery component is created, which determines the amounts that are subsequently disclosed as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid. The CSM is adjusted subsequently only for specified amounts and is recognised in profit or loss as services are received.

Insurance acquisition cash flows
Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Under IFRS 17, for Life contracts, insurance acquisition cash flows are allocated to groups of contracts using systematic and rational methods based on the total premiums for each group.

Insurance acquisition cash flows that are directly attributable to a group of contracts (e.g., non refundable commissions paid on issuance of a contract) are allocated only to that group and to the groups that will include renewals of those contracts. The allocation to renewals will only apply to certain term life and critical illness contracts that have a one-year coverage period. The Group expects to recover part of the related insurance acquisition cash flows through renewals of these contracts. The allocation to renewals will be based on the manner in which the Group expects to recover those cash flows.
Under IFRS 17, only insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as

Company Information and Summary of Significant Accounting Policies (continued)

For The Year Ended 31 December 2022

separate assets and tested for recoverability, whereas other insurance acquisition cash flows are included in the estimates of the present value of future cash flows as part of the measurement of the related insurance contracts. The Group expects that most assets for insurance acquisition cash flows will relate to the renewals of term life and critical illness contracts, as described above. These assets will be presented in the same line item as the related portfolio of contracts and derecognised once the related group of contracts has been recognised. This differs from the Group's current practice, under which all acquisition costs are recognised and presented as separate assets from the related insurance contracts ('deferred acquisition costs').

IFRS 17 will require the Group to assess at each reporting date whether facts and circumstances indicate that an asset for insurance acquisition cash flows may be impaired. If it is impaired, then the Group will:
a. recognise an impairment loss in profit or loss so that the carrying amount of the asset does not exceed the expected net cash inflow for the related group; and
b. if the asset relates to future renewals, recognise an impairment loss in profit or loss to the extent that it expects those insurance acquisition cash flows to exceed the net cash inflow for the expected renewals and this excess has not already been recognised as an impairment loss under (a).
The Group will reverse any impairment losses in profit or loss and increase the carrying amount of the asset to the extent that the impairment conditions have improved.

vi. 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 Group 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 Group 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 Group will not adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk. If at any time before and during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group 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 Group 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 Group 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.

vii. Presentation and disclosure
IFRS 17 will significantly change how insurance contracts, reinsurance contracts are presented and disclosed in the Group's consolidated 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 Group'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 Group 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 Group 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. 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 Group will present insurance finance income or expenses in profit or loss, considering that the supporting assets will generally be measured at FVTPL.

Disclosure

Company Information and Summary of Significant Accounting Policies (continued)

For The Year Ended 31 December 2022

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.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.

IFRS 9 Financial Instruments

IFRS 9, Financial instruments, issued by the IASB in July, 2014, fully replaced IAS 39 and provides a new approach on how to classify financial instruments based on their cash flow characteristics and the business model under which they are managed. Furthermore, the standard introduces new rules for forward-looking impairment model for debt instrument and provides new rules for hedge accounting.

It can be assumed that the main impact from IFRS9 will arise from the new classification rules leading to more financial instrument being measured at a fair value through income as well as the new impairment model. Interdependencies with IFRS17 will need to be considered to assess the ultimate combined impact of both standards.

The amendments to IFRS4, Applying IFRS9 Financial Instruments with IFRS4 Insurance Contracts, issued in September 2016, allow entities that issue insurance contracts within the scope of IFRS 4 to defer the implementation of IFRS 9 until January 2021 under certain circumstances. At its meeting on November 14, 2018, the IASB tentatively decided to extend the use of the deferral approach to IFRS 9 for a further year, so that insurance entities would only be required to apply IFRS 9 for annual periods beginning on or after January 1, 2023.

Given the strong interrelation between the measurement of direct participating insurance contracts and the underlying assets held, the Leadway Assurance Company has decided to use the option to defer the full implementation of IFRS 9 until IFRS 17 becomes effective.

In order to qualify for temporary exemption, an entity has to prove that its activities are predominantly connected to insurance as of 31 December 2015. Under the amended IFRS4, this condition is met if the insurer carries significant liabilities arising from contracts within the scope of IFRS4. Significant insurance-related liabilities are given, among others, if the percentage of the total carrying amount of liabilities connected with insurance relative to the total carrying amount of all liabilities is greater than 90%. 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.

As of 31 December 2015, the Leadway Assurance Group and Company recorded a total amount of liabilities connected with insurance of N114.6b, which represented more than 90% of its total liabilities of N119.3b. Moreover, of the amount connected with insurance contract, N109.2b were related to liabilities arising within the scope of IFRS 4. Other insurance related liabilities amounted to N5.4b and included mainly other liabilities like trade payables. The Group and Company did not have any non-derivative investment contract liabilities measured at fair value through income statement. No change in the activities of the Leadway Assurance Group and Company occurred subsequently that would have required a reassessment as at 31 December 2022.

Group

FINANCIAL ASSET UNDER IFRS 9 CLASSIFICATION OF ASSET IN CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 31 December 2022	***Financial Asset that meet SPPI Criterion		All Other Financial Asset	
	Fair Value	Fair Value Change	Fair Value	Fair Value Change
Cash and cash equivalent	61,304,582			
Debt Securities:				
Treasury Bill	-	-	-	-
Government Bonds	26,477,840	2,771,955	-	-
Corporate Bonds	8,507,767	(16,425)	-	-
Sub Total	**34,985,607**	**2,755,530**	**-**	**-**
Loans and advances	966,556	-	-	-
Other Assets	492,854	(103,334)	-	-
Equity Securities-Quoted	-	-	23,292,928	20,825
Equity Securities-Unquoted	-	-	10,380,056	(480,000)
Sub Total	**-**	**-**	**33,672,984**	**(459,175)**
Grand Total	**97,749,599**	**2,652,196**	**33,672,984**	**(459,175)**

****These exclude those that meet the definition of held for trading under IFRS 9 or those managed and whose performance is evaluated on fair value basis.*

Company Information and Summary of Significant Accounting Policies (continued)

For The Year Ended 31 December 2022

Group

CARRYING AMOUNT OF FINANCIAL ASSET THAT MEET SPPI CRITERION BY RATING						
	Rating Agency	Cash and cash equivalents	Treasury Bill	Government Bonds	Corporate Bonds	Others
Investment Grade						
B2	*Moody*	-	-	*26,477,840*	-	-
B2	*Moody*	-	-	-	*6,883,319*	-
A+	*GCR*	-	-	-	*1,500,000*	-
Not rated		*61,304,582*	-	-	*124,448*	*1,459,410*
		61,304,582	**-**	**26,477,840**	**8,507,767**	**1,459,410**

Company

FINANCIAL ASSET UNDER IFRS 9 CLASSIFICATION OF ASSET IN CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
As At 31 December 2022	*****Financial Asset that meet SPPI Criterion**		**All Other Financial Asset**	
	Fair Value	Fair Value Change	Fair Value	Fair Value Change
Cash and cash equivalent	58,723,150			
Debt Securities:				
Treasury Bill	-	-	-	-
Government Bonds	26,477,840	2,771,955	-	-
Corporate Bonds	8,507,767	(16,425)	-	-
Sub Total	**34,985,607**	**2,755,530**	**-**	**-**
Loans and advances	966,556	-	-	-
Other Assets	492,854	(101,782)	-	-
Equity Securities-Quoted	-	-	20,884,934	20,825
Equity Securities-Unquoted	-	-	10,372,900	(480,000)
Sub Total	**-**	**-**	**31,257,834**	**(459,175)**
Grand Total	**95,168,167**	**2,653,748**	**31,257,834**	**(459,175)**

****These exclude those that meet the definition of held for trading under IFRS 9 or those managed and whose performance is evaluated on fair value basis.*

Company

CARRYING AMOUNT OF FINANCIAL ASSET THAT MEET SPPI CRITERION BY RATING						
	Rating Agency	Cash and cash equivalents	Treasury Bill	Government Bonds	Corporate Bonds	Others
Investment Grade						
B2	*Moody*	-	-	26,477,840	-	-
B2	*Moody*	-	-	-	6,459,633	-
A+	*GCR*	-	-	-	-	-
Not rated		58,723,150	-	-	2,048,134	1,459,410
		58,723,150	**-**	**26,477,840**	**8,507,767**	**1,459,410**

Prepayment Features with Negative comparison (Amendments to IFRS 9)

This amendment was published to address the concerns about how IFRS 9 'Financial Instruments' classifies particular prepayable financial assets. In addition, the IASB clarifies an aspect of the accounting for financial liabilities following a modification. The amendments are to be applied retrospectively for fiscal years beginning on or after 1 January 2019, i.e. one year after the first application of IFRS 9 in its current version. Early application is permitted so entities can apply the amendments together with IFRS 9 if they wish so.

The Group will adopt the amendment along with the effective date of IFRS 9 (2023) at the earliest. The impact of the adoption of this amendment on the Group is being assessed.

Company Information and Summary of Significant Accounting Policies (continued)

For The Year Ended 31 December 2022

2.3 Basis of consolidation

(a) Subsidiaries

Subsidiaries are entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. Investments in subsidiary companies are carried at cost less any accumulated impairment losses in the Company's separate financial statements.

(b) Business Combination

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages (Step acquisition), the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in statement of comprehensive income.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in statement of comprehensive income or as a change to other comprehensive income. If the contingent consideration is outside the scope of IAS 39, it is accounted for in accordance with IAS 37 or the appropriate IFRS Standards.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income .

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

(c) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(d) Disposal of subsidiaries

When the group ceases to have control, it derecognises the assets and liabilities of the subsidiary, any related NCI and other components of equity. Any resulting gain or loss is recognised in statement of profit or loss, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in statement of comprehensive income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amount previously recognised in other comprehensive income in respect of that entity is accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to statement of comprehensive income

2.4 Non-current asset held for distribution and discontinued operations

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale or distribution. Before being classified as held for sale or distribution, the assets, or components of a disposal group, are re-measured in accordance with the Group's accounting policies. Conditions to be met before assets qualify as being held for sale/distribution include the following:

- management is committed to a plan to sell; · the asset is available for immediate sale;
- an active programme to locate a buyer is initiated;
- the sale is highly probable, within 12 months of classification as held for sale (subject to limited exceptions);
- the asset is being actively marketed for sale at a sales price reasonable in relation to its fair value; and
- actions required to complete the plan indicate that it is unlikely that plan will be significantly changed or withdrawn.

Company Information and Summary of Significant Accounting Policies (continued)

For The Year Ended 31 December 2022

Thereafter, the assets or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to financial assets and deferred tax assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains and losses on re-measurement are recognised in profit or loss

Intangible assets and property and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of equity-accounted investees ceases once classified as held for sale or distribution. In line with IFRIC 17, the subsidiaries being spun off will be distributed as dividend to the shareholders of the parent. The dividend payable will be at the fair value of the net assets to be distributed. For discontinued operations, the Group presents discontinued operations in a separate line in the Income statement if an entity or a component of an entity has been disposed of or is classified as held for sale and: (a) represents a separate major line of business or geographical area of operations; (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or (c) is a subsidiary acquired exclusively with a view to resale. Net profit from discontinued operations includes the net total of operating profit and loss before tax from operations, including net gain or loss on sale before tax or measurement to fair value less costs to sell and discontinued operations tax expense. A component of an entity comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group's operations and cash flows. If an entity or a component of an entity is classified as a discontinued operation, the Group restates prior periods in the Income statement. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

2.5 Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the respective functional currency of the Group entities using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

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 on the date when the fair value was determined. Non-monetary assets that are measured based on historcial cost in a foreign currency are translated at the exchange rate on the date of the transaction."

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income within 'finance income or cost'.

Changes in the fair value of debt securities denominated in foreign currency and classified as available for sale are analysed between translation differences resulting from changes in the fair value of the security, and translation differences arising from changes in amortised cost. Translation differences related to changes in amortised cost are recognised in statement of comprehensive income while translation related to changes in fair value are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities held at fair value through statement of comprehensive income are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale financial assets are included in 'other comprehensive income'. except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss.

The assets and liabilities of foreign operations including goodwill and fair value adjustments arising on acquisition are translated at the exchange rate on the reporting date. The income and expenses of foreign operations are translated at the exchange rate at the dates of transactions.
Foreign currency differences on foreign operations are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

Company Information and Summary of Significant Accounting Policies (continued)

For The Year Ended 31 December 2022

2.6 Financial assets and liabilities

In accordance with IAS 39, all financial assets and liabilities (including derivative financial instruments) have to be recognised in the consolidated financial statements and measured in accordance with their assigned categories.

<table>
<tr><th colspan="2">Category (as defined by IAS 39)</th><th colspan="2">Classes as determined by the Group</th><th>Sub-classes</th></tr>
<tr><td rowspan="10">Financial assets</td><td rowspan="3">Financial assets at fair value through profit or loss</td><td rowspan="2">Financial assets at fair value through profit or loss</td><td>Listed Debt Securities</td><td>Federal Government of Nigeria bonds</td></tr>
<tr><td>Listed Equity Securities</td><td rowspan="2">Shares</td></tr>
<tr><td>Held for trading</td><td>Listed Equity Securities</td></tr>
<tr><td rowspan="4">Loans and receivables</td><td colspan="2">Cash and cash equivalents</td><td>Cash in hand and bank
Placements

Treasury bills with original maturity not more than 90 days.</td></tr>
<tr><td colspan="2">Loan and Advances</td><td>Commercial loans
Loans to policyholders
Agency loans
Advances under finance lease</td></tr>
<tr><td>Trade receivables</td><td>Insurance receivables</td><td>Due from contract, brokers, agents and insurance companies</td></tr>
<tr><td colspan="2">Other receivables</td><td>Other receivables</td></tr>
<tr><td rowspan="3">Available for sale</td><td rowspan="3">Investment securities</td><td>Listed equity</td><td>Shares</td></tr>
<tr><td>Unlisted equity</td><td>Shares</td></tr>
<tr><td>Listed Debt Securities</td><td>State Government bonds
FGN Treasury bills
Corporate bonds
Eurobonds
FGN bonds</td></tr>
<tr><td rowspan="5">Financial liabilities</td><td>Financial liabilities at fair value through P&L</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td rowspan="4">Financial liabilities at amortised cost</td><td colspan="2">Trade payables</td><td rowspan="4">Reinsurance payable
Insurance payable
Commission payable
Investment contract payable
Accrued expenses
Outstanding claims
Life funds
Term loans
Others</td></tr>
<tr><td colspan="2">Other Liabilities</td></tr>
<tr><td colspan="2">Insurance contract liabilities</td></tr>
<tr><td colspan="2">Borrowings</td></tr>
</table>

2.6.1 Financial Assets:

Initial recognition

Regular-way purchases and sales of financial assets are recognised on the settlement date i.e. the date on which the group receives value for a purchase/sale of assets. All financial assets are initially recognized at fair value, which includes directly attributable transaction costs for financial instruments not classified at fair value through the statement of comprehensive income.

Company Information and Summary of Significant Accounting Policies (continued)

For The Year Ended 31 December 2022

Subsequent measurement

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

(a) *Financial assets held at fair value through profit or loss*

A financial asset is classified into the ""financial assets at fair value through profit or loss"" category at inception if so designated by management at inception.

Financial assets designated as fair value through profit or loss at inception are those that are held in internal funds to match insurance and investment contracts liabilities that are linked to the changes in fair value of these assets. The designation of these assets to be at fair value through profit or loss eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as "an accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Upon initial recognition, attributable transaction costs are recognised in the statement of comprehensive income as incurred. Subsequent to initial recognition, they are remeasured at fair value, with gains and losses arising from changes in this value recognized in Net fair value gains/(losses) in the statement of comprehensive income in the period in which they arise. The fair values of quoted investments in active markets are based on current bid prices.

Interest earned and dividends receivable while holding trading assets at fair value through profit or loss are included in investment income.

(b) ***Held-to-maturity***

Held-to-maturity investments are non-derivative financial assets with fixed determinable payments and fixed maturities that management has both the positive intention and ability to hold to maturity other than:

- those that the Group upon initial recognition designates as at fair value through statement of comprehensive income;
- those that the Group designates as available for sale; and
- those that meet the definition of loans and receivables.

Held to maturity investments include corporate and government bonds. Interests on held-to- maturity investments are included in the consolidated financial statement and reported as interest income within investment income.

Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs and are subsequently carried at amortised cost, using the effective interest method, less any accumulated impairment losses. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the Group from classifying financial assets as held-to-maturity for the current and the following two financial years.

(c) *Available-for-sale*

Available for sale financial investments are made up of equities. The Group classifies as available-for-sale those financial assets that are generally not designated as another category of financial assets, and strategic capital investments held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Available-for-sale financial assets are initially measured at fair value, with the exception of investments in equity instruments where fair value cannot be reliably determined, which are carried at cost. Fair values plus any directly attributable transaction costs are determined in the same manner as for investments designated at fair value through statement of comprehensive income. Unrealised gains and losses less any accumulated impairment losses arising from changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income while the investment is held, and are subsequently transferred to the statement of comprehensive income upon sale or de-recognition of the investment.

Dividends received on available-for-sale instruments are recognised in the statement of profit or loss when the Group's right to receive payment of the dividend has been established & the amount can be measured reliably.

(d) *Loans and receivables*

Loans and receivables include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the Group as fair value through statement of comprehensive income or available-for-sale. Loans and receivables consist of cash & cash equivalent, loans & advances, reinsurance & co-insurance receivables, trade receivables and other receivables. These are managed in accordance with a documented policy. Loans and receivables are intially measured at fair value plus any directly attributable transaction costs.

Company Information and Summary of Significant Accounting Policies (continued)

For The Year Ended 31 December 2022

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any accumulated impairment losses. Loans granted 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.

- *Cash & cash equivalents*

Cash and cash equivalents include cash in hand and at bank, call deposits and short term highly liquid financial assets with original maturities of three months or less from the acquisition date, which are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

- *Trade receivables*

Trade receivables arising from insurance contracts are stated net of allowance made for specific debts considered doubtful of recovery. Trade receivables are reviewed at every reporting period for impairment (See 2.6.1 (f) (iii)) for the accounting policy on impairment of trade receivables).

- *Loans & advances*

Loans & advances includes commercial loans, loans to policy holders, staff loans, annuity loans, mortgage loans and agency loans and are recognised at amortised cost.

- *Reinsurance and Co-insurance recoverables*

The group cedes business to reinsurers in the normal course of business for the purpose of limiting its net loss through the transfer of risks. Premium ceded comprise the share of gross written premiums transferred to reinsurers based on agreed arrangements. Reinsurance arrangements does not relieve the Group from its direct obligation to policy holders.

(e) *Fair value measurement*

The best evidence of the fair value of a financial instrument on initial recognition is the transaction price, i.e. the fair value of the consideration paid or received, unless the fair value is evidenced by comparison with other observable current market transactions in the same instrument, without modification or repackaging, or based on discounted cash flow models and option pricing valuation techniques whose variables include only data from observable markets.

Subsequent to initial recognition, the fair values of financial instruments are based on quoted market prices or dealer price quotations for financial instruments traded in active markets. If the market for a financial asset is not active or the instrument is an unlisted instrument, the fair value is determined by using applicable valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analyses, pricing models and valuation techniques commonly used by market participants.

Where discounted cash flow analyses are used, estimated cash flows are based on management's best estimates and the discount rate is a market-related rate at the reporting date from a financial asset with similar terms and conditions.

Where pricing models are used, inputs are based on observable market indicators at the balance sheet date and profits or losses are only recognised to the extent that they relate to changes in factors that market participants will consider in setting a price.

(f) ***Impairment of financial assets***

(i) *Financial assets carried at amortised cost*

The carrying amounts of these assets are reviewed at each reporting date to determine whether there is any objective evidence of impairment. A financial asset is considered to be impaired if objective evidence indicates that one or more events that have occurred since the initial recognition of the asset have had a negative effect on the estimated future cash flows of that asset and can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Group about the following events:

- Significant financial difficulty of the issuer or debtor;
- A breach of contract, such as a default or delinquency in payments;
- It becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cashflow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Group.

For financial assets measured at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying value and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. The Group may measure impairment on the basis of an instrument's fair value using an observable market price.

Company Information and Summary of Significant Accounting Policies (continued)

For The Year Ended 31 December 2022

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics. Those characteristics are relevant to the estimation of future cashflows for groups of such assets by being indicative of the issuer's ability to pay all amounts due under the contractual terms of the debt instrument being evaluated. 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 recognised (such as improved credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the statement of comprehensive income.

(ii) Assets classified as available-for-sale

Available-for-sale financial assets are considered impaired if there is objective evidence of impairment, resulting from one or more loss events that occurred after initial recognition but before the reporting date, that have an impact on the future cash flows of the asset. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss. In this respect, a decline of 20% or more is regarded as significant, and a period of 12 months or longer is considered to be prolonged. If any such quantitative evidence exists for available-for-sale financial assets, the asset is considered for impairment, taking qualitative evidence into account.

All impairment losses are recognized through statement of comprehensive income. If any loss on the financial asset was previously recognized directly in equity as a reduction in fair value, the cumulative net loss that had been recognized in equity is transferred to the statement of comprehensive income and is recognized as part of the impairment loss. The amount of the loss recognized in the statement of comprehensive income is the difference between the acquisition cost and the current fair value, less any previously recognized impairment loss.

Subsequent decreases in the amount relating to an impairment loss, that can be linked objectively to an event occurring after the impairment loss was recognized in the statement of comprehensive income, is reversed through the statement of comprehensive income. An impairment loss in respect of an equity instrument classified as available-for-sale is not reversed through the statement of comprehensive income but accounted for directly in equity.

(iii) Trade receivables

Trade receivables, are a significant part of loans and receivables, are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment. An allowance for impairment is made when there is an objective evidence (such as the probability of solvency or significant financial difficulties of the debtors) that the Group will not be able to collect all the amount due under the original terms of the invoice. Allowances are made based on an impairment model which considers the loss given default for each customer, probability of default and emergence period which serves as an impairment trigger based on the age of the debt. Impaired debts are derecognised when they are assessed as uncollectible. If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reverse date. Any subsequent reversal of an impairment loss is recognised in the statement of comprehensive income.

In respect of other receivables, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.6.2 Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortized cost or fair value through profit and loss

Investment contracts
Investment contracts are those contracts that transfer financial risk with no significant insurance risk.Investment contracts with guaranteed and fixed terms are initially measured at fair value less transaction cost that are incremental and directly attributable to the acquisition or issue of the contract.The Group re-estimates at each reporting date the expected future cashflows and recalculate the carrying amount of the financial laibility by calculating the present value of estimated future cashflows using the financial liability's original effective interest rate. Any adjustment is immediately recoginsed as income or expense in the statement of comprehensive income."

Trade and Other Payables
Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted and the payable stated at the invoice amount.

2.6.3 Offsetting financial instruments

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

Company Information and Summary of Significant Accounting Policies (continued)

For The Year Ended 31 December 2022

2.6.4 De-recognition of financial instruments

A financial asset is derecognized when the contractual rights of the Group to the cash flows from the asset expire, or its rights to receive the contractual cash flows on the financial asset in a transaction that transfers substantially all the risks and rewards of ownership of the financial asset are transferred, or when it assumes an obligation to pay those cash flows to one or more recipients, subject to certain criteria.

Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. The group also derecognises a financial liability when its terms are modified and the cashflows of the modified liability are substancially different, in which case a new financial laibilty based on the modified terms is recognised at fair value.On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid including any non cash assets transferred or liabilities assumed is recognised in profit or loss.

2.7 Deferred acquisition costs

Acquisition costs comprise all direct and indirect costs arising from the origination of insurance contracts.Deferred acquisition costs represent a portion of commission which are incurred during a financial year and are deferred to the extent that they are recoverable out of future revenue margins. It is calculated on a time apportionment basis over the tenor of the policies.

2.8 Investment property

Investment property comprises investment in land or buildings held primarily to earn rentals or capital appreciation or both.

The Group's investment property is initially recognized at cost including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes cost of day to day servicing of an investment property. An investment property is subsequently measured at fair value with any change therein recognised in statement of profit or loss. Fair values are determined individually, on a basis appropriate to the purpose for which the property is intended and with regard to recent market transactions for similar properties in the same location.

Fair values are reviewed annually by independent valuer, holding a recognized and relevant professional qualification and with relevant experience in the location and category of investment property being valued.

Subsequent expenditure on investment property is capitalized only if future economic benefit will flow to the Group; otherwise they are expensed as incurred.

Investment properties are disclosed separate from the Property and equipment used for the purposes of the business.

"The Group separately accounts for a dual purpose property as investment property if it occupies only an insignificant portion. Otherwise, the portion occupied by the Group is treated as property and equipment.Any gain or loss or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in statement of comprehensive income. When investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings

2.9 Statutory deposit

These deposits represent bank balances required by the insurance regulators of the Group to be placed with relevant central banks of Group's operating jurisdictions. These deposits are stated at cost. Interest on statutory deposits is recognized as earned in other receivables and the corresponding amount is recognised in statement of comprehensive income within investment income.

2.10 Intangible assets

(a) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill has an indefinite useful life and it is tested annually for impairment.

Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified in accordance with IFRS 3.

Goodwill has an indefinite useful life and is tested annually as well as whenever a trigger event has been observed for impairment by comparing the present value of the expected future cash flows from a cash generating unit with the carrying value of its net assets, including attributable goodwill and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(b) Purchased software

Recognition of software acquired is only allowed if it is probable that future economic benefits to this intangible asset are attributable and will flow to the Group.

Company Information and Summary of Significant Accounting Policies (continued)

For The Year Ended 31 December 2022

Internally developed software is capitalized when the Group has the intention and demonstrates the ability to complete the development and use of the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs include all costs directly attributable to the development of the software. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortisation is recognised in statement of comprehensive income on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is three years subject to annual reassessment.

(c) De-recognition of software

The carrying amount of an item of software shall be derecognised on disposal when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of assets are determined by comparing proceeds with their carrying amounts and are recognized in the statement of comprehensive income in the year of de-recognition.

2.11 Property and equipment

Recognition & measurement

Property and equipment comprise land and buildings and other properties owned by the Group.
Items of Property and equipment are carried at cost less accumulated depreciation and impairment losses except for land and building which is carried at revalued amount. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of comprehensive income during the financial period in which they are incurred.

Subsequent costs on replacement parts on an item of property are recognized in the carrying amount of the asset and the carrying amount of the replaced or renewed component is derecognized.

Subsequent measurement

All items of property and equipment except land and buildings are subsequently measured at cost less accumulated depreciation and impairment losses.

Land and buildings

Land and buildings are subsequently carried at revalued amounts, being fair value at the date of revaluation less subsequent accumulated depreciation and impairment losses, if any. They are valued on an open market basis by qualified property valuers at each reporting date. Land is however not depreciated.

When an individual property is revalued, any increase in its carrying amount (as a result of revaluation) is transferred to a revaluation reserve, except to the extent that it reverses a revaluation decrease of the same property previously recognised as an expense in the statement of statement of comprehensive income.

When the value of an individual property is decreased as a result of a revaluation, the decrease is charged against any related credit balance in the revaluation reserve in respect of that property. However, to the extent that it exceeds any surplus, it is recognised as an expense in the statement of statement of comprehensive income

In accordance with IAS 16 par 35, when Land and buildings are revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Company Information and Summary of Significant Accounting Policies (continued)

For The Year Ended 31 December 2022

Depreciation

Depreciation is calculated on property and equipment excluding land on the straight line basis to write down the cost of each asset to its residual value over its estimated useful life.

Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5.

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

Land	-	Not depreciated
Buildings	-	50 years
Office equipment	-	5 years
Computer equipment	-	3 years
Furniture and fittings	-	5 years
Motor vehicles	-	4 years

Capital work in progress is not depreciated. The Group's capital work in progress relates to capital expenditure on properties to be for the company's activities. Upon completion it is transferred to the relevant asset category. Depreciation methods, useful lives and residual values are reassessed at each reporting date.

De-recognition

The carrying amount of an item of property and equipment shall be derecognised on disposal when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of assets are determined by comparing proceeds with their carrying amounts and are recognized in the statement of comprehensive income in the year of de-recognition.

Re-classification to investment property

When the use of a property changes from owner-occupied to investment property, the property is re-measured to fair value and reclassified accordingly. Any gain arising on this re-measurement is recognised in statement of comprehensive income to the extent that it reverses a previous impairment loss on the specific property with any remaining gain recognised in OCI and presented in revaluation reserve.Any loss is recognised in statement of comprehensive income. However, to the extent that an amount is included in revaluation surplus for that property, the loss is recognised in OCI and reduces the revaluation surplus in equity.

2.12 Leases

The Group initially adopted IFRS 16 Leases from 1 January 2019.IFRS 16 introduced a single, on-balance sheet accounting model for leases. As a result, the Group, as a lessee has recognized the right-of-use assets representing its right to use the underlying assets. Lessors accounting remains similar to previous accounting policies.The major lease transaction wherein the Group is a lessee relates to the lease of Leadway Assurance's operating branches in several locations.
The Group applied IFRS 16 using the modified retrospective approach

A. Definition of a lease

A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The change in definition of a lease mainly relates to the concept of control. IFRS 16 distinguishes between leases and service contracts on the basis of whether the use of an identified asset is controlled by the customer. Control is considered to exist if the customer has:
* The right to obtain substantially all of the economic benefits from the use of an identified asset; and
* The right to direct the use of that asset.

The Group applies the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or modified on or after 1 January 2019 (whether it is a lessor or a lessee in the lease contract).
At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease component as a single component.

B. As a Lessee

Leases, under which the Group possess a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration is disclosed in the Group's statement of financial position and recognized as a leased asset.To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, it has both of the following:(a) the right to obtain substantially all of the economic benefits from use of the identified asset, and(b) the right to direct the use of the identified asset.The Group recognizes expenses associated with these leases as an expense on straight line basis over the lease term.The Group presents right-of-use assets as a separate class under 'property and equipment'.

Company Information and Summary of Significant Accounting Policies (continued)

For The Year Ended 31 December 2022

i. Significant accounting policies

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability (where applicable) 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 Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability (where applicable) is subsequently increased by the interest cost on the lease liability and decreased by lease paymentmade (i.e measured at ammortised cost using the effective interest rate method). It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

C. As a lessor

The group leases out it's investment property, including own property and right-of-use assets. The group has classified these leases as operating leases. The group is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor, except for a sub-lease.

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

2.13 Insurance Contracts

The Group enters into insurance contracts as its primary business activities. Insurance contracts are those that the Group accepts significant insurance risk from another party (the policy holder) by agreeing to compensate the policy holder or other beneficiary, if a specified uncertain future event (the insured event) adversely affects the policy holder or the other beneficiary. The Group as a guide defines significant insurance risk as the possibility of having to pay benefit on the occurrence of an insured event that are at least 10% more than the benefit payable if the insured event did not occur.

The Group classifies financial guarantee contracts and account for these as insurance contracts in accordance with IFRS 4.

(a) Classification of insurance contracts

The Group classifies insurance contracts into life and non-life insurance contracts. The group also makes a distinction between Short and Long term insurance contracts as follows:

	Short Term	Long Term
Non- Life contracts	Most non- life insurance contract policies	Some insurance contracts under special risks
Life Contracts	Group life insurance contract policies	Insurance contract policies over human life

(i) Non life insurance contract

These contracts are accident, casualty and property insurance contracts.

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

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

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

Company Information and Summary of Significant Accounting Policies (continued)

For The Year Ended 31 December 2022

(ii) Life insurance contract

These contracts insure events associated with human life (for example, death or survival) over a long duration.

-Indivdual and group life insurance contracts

Individual life contracts are usually long term insurance contracts and span over one year while the group life insurance contracts usually cover risk within one year. A liability for contractual benefits that are expected to be incurred in the future when the premiums are recognised. The liability is determined as the sum of the expected discounted value of the benefit payments and the future administration expenses that are directly related to the contract, less the expected discounted value of the theoretical premiums that would be required to meet the benefits and administration expenses based on the valuation assumptions used. The liability is based on assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued.

-Annuity contracts

These contracts insure customers from consequences of events that would affect the ability of the customers to maintain their current level of income. There are no maturity or surrender benefits. The annuity contracts are fixed annuity plans. Policy holders make a lump sum payment recognised as part of premium in the period when the payment was made. Constant and regular payments are made to annuitants based on terms and conditions agreed at the inception of the contract and throughout the life of the annuitants. The annuity funds are invested in long tailed government bonds and reasonable money markets instruments to meet up with the payment of monthly/quarterly annuity payments. The annuity funds liability is actuarially determined based on assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued.

(b) Insurance contracts- Recognition and measurement

(I) Premiums

Gross premiums comprise 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. This is recognised gross of commission expense.

Premiums on reinsurance inward are included in gross written premiums and accounted for as if the reinsurance was considered direct business, taking into account the product classification of the reinsured business.

Outward reinsurance premiums are accounted for in the same accounting period as the premiums for the related direct insurance or reinsurance business assumed.

The earned portion of premiums received is recognized as revenue. Premiums are earned from the date of attachment of risk, over the insurance period, based on the pattern of risk underwritten. Outward reinsurance premiums are recognized as an expense in accordance with the pattern of risk reinsured.

(ii) Unearned premiums

Unearned premiums are those proportions of premiums written in the year for Non-Life contracts that relate to periods of risks after the reporting date. It is computed separately for each Non-Life insurance contract using a time apportionment basis, or another suitable basis for uneven risk contracts. Provision for unexpired risk is made for unexpired risks arising where the expected value of claims and expenses attributable to the unexpired period of policies in force at the reporting date exceeds the unearned premium in relation to such policies after deduction of any deferred acquisition costs.

(iii) Reinsurance

The Group cedes out insurance risks in the normal course of business for the purpose of limiting its net loss on policies written. Premium ceded comprise written premiums ceded to reinsurers, adjusted for the reinsurers' share of the movement in the provision for the unearned premiums. Reinsurance arrangements do not relieve the Group from its direct obligations to its policy holders.

Premium ceded, claims reimbursed and commission recovered are presented in the statement of comprehensive income and statement of financial position separately from the gross amounts.

Reinsurance assets represent balances due from reinsurance contracts. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised at cost.

Reinsurance recoverables are estimated in manner consistent with the outstanding claims provision and claims incurred associated with the reinsurer's polices and are in accordance with the related insurance contract. They are measured at their carrying amount less any impairment charges. Amounts recoverable under reinsurance contracts are assessed for impairment at each Statement of financial position date. If there is objective evidence of impairment, the Group reduces the carrying amount of its reinsurance assets to its recoverable amount and recognizes the impairment loss in the statement of comprehensive income as a result of an event that occurred after its initial recognition, for which the Group may not be able to recover all amounts due and the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer.

Company Information and Summary of Significant Accounting Policies (continued)

For The Year Ended 31 December 2022

(iv) Commission income

Commissions are recognized on ceding business to the reassurer, and are credited to the statement of comprehensive income.

(v) Underwriting expenses

Underwriting expenses are made up of acquisition and maintenance expenses.

Underwriting expenses for insurance contracts and investment contracts are recognized as expense when incurred, with the exception of acquisition costs which are recognized on a time apportionment basis in respect of risk.

(vi) Claims incurred

Claims incurred consist of claims and claims handling expenses paid during the financial year together with the movement in the provision for outstanding claims. The provision for outstanding claims represent the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the balance sheet date whether reported or not. The provision includes an allowance for claims management and handling expenses.

The provision for outstanding claims for reported claims, is estimated based on current information and the ultimate liability may vary as a result of subsequent information and events and may result in significant adjustments to the amounts provided. Adjustments to the amounts of claims provision for prior years are reflected in the statement of comprehensive income in the financial period in which adjustments are made, and disclosed separately if material.

Reinsurance recoverables are recognized when the Group records the liability for the claims and are not netted off claims expense but are presented separately in the statement of comprehensive income.

Claims incurred in respect of long-term insurance contracts especially pure life business and annuity contracts consist of claims arising during the year including provision for policy holders' liabilities. Outstanding claims on long-term insurance contracts that have occurred at the balance sheet date and have been notified by the insured are carried at the claim amounts advised.

(vii) Salvages

Some non-life insurance contracts permit the Group to sell (usually damaged) property acquired in the process of settling a claim. The Group may also have the right to pursue third parties for payment of some or all costs of damages to its client's property (i.e. subrogation right). Salvage recoveries are presented net of the claim expense.

(ix) Subrogation

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

2.14 Insurance contract liabilities

The recognition and measurement of Insurance contract liabilities is determined as follows:

(i) Non-life business

(a) Reserves for unearned premium and unexpired risk

The reserve for unearned premium is calculated on a time apportionment basis in respect of risk accepted during the year with the exception of construction all risk policies where the risk increases with term and progress on the project at hand and marine policies where actuarial valuation is used to determine the liabilities. A provision for additional unexpired risk reserve is recognised for an underwriting year where it is determined that the estimated cost of claims and expenses would exceed the unearned premium reserve.

(b) Reserves for outstanding claims

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

(c) Liabilities Adequacy Test

The net liability for insurance contracts is tested annually for adequacy by actuarial valuation. This is carried out by discounting current estimates of all future contractual cash flows and comparing this amount to the carrying value of the liability net of deferred acquisition costs. Where a shortfall is identified, an additional provision is made and the Group recognizes the deficiency in the statement of comprehensive income for the year. The method of valuation and assumptions used, the cashflows considered and the discounting and aggregation practices adopted have been set out in the following notes.
Reserving methodology and assumptions

Company Information and Summary of Significant Accounting Policies (continued)

For The Year Ended 31 December 2022

For non-life insurance risks, the Group uses different methods to incorporate the various assumptions made in order to estimate the ultimate cost of claims. The two methods more commonly used are the Discounted Inflation-adjusted Basic Chain Ladder and the Expected Loss Ratio methods adjusted for assumed experience to date.

Claims data was grouped into triangles by accident year or quarter and payment year or quarter. The choice between quarters or years was based on the volume of data in each segment. Analysis was conducted by line of business.

Discounted inflation-adjusted basic chain ladder method

Historical claims paid were grouped into cohorts – representing when they were paid after their underwriting year. These cohorts are called claim development years and the patterns were studied. The historical paid losses are projected to their ultimate values for each underwriting year by calculating the loss development factors for each development year. The ultimate claims are then derived using the loss development factors and the latest paid historical claims.

The historical paid losses are inflated using the corresponding inflation index in each of the accident years to the year of valuation and then accumulated to their ultimate values for each accident year to obtain the projected outstanding claims. These projected outstanding claims are then further multiplied by the future inflation index from the year of valuation to the future year of payment of the outstanding claims.

The resulting claims estimated is discounted to the valuation date using a discount factor raised by years as a result of applying historical inflation rates to determine the appropriate discount rate to allow for a margin of prudence.

The future claims (the ultimate claim amount less paid claims to date) are allocated to future payment periods in line with the development patterns. The outstanding claims reported and that paid to date are then subtracted from the total future claims to give the resulting IBNR figure per accident year or quarter. i.e. IBNR = (Ultimate claim amount) minus (paid claims till date) minus (claims outstanding).

Assumptions underlying the Discounted Inflation-adjusted Basic Chain Ladder method

This method assumes the following:
- The future claims follows a trend pattern from the historical data.
- Payment patterns will be broadly similar in each accident year. Thus, the proportionate increases in the known cumulative payments from one development year to the next is used to calculate the expected cumulative payments for the future development periods.
- The run off period is seven (7) years and hence the method assumes no more claims will be paid subsequently.

Expected loss ratio method

This method was adopted where the volume of data available is too small to be credible when using a statistical approach. Special risk reserves were estimated based on this method. Under this method, the ultimate claims was obtained by assuming loss ratio of 50%, where loss ratio is defined as claims incurred divided by earned premiums. Outstanding claims is stated as amount estimated less paid claims.

(ii) Life business

These contracts insure events associated with human life (for example, death or survival) over a long duration. Premiums are recognised as revenue when they become payable by the contract holder. Premiums are shown before deduction of commission.

Benefits are recorded as an expense when they are incurred. A liability for contractual benefits that are expected to be incurred in the future is recorded when the premiums are recognised. The liability is determined as the sum of the expected discounted value of the benefit payments and the future administration expenses that are directly related to the contract, less the expected discounted value of the theoretical premiums that would be required to meet the benefits and administration expenses based on the valuation assumptions used (the valuation premiums). The liability is based on assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued. A margin for adverse deviations is included in the assumptions.

Where insurance contracts have a single premium or a limited number of premium payments due over a significantly shorter period than the period during which benefits are provided, the excess of the premiums payable over the valuation premiums is deferred and recognised as income in line with the unexpired insurance risk of the contracts in force or, for annuities in force, in line with the amount of future benefits expected to be paid.

The liabilities are recalculated at each balance sheet date using the assumptions established at inception of the contracts.

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

Company Information and Summary of Significant Accounting Policies (continued)

For The Year Ended 31 December 2022

2.15 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows discounted at a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2.16 Employee benefits

Short-term benefits
Short-term employee benefit obligations include wages, salaries and other benefits which the Group has a present obligation to pay, as a result of employees' services provided up to the balance sheet date. The accrual is calculated on an undiscounted basis, using current salary rates.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post employment benefits

The Group operates a defined contributory retirement scheme as stipulated in the Pension Reform Act 2004. Under the defined contribution scheme, the Group pays fixed contributions of 10% to a separate entity – Pension Fund Administrators; employees also pay 8% to the same entity. Once the contributions have been paid, the Group retains no legal or constructive obligation to pay further contributions if the Fund does not hold enough assets to finance benefits accruing under the retirement benefit plan. The Group's obligations are recognised in the statement of comprehensive income.The Group introduced a defined contributory post employment benefit scheme during the year for its Executive Directors. Under the scheme, the Group contributes fixed amounts as determined by the Board of Directors to their respective Pension Fund Administrators. The contribution made in the year and for past service has been charged to profit or loss.

Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed either to terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal, or to provide termination benefits as a result of an offer made to encourage voluntarily redundancy if it is probable that the offer will be accepted and the number of acceptances can be estimated. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

2.17 Income tax

(i) Current tax

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

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

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

Minimum tax

Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss. The Company is subject to the Finance Act (amendments made to Companies Income Tax Act (CITA)). Total amount of tax payable under the new Finance Act shall not be less than 0.25% of the Company's gross premium for general business and 0.25% of gross income for life business. 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.

(ii) Deferred taxation

Deferred taxation, which arises from timing differences in the recognition of items for accounting and tax purposes, is calculated using the liability method. Deferred taxation is provided fully on timing differences, which are expected to reverse at the rate of tax likely to be in force at the time of reversal. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Company Information and Summary of Significant Accounting Policies (continued)

For The Year Ended 31 December 2022

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future and differences arising from investment property measured at fair value whose carrying amount will be recovered through use. 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.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

2.18 Share capital and reserves

Share capital
The Group classifies ordinary shares and share premium as equity when there is no obligation to transfer cash or other assets.

Incremental costs directly attributable to issue of shares are recognised as deductions from equity net of any tax effects.

Dividend on ordinary shares
Dividend distribution to the Group's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Group's shareholders. Dividends that are proposed but not yet declared are disclosed in the notes to the financial statements. Dividends on the Group's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Group's shareholders.

(a) Contingency reserves

The Group maintains contingency reserves in accordance with the provisions of the Insurance Act 2003 to cover fluctuations in securities and variations in statistical estimates at the rate equal to the higher of 3% of total premium or 20% of the total profit after taxation until the reserve reaches the greater of minimum paid up capital or 50% of net premium for non-life business. Contingency reserve for life business is credited with the higher of 1% of gross premium and 10% of profit after taxation.The insurance subsidiary in Cote'divore (Leadway Vie) maintains a Legal reserve in accordance with the provisions of Article 346 of the OHADA Treaty on Commercial Companies and Economic Interest Groupings, a company is expected to set aside 10% of its profit after tax, after payment of dividends minus carried forward losses as legal reserve. This ceases to be mandatory when the amount so set aside reaches 20% of its stated capital.

(b) Assets revaluation reserves

Assets revaluation reserves represents the fair value differences on the revaluation of items of Property and equipment as at the reporting date.

(c) Fair value reserves

Fair value reserves represents the fair value gains or losses on valuation of financial assets measured at fair value through equity.

(d) Treasury shares

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury shares reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deifcit on the transaction is presented within share premium.

2.19 Earnings per share

The Group presents basic and diluted earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the group by the number of shares outstanding during the year.

Diluted Earnings per share is determined by dividing the statement of comprehensive income attributable to ordinary shareholders by the weighted average number of ordinary shares adjusted for the bonus shares issued.

2.20 Revenue recognition

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

(i) Insurance contracts:

See accounting policy 2.13 b(i) for recognition of premium on insurance contracts.

(ii) Investment and other operating income

Company Information and Summary of Significant Accounting Policies (continued)

For The Year Ended 31 December 2022

Investment income comprises interest income earned on short-term deposits, rental income and income earned on trading of securities including all realised and unrealised fair value changes, interest income on loans and finance leases, dividends and foreign exchange differences. Investment income is accounted for on an accrual basis.

Other operating income comprises fee income and profit on disposal of property and equipment.

(iii) Dividend income

Dividend income for available for sale equities are recognised when the right to receive payment is established.

2.21 Management expense

Management expenses are expenses other than claims and underwriting expenses. They include depreciation expenses and other operating expenses. They are recognised on an accrual basis.

2.22 Borrowings

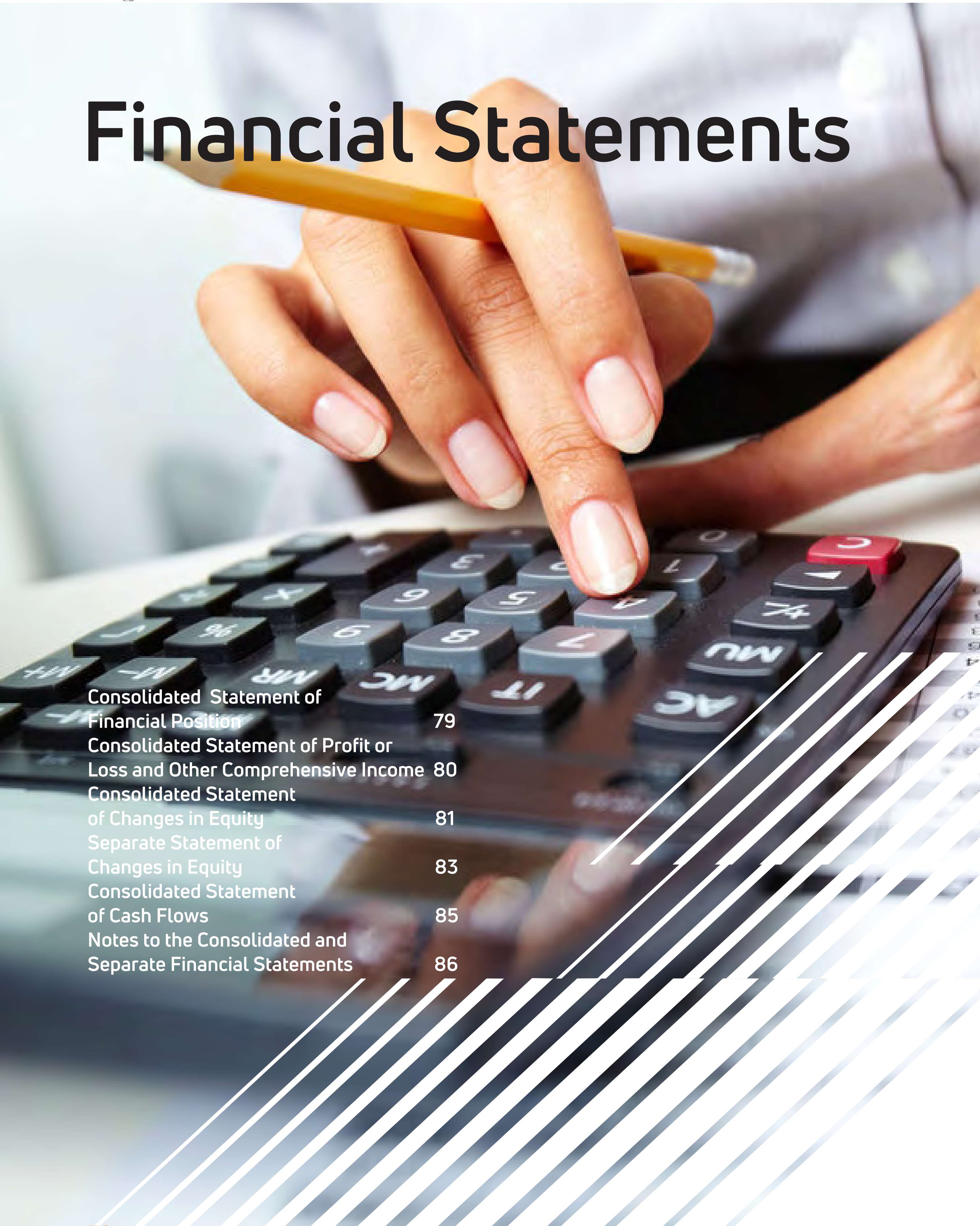
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

2.23 Impairment of non financial assets

The Group's non financial assets with carrying amounts other than investment property are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are available for use, the recoverable amount is estimated each year at the same time.

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



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Consolidated Statement of Financial Position

As at 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Notes	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
ASSETS					
Cash and cash equivalents	5	**61,304,582**	42,969,621	**58,723,150**	40,683,664
Trade receivables	6	**6,299,524**	428,033	**6,035,620**	353,132
Investment securities	7				
- Financial assets at fair value through profit or loss	7.1	**241,696,163**	258,307,185	**241,696,163**	258,307,185
- Available for sale financial assets	7.2	**68,199,415**	77,654,805	**65,784,266**	77,558,930
- Held to maturity financial assets	7.3	**21,398,326**	3,867,979	**21,398,326**	3,867,979
Reinsurance assets	8	**94,491,192**	83,278,314	**94,394,918**	83,245,169
Deferred acquisition cost	9	**1,492,164**	1,302,467	**1,455,897**	1,302,467
Other receivables and prepayments	10	**5,730,239**	6,217,668	**3,792,220**	4,484,031
Loans and advances	11	**966,556**	681,541	**966,556**	681,541
Property and equipment	12	**6,873,442**	4,983,107	**6,584,858**	4,892,472
Investment properties	13	**23,301,882**	20,084,060	**21,061,067**	18,647,639
Investment in subsidiaries	14	**-**	-	**7,745,304**	5,674,730
Intangible assets	16	**2,214,572**	1,690,495	**14,533**	40,613
Statutory deposits	17	**500,000**	500,000	**500,000**	500,000
TOTAL ASSETS		**534,468,059**	501,965,275	**530,152,878**	500,239,552
LIABILITIES					
Trade payables	18	**20,237,177**	18,600,653	**20,017,191**	18,569,149
Current income tax liabilities	19	**1,174,624**	1,002,282	**1,124,962**	956,651
Other liabilities	20	**9,136,251**	7,082,636	**8,316,493**	6,555,502
Insurance contract liabilities	21	**383,427,864**	357,594,400	**382,385,852**	357,062,781
Investment contract liabilities	22	**37,420,447**	35,917,975	**35,216,547**	34,288,014
Deferred tax liabilities	15	**1,879,880**	2,154,413	**1,879,880**	2,154,413
TOTAL LIABILITIES		**453,276,243**	422,352,361	**448,940,925**	419,586,510
EQUITY					
Issued and paid up share capital	23	**10,000,000**	10,000,000	**10,000,000**	10,000,000
Share premium	23	**588,575**	588,575	**588,575**	588,575
Contingency reserve	23	**19,132,139**	17,667,126	**19,130,670**	17,665,658
Retained earnings	23	**42,095,581**	35,207,003	**43,239,981**	36,535,461
Fair value reserves	23	**6,592,830**	14,196,939	**6,592,830**	14,196,940
Other reserves	23	**2,781,562**	1,952,872	**1,659,897**	1,666,408
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**81,190,687**	79,612,515	**81,211,953**	80,653,042
Non controlling interest	24	**1,129**	399	**-**	-
TOTAL EQUITY		**81,191,816**	79,612,914	**81,211,953**	80,653,042
TOTAL EQUITY AND LIABILITIES		**534,468,058**	501,965,275	**530,152,878**	500,239,552

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS ON 20 February 2023 BY:

Mr. Tunde Hassan Odukale
FRC/2013/IODN/00000002040
Group Chief Executive Officer

General (Rtd) Martin Luther Agwai
FRC/2019/CDIR/00000019923
Chairman

Mrs. Yemisi Rotimi
FRC/2021/001/0000023876
Chief Financial Officer

The notes are an integral part of these consolidated financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Notes	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Gross premium written	25	**92,529,579**	70,624,353	**90,850,483**	70,107,557
Gross premium income	25	**85,182,491**	68,041,558	**83,766,764**	67,524,762
Reinsurance expenses	26	**(19,967,564)**	(20,483,508)	**(19,726,443)**	(20,441,143)
Net premium income		**65,214,927**	47,558,050	**64,040,321**	47,083,619
Commission income	27	**3,073,991**	3,092,645	**3,018,777**	3,084,187
Underwriting income		**68,288,918**	50,650,695	**67,059,098**	50,167,806
Claims expenses	28	**(57,456,024)**	(47,826,715)	**(57,174,741)**	(47,683,845)
Increase in annuity fund	25	**(1,189,310)**	79,634,329	**(1,189,310)**	79,634,329
Increase in individual life fund	25	**(1,841,387)**	(1,296,013)	**(1,707,961)**	(1,127,490)
Underwriting expenses	29	**(13,435,296)**	(9,520,194)	**(13,259,557)**	(9,435,364)
Total underwriting expense		**(73,922,017)**	20,991,407	**(73,331,569)**	21,387,630
Total underwriting (loss)/profit		**(5,633,099)**	71,642,102	**(6,272,471)**	71,555,436
Investment income	30	**40,609,127**	27,128,970	**40,364,485**	27,100,693
Loss on investment contracts	30(a)	**791,446**	(2,581,567)	**829,472**	(2,317,370)
Net fair value loss on assets at fair value	31	**(15,793,789)**	(83,688,762)	**(16,114,399)**	(83,688,762)
Other operating income	32	**5,510,837**	10,353,480	**5,237,308**	10,332,666
Employee benefit expenses	33	**(6,399,898)**	(4,986,482)	**(5,921,260)**	(4,851,151)
Other operating expenses	34	**(6,668,880)**	(5,353,656)	**(5,890,311)**	(5,086,970)
		12,415,744	12,514,085	**12,232,824**	13,044,542
Net impairment	35	**(461,025)**	(557,291)	**(461,026)**	(557,291)
Profit before income tax		**11,954,719**	11,956,794	**11,771,798**	12,487,251
Income tax expense	36	**(101,125)**	(576,362)	**(102,263)**	(542,330)
Profit for the year from continuing operations		**11,853,594**	11,380,432	**11,669,535**	11,944,921
Profit for the year		**11,853,594**	11,380,432	**11,669,535**	11,944,921
Other comprehensive income:					
Items that may be subsequently reclassified to the profit or loss account:					
Changes in available-for-sale financial assets net of taxes	7c	**(7,378,361)**	4,536,223	**(7,378,361)**	4,536,223
Net amount transferred to the income statement on sale of Available for sale Debt instrument	7c	**(225,749)**	(277,561)	**(225,749)**	(277,561)
Items within OCI that will not be reclassified to profit or loss:					
Gain/(Loss) on revaluation of properties and equipment net of tax	7c	**(6,511)**	59,136	**(6,511)**	59,136
Other comprehensive income for the year		**(7,610,621)**	4,317,798	**(7,610,621)**	4,317,798
Total comprehensive income for the year		**4,242,972**	15,698,230	**4,058,914**	16,262,719
Profit attributable to:					
- Owners of the Company		**11,853,535**	11,380,488	**11,669,535**	11,944,921
- Non-controlling interest		**59**	(56)	**-**	-
Profit for the year		**11,853,594**	11,380,432	**11,669,535**	11,944,921
Total Comprehensive income attributable to:					
- Owners of the Company		**4,242,914**	15,698,592	**4,058,914**	16,262,718
- Non-controlling interest		**59**	(362)	**-**	-
Total comprehensive income for the year		**4,242,972**	15,698,230	**4,058,914**	16,262,718
Total Comprehensive income attributable to equity shareholders arises from:					
- Continuing operations		**4,242,972**	15,698,230	**4,058,914**	16,262,718
Total comprehensive income for the year		**4,242,972**	15,698,230	**4,058,914**	16,262,718
Basic/Diluted - Earnings per share (kobo):					
- From continuing operations	37	**119**	114	**117**	119
- Total Comprehensive Income for the Year	37	**119**	114	**117**	119

* Items disclosed in other comprehensive income do not have tax effects based on relevant tax regulation

The notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

ATTRIBUTABLE TO OWNERS OF THE PARENT

Group 2022	Notes	Share capital	Share premium	Retained earnings	Fair value reserve on Available for sale financial assets	Contingency reserve	Asset revaluation reserve	Translation reserve	Total	Non controlling interest	Total
As at 1 January 2022		10,000,000	588,575	35,207,002	14,196,940	17,667,126	1,666,408	286,464	79,612,515	399	79,612,915
Profit for the year		-	-	11,853,594	-	-	-	-	11,853,594	59	11,853,652
Other comprehensive income								-	-		
Net changes in fair value of AFS financial instruments	7c	-	-	-	(7,378,361)	-	-	-	(7,378,361)	-	(7,378,361)
Net amount of AFS instruments transferred to income statement	7c	-	-	-	(225,749)	-	-	-	(225,749)	-	(225,749)
Fair value gain on Property and equipment net of tax		-	-	-	-	-	(6,511)	-	(6,511)	-	(6,511)
Total comprehensive income for the year		-	-	11,853,594	(7,604,110)	-	(6,511)	-	4,242,972	59	4,243,031
Transfer to contingency reserve		-	-	(1,465,013)	-	1,465,013	-	-	-	-	-
Cash dividend paid to equity holders		-	-	(3,500,000)	-	-	-	-	(3,500,000)	-	(3,500,000)
Issue of shares of subsidiary acquired		-	-	-	-	-	-	-	-	671	671
Foreign currency translation reserve		-	-	-	-	-	-	835,201	835,201		835,201
Total transactions with owners		-	-	(4,965,015)	-	1,465,013	-	835,201	(2,664,799)	671	(2,664,128)
As at 31 December 2022		10,000,000	588,575	42,095,581	6,592,829	19,132,139	1,659,897	1,121,665	81,190,685	1,129	81,191,814

Consolidated Statement of Changes in Equity (continued)

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

		ATTRIBUTABLE TO OWNERS OF THE PARENT									
Group 2021	Notes	Share capital	Share premium	Retained earnings	Fair value reserve on Available for sale financial assets	Contingency reserve	Asset revaluation reserve	Translation reserve	Total	Non controlling interest	Total
As at 1 January 2021		10,000,000	588,575	29,678,993	9,938,279	15,314,108	1,607,272	315,582	67,442,809	397	67,443,205
Profit for the year		-	-	11,381,028	-	-	-	-	11,381,028	(56)	11,380,972
Other comprehensive income											
Acquired subsidiary at acquisition		-	-	-		-	-	-	-	-	-
Net changes in fair value of AFS financial instruments	7c	-			4,536,223	-	-	-	4,536,223	-	4,536,223
Net amount of AFS instruments transferred to income statement	7c	-	-	-	(277,561)	-	-	-	(277,561)	-	(277,561)
Issue of shares of subsidiary acquired		-	-		-	-	-	-	-	(306)	(306)
Fair value gain on Property and equipment net of tax		-	-	-	-	-	59,136	-	59,136	-	59,136
Total comprehensive income for the year		-	-	11,381,028	4,258,662	-	59,136	-	15,698,826	(362)	15,698,464
Bonus issue									-		-
Transfer to contingency reserve		-	-	(2,353,018)	-	2,353,018	-	-	-	-	-
Cash dividend paid to equity holders		-	-	(3,500,000)	-	-	-	-	(3,500,000)	-	(3,500,000)
Foreign currency translation reserve		-	-	-	-	-	-	(29,118)	(29,118)		(29,118)
Total transactions with owners		-	-	(5,853,018)	-	2,353,018	-	(29,118)	(3,529,118)	365	(3,528,753)
As at 31 December 2021		10,000,000	588,575	35,207,003	14,196,940	17,667,126	1,666,408	286,464	79,612,516	399	79,612,915

Separate Statement of Changes in Equity

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

2022	Notes	Share capital	Share premium	Retained earnings	Fair value reserve on Available for sale financial assets	Contingency reserve	Asset revaluation reserve	Total
As at 1 January 2021		10,000,000	588,575	36,535,461	14,196,940	17,665,658	1,666,408	80,653,042
Profit for the year		-	-	11,669,535	-	-	-	11,669,535
Other comprehensive income								
Net changes in fair value of AFS financial instruments	7c	-	-	-	(7,378,361)	-	-	(7,378,361)
Net amount transferred to Income statement	7c				(225,749)			(225,749)
Fair value gain on property and equipment net of tax	7c	-	-	-	-	-	(6,511)	(6,511)
Total comprehensive income for the year		-	-	11,669,538	(7,604,110)	-	(6,511)	4,058,912
Transaction with owners & directly in equity:								
Transfer to contingency reserve		-	-	(1,465,012)	-	1,465,012	-	-
Cash dividend paid to equity holders		-	-	(3,500,000)	-	-	-	(3,500,000)
Total transactions with owners of equity		-	-	(4,965,012)	-	1,465,012	-	(3,500,000)
As at 31 December 2022		10,000,000	588,575	43,239,986	6,592,830	19,130,670	1,659,897	81,211,958

Separate Statement of Changes in Equity (continued)

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Company 2021	Notes	Share capital	Share premium	Retained earnings	Fair value reserve on Available for sale financial assets	Contingency reserve	Asset revaluation reserve	Total
As at 1 January 2021		10,000,000	588,575	30,442,971	9,938,279	15,312,636	1,607,272	67,889,733
Profit for the year		-	-	11,945,513	-	-	-	11,945,513
Other comprehensive income								
Net changes in fair value of AFS financial instruments	7c	-	-	-	4,536,223	-	-	4,536,223
Net amount transferred to Income statement	7c	-	-	-	(277,561)	-	-	(277,561)
Fair value gain on property and equipment net of tax		-	-	-	-	-	59,136	59,136
Total comprehensive income for the year		-	-	11,945,513	4,258,661	-	59,136	16,263,311
Transaction with owners & directly in equity:								
Transfer to contingency reserve		-	-	(2,353,022)	-	2,353,022	-	-
Contingent consideration on investment in parent			-					-
Cash dividend paid to equity holders		-	-	(3,500,000)	-	-	-	(3,500,000)
Total transactions with owners of equity		-	-	(5,853,022)	-	2,353,022	-	(3,500,000)
As at 31 December 2021		10,000,000	588,575	36,535,461	14,196,940	17,665,658	1,666,408	80,653,042

Consolidated Statement of Cash Flows

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Operating activities		Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Insurance premium received		**75,617,990**	67,965,723	**74,480,413**	67,482,677
Reinsurance premium paid		**(21,034,309)**	(21,439,868)	**(20,981,670)**	(21,420,711)
Reinsurance commission received	27	**2,949,063**	3,343,286	**2,893,849**	3,334,828
Insurance benefits and claims paid		**(55,961,972)**	(48,455,757)	**(55,715,788)**	(48,385,352)
Deposit received on investment contracts	22	**11,894,552**	11,738,824	**10,823,612**	11,441,481
Claims paid on investment contracts	22	**(12,542,247)**	(11,281,008)	**(11,784,486)**	(10,668,787)
Reinsurance claims received		**2,777,167**	3,521,995	**2,837,766**	3,544,605
Premium received in advance	18	**10,707,759**	10,581,772	**10,707,759**	10,581,772
Cash Commission paid to insurance brokers and agents		**(9,610,939)**	(7,139,685)	**(9,622,388)**	(7,187,402)
Cash paid to employees		**(6,435,032)**	(4,943,084)	**(5,956,394)**	(4,807,753)
Cash paid to external parties		**(6,163,531)**	(10,337,522)	**(7,930,313)**	(5,719,382)
		(7,801,499)	(6,445,324)	**(10,247,640)**	(1,804,024)
Corporate tax paid	19	**(208,748)**	(123,040)	**(208,485)**	(139,353)
Net cash used in operating activities		**(8,010,247)**	(6,568,364)	**(10,456,125)**	(1,943,377)
Cash flows from investing activities					
Investment income received		**36,899,972**	33,283,380	**36,899,972**	33,279,747
Purchase of investment property	13a	**(173,949)**	(206,654)	**(105,680)**	(138,385)
Dividend received		**1,610,396**	1,369,591	**1,525,059**	1,365,821
Other income received		**1,727,817**	973,491	**1,089,637**	933,856
Proceeds on disposal of property and equipment		**46,991**	976	**46,991**	976
Purchase of Financial assets designated at fair value	7.1	**(54,980,524)**	(60,731,695)	**(54,980,524)**	(60,731,695)
Purchase of available for sale financial asset	7.2(c)	**(10,224,466)**	(24,469,336)	**(10,224,466)**	(24,469,336)
Purchase of Held to Maturity Investment Securities		**(18,263,971)**	(3,884,074)	**(18,263,971)**	(3,884,074)
Payment for Loans and Receivables		**(719,350)**	(525,884)	**(719,350)**	(525,884)
Purchase of intangible assets	16	**(752,905)**	(17,387)	**(9,471)**	(17,392)
Purchase of property and equipment	12	**(2,661,055)**	(783,888)	**(2,372,083)**	(767,371)
Proceeds on disposal of Investment securities		**77,045,718**	45,873,576	**78,913,497**	45,045,123
Loans repayment received	11	**454,016**	454,181	**454,016**	454,181
Investment in subsidiary	14a	**-**	-	**-**	(84,282)
Deposit for shares	10a	**-**	-	**-**	(2,164,276)
Proceeds on disposal of investment property		**94,533**	130,000	**-**	130,000
Net cash (used in)/from investing activities		**30,103,225**	(8,533,724)	**32,253,628**	(11,572,992)
Cash flows from financing activities					
Dividend paid to equity holders (parents)		**(3,500,000)**	(3,500,000)	**(3,500,000)**	(3,500,000)
Net cash used in financing activities		**(3,500,000)**	(3,500,000)	**(3,500,000)**	(3,500,000)
Net increase in cash and cash equivalents		**18,592,977**	(18,602,087)	**18,297,502**	(17,016,368)
Effect of exchange rate fluctuations on cash held		**(258,016)**	3,371,155	**(258,016)**	3,371,155
Cash and cash equivalents at beginning of year	5	**42,969,621**	58,200,553	**40,683,664**	54,328,877
Cash and cash equivalent at end of year	5	**61,304,582**	42,969,621	**58,723,150**	40,683,664

Notes to the Consolidated and Separate Financial Statements

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

ENTERPRISE RISK MANAGEMENT (ERM) STATEMENT

3 Introduction

Leadway Assurance Company Limited (Leadway) applies an entity-wide approach to its risk management process such that both existing and anticipated risks are identified upfront and appropriate responses are applied to reduce the likelihood of the risk downside while exploiting the opportunities inherent in the risks, thus creating value. provides guidance to management and staff to ensure that all actions taken and activities carried out with respect to risk management are consistent with the Company's strategic goals and business objectives. The ERM Framework forms the standard against which we benchmark our risk identification and risk mitigation approach for certain vulnerabilities and then set tolerances for risks we cannot fully avoid.

Purpose

The general purpose of Leadway's ERM Framework is to provide the internal stakeholders with the guidance that ensures that all decisions made and activities conducted with regard to risk management are in congruence with the entity's goals and business units' objectives.

The specific benefits we envisage gaining from our ERM framework are to:

- Protect and strengthen the company's capital base such that risk acceptances are guided by our Risk Appetite Framework and exposures are curtailed within tolerance limits.
- Give reasonable assurance to our policyholders and the regulators about our ability to promptly pay claims arising now and in the future.
- Communicate the risks being taken by the company to the investors and ensure that the strategic objectives of the organization are aligned with the expectations of capital providers.
- Provide the means to promote and demonstrate best practices in governance and risk management, and deliver more efficient use of capital.

- To ensure Leadway's operational resilence in the face of systematic shocks or disruptions.
- To improve the control and coordination of risk taking across the Company.
- To maximize opportunities, earnings potential and ultimately our stakeholder value.

- Our risk management philosophy and culture represent our shared values, attitude and practice of how we consider risk in our day-to-day operations across all levels. As insurers, we anticipate risks and in advance, respond appropriately.

- We regard every one of our employees as a risk manager and we all take individual and collective ownership of the ERM responsibilities.
- We observe prudence in our underwriting processes and limit our risks to the Board approved risk appetite and tolerance levels.
- We have no tolerance for infractions of laws and regulations and we detest business relationship with disreputable business entities and individuals.

Risk Management Strategy

Our risk management methodology recognizes that there cannot be total elimination of risk but we are determined to reduce both the severity and probability of the occurrence of risk issues through appropriate risk responses. We have deployed an ERM policy that focuses on taking enterprise-level view of interrelationships among various risks with a view to providing an effective response to managing the material risks that present the greatest threats to our existence and operations as an insurance company. Consequently, the cornerstone of our Risk management strategy were:"

(i) Capital Management: Protect the capital base by monitoring that risks are not taken beyond Leadway's risk tolerance, Enhance value creation and contribute to an optimal risk/return profile by providing the basis for efficient capital deployment.

(ii) Continuous refresh of risk appetite framework, ensuring risk appetite framework forms the basis for controlled risk-taking;

(iii) Liquidity Risk Management: Continuous identification and monitoring of material sources of liquidity risk which the Company may be exposed in order to ensure adequate liquidity in terms of amount and quality is available for the business

(iv) Total Risk Profiling -Operational Risk Assessment, ensuring a more structured approach to assessing operational risk across the group in line with the Total Risk Profiling (TRP) framework.

External Perspectives

Regulation and regulatory compliance, continues to be a external drivers of our Enterprise Risk Management process. Howbeit, operating management is a key program driver of the ERM process, with the involvement of key groups, i.e. Boards and committees, internal audit and Senior management.

Notes to the Consolidated and Separate Financial Statements (continued)
For The Year Ended 31 December 2022
(All amounts in thousands of Nigerian Naira unless otherwise stated)

Risk Governance, Roles & Responsibilities

Our risk governance focuses on directing and controlling the management of risks within the company by articulating the roles and responsibilities for the board, management, and employees. The policy adopts the three lines of defense model of risk management governance that revolves around the Board, Risk Management Committee and the Audit Committee.

Roles and Responsibilities

The Board

The board has the ultimate accountability for the risk and the related control environment and as such, is responsible for the following:

- To approve the risk management framework, set the risk appetite/tolerance level and the risk management strategy escalated to it, from time to time.

- To appraise the risk management process and the internal controls for effectiveness, appropriateness and adequacy.

- To ensure that the company's ERM Framework is subject to periodic audit by competent personnel independent of the company's risk management functions.

Board Risk & Technical committee
- Review and approve the risk management framework, the risk tolerance and the risk management strategy escalated to it, from time to time.

- Establish and ensure a strong risk management culture exists.

- To challenge risk information and examine the appropriateness of the judgments underlying the setting of the company's risk tolerance/limits.

Business Units
Many of the operational risks reside in the business units and risk owners/champions in these units have responsibilities for risk management in the respective risks. Specifically, business units are responsible for the following:

- To carry out a monthly review of risks profile in the department/unit in compliance with the entity's risk policies and procedures.

- Apply appropriate control measures to manage identified risks and solicit the involvement of the Enterprise Risk Management Division in the escalation of material risks to the Management Committee.

- Be involved in all activities designed to propagate risk management culture within the company and in building firewalls against emerging exposures that may affect the achievement of the company's objectives.

- Produce risk management reports input for consolidation into the overall report repository domiciled in the Enterprise Risk Management Division.

- Provide information towards the development of new approaches to risk management in its domain and collaborate with Enterprise Risk Management Division to prepare appropriate risk mitigation plans for the unit.

Enterprise Risk Management Division

- Responsible for facilitation and co-ordination of risk management activities across the company.
- Provision of technical assistance and guidance to business units. It will be responsible for raising awareness of risk management across the company.

- Reviews and analyses the company's business and investment proposals to ensure that risks have been adequately identified and proper mitigating factors put in place.

- Develop Key Risk Indicators (KRIs) for monitoring key drivers associated with identified major risks.

- Monitor compliance with the company's ERM policies/procedures on risk limits and assess the impact regulatory requirements will have on the company's operations.

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Internal Audit

- To adopt a risk-based approach to planning and executing the internal audit process/activities by directing internal auditing resources at those areas most important to the organization.
- Evaluate the adequacy and effectiveness of controls encompassing the organization's governance, operations, and information systems.
- Develop internal audit plans that identify and assess risks relevant to the activity under review and ensure that the internal auditing objectives reflect the results of the risk assessment.
- To contribute to the effectiveness of enterprise risk management, by participating in separate evaluations of internal controls and the ERM programme, and recommending improvements.
- To provide advice in the design and improvement of control systems and risk mitigation strategies.

To challenge the basis of management's risk assessments and evaluate the adequacy and effectiveness of risk treatment strategies.

Risk Landscape

The company's risk landscape comprises of the core risks around its business operations and other risks that are external to them. The company's key risk classifications includes but not limited to the following:

i) **Insurance Risk** – the risk of loss as a result of improper pricing or/and inadequate reserving. The risk may arise as the insurers are exposed to the risk of timing and expectation of claims and benefit payments. The risk is mitigated through a strong reinsurance programme and effective underwriting strategy that diversifies through appropriate mix.

ii) **Operational Risk** – the company is vulnerable to risks associated with inefficiencies in processes, system failure, human errors, and external occurrences. Leadway has NO desire to take on operational risk because it does not believe it is appropriately compensated for doing so. As a result, segregation of duties, application controls, frequent audits, risk and control evaluations, and trainings are used to manage this risk.

iii) **Market & Investment Risk –** the risk of loss arising from changes in financial market variable that may impact our investment performance and capital. In mitigating this risk, we have set our exposure to be within an acceptable risk tolerance, ensuring the business only take LOW to MEDIUM risks.

iv) **Regulatory/Compliance Risk** – the risk of loss arising from non-compliance to regulatory requirements resulting in fines and infractions. The company conducts relevant trainings across all levels employees within the firm, with the objective of attaining the status of 'most significantly- compliant insurer'. The company's Governance and Compliance Policies are periodically audited.

v) **Competition Risk:** the risk of losing business and market share arising from voluntary customer attrition, price war, inefficient work process and poor service delivery. Our company is able to manage this risk through efficient, technology driven premium service delivery and prompt resolution of customer complaints that has enabled the company sustain its market leadership status.

vi) **Asset and Liability Management (ALM) Risk –** This is the risk of loss arising from mismatch between the firm's asset and liabilities either due to changes in interest rates. e.g. gap, repricing, yield curve risks, etc. Our ALM risk framework focuses on the firm's short & long-term viability subject to balance sheet constraints (hedge ratios). This process is carried out using a multi-factor risk hedge that ensures that the firm hedges the risks across is asset and liability transformation by employing bucket analysis and key rate exposures. We recognize that there are no perfect hedging strategy, hence we ensure all gap risks are within our acceptable risk appetite.

vii) **Reputational Risk –** This risk focuses on the belief that the firm can and will fulfil its promises to counterparties, policy holders, and creditors as well as the risk that the firm is a fair dealer and follows ethical, social, and environmental practices. The firm manages this risk by embedding strong safety policies that affirm safety and risk management, building trust and value creation are the top strategic priorities for the firm.

viii) **Cyber Risk –** This is the risk of loss resulting from the failure of the firm's technology systems. Leadway recognizes the importance of this risk as it moves into new technologies. We manage this risk through security awareness trainings on cyber threats, software updates, and an investment in a good IT defense system. The firm also supports this by testing its disaster recovery and business continuity plans annually.

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

3.1 Capital Management Policies, Objectives and Approach

Approach to capital management

Leadway seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and policyholders.

Leadway's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between available and required capital level on a quarterly basis and taking appropriate actions to influence the capital position of the company in the light of changes in economic conditions and risk characteristics. An important aspect of the company's overall capital management process is the setting of an economic capital coverage ratio range of 1.5x to above 2x i.e. available capital in excess of required risk capital, as well as a target risk adjusted rates of return, which are aligned with performance objectives and ensure that the Group is focused on the creation of value for shareholders.

The Group's primary source of capital is its equity shareholders and profit retained over the years. Leadway also utilizes adequate and efficient reinsurance arrangements to protect shareholders' funds against unfavorable events such as catastrophes or large claims.

The capital requirements are routinely forecased over a 1 year horizon based on the Value at Risk framework, and following the Solvency II standards. The process is carried out quarterly involving both the Actuarial and ERM teams, with the results presented at both management and Board risk committees. Also, the Leadway as a requirement by the regulators also carries out its Own Risk Solvency Assessment (ORSA) annually.

The Group has developed a framework to identify the risks and quantify their impact on the economic capital. The framework estimates how much capital is required to reduce the risk of insolvency to a remote degree of probability.

"The Company's objectives with respect to capital management are to maintain a capital base that is structured to exceed regulatory requirement and to decide on the efficient use of capital by assessing the return on capital allocated to the various classes of business and/or products. The table below summarises the maximum authorized capital across the group and the paid up capital held as follows:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Maximum Regulatory Capital	**5,000,000**	5,000,000	**5,000,000**	5,000,000
Maximum authorized capital	**10,000,000**	10,000,000	**10,000,000**	10,000,000
Paid up share capital	**10,000,000**	10,000,000	**10,000,000**	10,000,000

The Group has different requirements depending on the specific operations which it engages in. The Group's main business is Insurance risk underwriting. The insurance business is divided into life and non life business. Note 23a shows the authorized and paid up capital for the life and non life businesses.

Insurance industry regulator measures the financial strength of non-life insurers using a solvency margin model. This test compares insurers' capital against the risk profile. Section 24 (1) of the Insurance Act, 2003 requires that an insurer shall in respect of its business other than its life insurance business, maintain at all times a margin of solvency being the excess of the value of its admissible assets in Nigeria over its liabilities in Nigeria. The solvency margin shall not be less than 15 percent of the gross premium income less reinsurance premiums paid out during the year under review or the minimum paid-up capital which ever is greater. During the year, the Company has complied with this capital requirement. The regulator has the authority to request more extensive reporting and can place restrictions on the Company's operations if the Company falls below this requirement as deemed necessary.

Effective May 2019, the industry's regulatory body (NAICOM) has increased the minimum required regulatory capital for insurance companies as shown below;

1. Life Insurers: Increased to N8 billion from N2 billion
2. General Insurers: Increased to N10 billion from N3 billion

This implies that composite insurers like Leadway Assurance will now have it's minimum required regulatory capital increased to N18 billion from its current N5 billion.

We will comply with the above listed requirement as a composite insurer. However, the recapitalization has been suspended temporarily due to ongoing litigation. In addition, the finance act of 2021 has redefined what constitutes capital requirement for an Insurance company. The industry is waiting for NAICOM's guideline on this amendment.

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

The company's solvency margin as at 31 December 2022 is as follows:

	Notes	December 2022 TOTAL	December 2022 ADMISSIBLE	December 2022 INADMISSIBLE	December 2021 TOTAL	December 2021 ADMISSIBLE	December 2021 INADMISSIBLE
ASSETS							
Cash and Cash Equivalents	5	58,723,150	57,777,607	945,543	40,683,665	37,901,596	2,782,069
Investment Securities	7	328,878,755	328,878,755	-	339,734,094	339,734,094	-
Trade Receivables	6	6,035,620	6,035,620	-	353,132	353,132	-
Reinsurance Asset	8	94,394,918	94,394,918	-	83,245,169	83,245,169	-
Deferred Acquisition Cost	9	1,455,897	1,455,897	-	1,302,467	1,302,467	-
Other Receivables and Prepayments	10	3,792,220	-	3,792,220	4,484,031	-	4,484,031
Loans and Advances	11	966,556	48,011	918,545	681,541	59,379	622,162
Investment in Subsidiaries	14	7,745,304	-	7,745,304	5,674,730	-	5,674,730
Investment Properties	13	21,061,067	19,573,068	1,487,999	18,647,639	17,198,076	1,449,563
Intangible assets	16	14,533	14,533	-	40,613	40,613	-
Property & Equipment	12	6,584,858	6,584,858	-	4,892,472	4,892,472	-
Statutory Deposit	17	500,000	500,000	-	500,000	500,000	-
Total Assets		530,152,879	515,263,267	14,889,611	500,239,553	485,226,998	15,012,554

LIABILITIES		December 2022 TOTAL N'000	December 2022 ADMISSIBLE N'000	December 2022 INADMISSIBLE N'000	December 2021 TOTAL N'000	December 2021 ADMISSIBLE N'000	December 2021 INADMISSIBLE N'000
Insurance Contract Liabilities	21	382,385,852	382,385,852	-	357,062,781	357,062,781	-
Investment Contract Liabilities	22	35,216,547	35,216,547	-	34,288,014	34,288,014	-
Current Income Tax Liabilities	19	1,124,962	1,124,962	-	956,651	956,651	-
Deffered Tax Liabilities	15	1,879,880	-	1,879,880	2,154,413	-	2,154,413
Trade payables	18	20,017,191	20,017,191	-	18,569,149	18,569,149	-
Other Liabilities	20	8,316,493	8,316,493	-	6,555,502	6,555,502	-
Total Liabilities		448,940,926	447,061,046	1,879,880	419,586,509	417,432,096	2,154,413

		December 2022	December 2021
	Excess of admissible assets over liabilities	**68,202,221**	**67,794,902**
Test I	Gross Premium	83,766,764	67,524,762
	Less: Reinsurance expense	(19,726,443)	(20,441,143)
	Net premium	64,040,321	47,083,619
	15% thereof	9,606,048	7,062,543
Test II	Minimum paid-up capital	5,000,000	5,000,000
	The higher thereof:		
	SURPLUS OF SOLVENCY	58,596,173	60,732,359
	Solvency ratio	710%	960%

Asset and liability management

Asset and liability management continues to be the foundation of the investment philosophy at Leadway. The Group still continues to face asset and liability management challenges to fulfil its promises to customers and protect its balance sheet, and thus, we view this risk as primarily arising from mismatches between asset and liabilities and how this impacts income and capital. The Group addresses these risks by ensuring protection of income and capital through managing interest rate risk exposures within authorized levels.

The principal technique of the Group's ALM is to match assets to the liabilities arising from insurance and investment contracts by reference to the type of benefits payable to contract holders. For each distinct class of liabilities, a separate portfolio of assets is maintained. The Group has not changed the processes used to manage its risks from previous periods.

The Group's ALM is integrated with the management of the financial risks associated with the Group's other classes of financial assets and liabilities not directly associated with insurance and investment liabilities. The notes below explain how financial risks are managed using the categories utilized in the Group's ALM framework.

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Asset Cover for Insurance Contract Liabilities (Company) Item	Non Life	Annuity	Investment Contract	Other Life	Total	31-Dec-21	% Change
Insurance Contract Liabilities	123,682,214	232,879,807	-	25,823,831	382,385,852	357,062,779	
Investment Contract Liabilities			35,216,547		35,216,547	34,288,014	
Gross Insurance Funds	123,682,214	232,879,807	35,216,547	25,823,831	417,602,399	391,350,793	7%
Less							
Reinsurance Receivables							
1 Reinsurance expenses prepaid	4,214,221	-	-	684,379	4,898,601	4,794,217	2%
2 Reinsurers share of Claims expense paid	3,908,435	-	-	450,271	4,358,706	622,646	600%
3 Reinsurers share of Claims expense outststanding	83,996,112	-	-	1,141,501	85,137,612	77,828,306	9%
Net Insurance Funds	31,563,447	232,879,807	35,216,547	23,547,680	323,207,481	308,105,624	5%
Admissible Assets					-		
1 Cash and Cash Equivalents	8,746,860	956,764	869,285	1,127,507	11,700,416	6,204,834	89%
2 Treasury bills and Government Bonds	13,533,961	216,041,344	14,946,518	12,120,969	256,642,792	264,569,480	-3%
3 Placement with Financial Insititutions	22,630,255	7,197,139	10,124,107	3,882,945	43,834,447	31,014,329	41%
4 Corporate Bonds & Debenture	1,212,880	2,810,858	2,054,645	1,456,775	7,535,158	11,109,014	-32%
5 Ordinary Shares	1,910,152	7,159,852	5,912,998	687,609	15,670,610	18,975,291	-17%
6 Agency Loan	-	-	120,051	-	120,051	127,994	-6%
7 Loan to Policy holders	-	-	-	576,716	576,716	530,318	9%
8 Investment Properties	-	-	1,933,463	4,193,186	6,126,649	4,433,838	38%
Total Admissible Assets	48,034,108	234,165,956	35,961,067	24,045,707	342,206,837	336,965,099	2%
SURPLUS/(DEFICIT) IN ASSETS COVER	16,470,661	1,286,149	744,520	498,028	18,999,357	28,859,475	-34%

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For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

3.2 ASSET AND LIABILITY MANAGEMENT

(a) HYPOTHECATION OF ASSETS (COMPANY)

COMPANY 2022	Non Life		Life				
	Shareholder's fund	Policy holder's Fund	Shareholder's fund	Deposit Admin. Fund	Annuity Fund	Policy holder's Fund (LIFE)	TOTAL
Assets							
Cash and cash equivalents							
Bank Placements	2,489,993	22,630,255	1,026,298	10,124,107	7,197,139	3,230,280	46,698,072
Bank and Cash Balances	133,219	8,746,860	191,443	869,285	956,764	1,127,507	12,025,078
Trade receivables	-	417,885	-	-	-	5,617,735	6,035,620
Investment securities:	-	-	-	-	-	-	-
Treasury Bills	-	-	-	-	-	-	-
Government Bonds	18,904,693	13,533,961	4,245,628	14,946,518	216,041,344	12,120,969	279,793,113
Corporate bonds	7,294,887	1,212,880	230,981	2,054,645	2,810,858	1,456,775	15,061,025
Comercial paper			275,774			652,665	928,439
Quoted Securities	6,315,509	534,895	3,284,856	5,409,703	7,159,852	498,462	23,203,278
Unquoted Securities	4,119,654	1,375,257	3,705,548	503,294	-	189,147	9,892,900
Reinsurance assets	-	92,118,768	-	-	-	2,276,151	94,394,918
Deferred acquisition cost	-	1,455,897	-	-	-	-	1,455,897
Other receivables and prepayments	544,114		3,248,106	-	-		3,792,219
Loans and advances	-	269,789	-	120,051	-	576,716	966,556
Property and equipment	3,541,829	-	3,043,029	-	-	-	6,584,858
Investment properties	3,466,654	-	11,467,764	1,933,463	-	4,193,186	21,061,067
Investment in subsidiaries	2,070,574	-	5,674,730		-	-	7,745,304
Deferred tax assets	-	-	-	-	-	-	-
Intangible assets	9,872	-	4,661	-	-	-	14,533
Statutory deposits	300,000	-	200,000	-	-	-	500,000
Total:	**49,190,999**	**142,296,447**	**36,598,817**	**35,961,067**	**234,165,956**	**31,939,593**	**530,152,878**
Liabilities							-
Trade payables & other liabilities	20,095,375	1,652,907	6,559,483			25,922	28,333,687
Current income tax liabilities	578,858		546,104				1,124,962
Insurance contract liabilities		123,682,214			232,879,807	25,823,831	382,385,852
Investment contract liabilities				35,216,547			35,216,546
Deferred tax liabilities	1,666,301		213,579				1,879,880
TOTAL:	**22,340,534**	**125,335,121**	**7,319,166**	**35,216,547**	**232,879,807**	**25,849,753**	**448,940,927**
Surplus/(Deficit)	**26,850,465**	**16,961,326**	**29,279,650**	**744,520**	**1,286,149**	**6,089,840**	**81,211,951**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

COMPANY 2021	Non Life		Life				
	Shareholder's fund	**Policy holder's Fund**	**Shareholder's fund**	**Deposit Admin. Fund**	**Annuity Fund**	**Policy holder's Fund (LIFE)**	**TOTAL**
Assets							
Cash and cash equivalents							
Bank Placements	2,489,993	25,537,644	821,894	2,210,132	1,507,739	1,758,814	34,326,216
Bank and Cash Balances	133,219	3,769,006	19,394	2,211,529	215,959	8,340	6,357,448
Trade receivables	-	327,210	-	-	-	25,922	353,132
Investment securities:	-	-	-	-	-	-	-
Treasury Bills	-	-	492,511	1,288,439	149,446	733,772	2,664,168
Government Bonds	18,878,531	9,421,191	2,199,768	18,403,856	228,139,177	6,433,599	283,476,122
Corporate bonds	1,886,769	5,950,419	218,763	1,569,026	2,989,835	599,735	13,214,545
Quoted Securities	6,185,694	349,883	7,656,897	8,240,564	1,287,439	6,342,414	30,062,890
Unquoted Securities	4,119,654	2,036,015	3,441,722	518,889	-	200,088	10,316,369
Reinsurance assets	-	81,687,197	-	-	-	1,557,972	83,245,169
Deferred acquisition cost	-	1,302,467	-	-	-	-	1,302,467
Other receivables and prepayments	2,578,598		1,905,433.08	-	-		4,484,032
Loans and advances	-	23,230	-	127,993.79	-	530,317.65	681,542
Property and equipment	2,629,877	-	2,262,594	-	-	-	4,892,471
Investment properties	5,739,223	-	8,474,578	1,815,149.61	2,618,688.86		18,647,639
Investment in subsidiaries	-	-	5,674,730		-	-	5,674,730
Deferred tax assets	-	-					-
Intangible assets	40,612	-	-	-	-	-	40,612
Statutory deposits	300,000	-	200,000	-	-	-	500,000
Total:	**44,982,170**	**130,404,262**	**33,368,285**	**36,385,578**	**236,908,283**	**18,190,973**	**500,239,552**
Liabilities							-
Trade payables	18,503,323	1,652,907	4,968,422			25,922	25,124,653
Current income tax liabilities	438,746		517,905				956,651
Other liabilities							-
Insurance contract liabilities		109,228,925			231,564,827	16,269,027	357,062,779
Investment contract liabilities				34,288,014			34,288,014
Deferred tax liabilities	1,910,635		243,778				2,154,413
TOTAL:	**20,852,704**	**110,881,832**	**5,730,105**	**34,288,014**	**231,564,827**	**16,294,949**	**419,586,509**
Surplus	**24,129,466**	**19,522,430**	**27,638,180**	**2,097,564**	**5,343,456**	**1,896,024**	**80,653,044**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

3.2 ASSET AND LIABILITY MANAGEMENT

(a) HYPOTHECATION OF ASSETS (GROUP)

COMPANY 2022	Non Life		Life				
	Shareholder's fund	Policy holder's Fund	Shareholder's fund	Deposit Admin. Fund	Annuity Fund	Policy holder's Fund (LIFE)	TOTAL
Assets							
Cash and cash equivalents							-
Bank Placements	2,489,993	22,827,045	1,026,298	10,124,107	7,197,139	4,482,580	48,147,162
Bank and Cash Balances	133,219	9,105,977	191,443	869,285	956,764	1,900,733	13,157,420
Trade receivables	-	671,335	-	-	-	5,628,189	6,299,524
Investment securities:	-	-	-	-	-	-	-
Treasury Bills	-	-	-	-	-	-	-
Government Bonds	18,904,693	13,533,961	4,245,628	14,946,518	216,041,344	12,120,967	279,793,111
Corporate bonds	7,294,887	1,212,880	230,981	2,054,645	2,810,858	1,456,775	15,061,025
Quoted Securities	7,675,149	534,895	4,333,210	5,409,703	7,159,852	498,462	25,611,272
Unquoted Securities	4,126,810	1,375,257	3,705,548	503,294	-	189,149	9,900,058
Comercial paper	-	-	275,774	-	-	652,665	928,439
Reinsurance assets	-	92,118,768	-	-	-	2,372,424	94,491,192
Deferred acquisition cost	-	1,492,164	-	-	-	-	1,492,164
Other receivables and prepayments	895,453	-	4,834,786	-	-	-	5,730,238
Loans and advances	-	269,789	-	120,051	-	576,716	966,556
Property and equipment	3,583,334	-	3,436,572	-	-	-	7,019,906
Investment properties	3,466,654	-	13,708,578	1,933,463	-	4,193,186	23,301,882
Investment in subsidiaries	-	-	-	-	-	-	-
Deferred tax assets	-	-	-	-	-	-	-
Intangible assets	560,213	-	1,654,359	-	-	-	2,214,572
Statutory deposits	300,000	-	200,000	-	-	-	500,000
Total:	**49,430,405**	**143,142,071**	**37,843,178**	**35,961,067**	**234,165,956**	**34,071,846**	**534,614,522**
Liabilities							-
Trade payables & other liabilities	20,302,487	1,713,634	7,172,128	-	-	185,180	29,373,428
Current income tax liabilities	581,005	-	593,619	-	-	-	1,174,624
Insurance contract liabilities	-	124,037,113	-	-	232,879,807	26,510,944	383,427,864
Investment contract liabilities	-	-	-	37,420,448	-	-	37,420,448
Deferred tax liabilities	1,666,301	-	213,579	-	-	-	1,879,880
TOTAL:	**22,549,792**	**125,750,746**	**7,979,326**	**37,420,448**	**232,879,807**	**26,696,124**	**453,276,244**
Surplus/(Deficit)	**26,880,612**	**17,391,325**	**29,863,852**	**(1,459,382)**	**1,286,149**	**7,375,721**	**81,338,278**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

COMPANY 2021	Non Life		Life				
	Shareholder's fund	Policy holder's Fund	Shareholder's fund	Deposit Admin. Fund	Annuity Fund	Policy holder's Fund (LIFE)	TOTAL
Assets							
Cash and cash equivalents							
Bank Placements	2,489,993	25,537,644	821,894	2,210,132	3,793,697	1,758,814	36,612,174
Bank and Cash Balances	133,219	3,769,006	19,394	2,211,529	215,959	8,340	6,357,448
Trade receivables	-	327,210	-	-	-	100,824	428,034
Investment securities:	-	-	-	-	-	-	-
Treasury Bills	-	-	492,511	1,288,439	149,446	733,772	2,664,168
Government Bonds	18,878,531	9,421,191	2,199,768	18,403,856	228,139,177	6,433,599	283,476,122
Corporate bonds	1,886,769	5,950,419	218,763	1,569,026	2,989,835	599,735	13,214,545
Quoted Securities	6,185,694	349,883	7,656,897	8,240,564	1,383,314	6,342,414	30,158,765
Unquoted Securities	4,119,654	2,036,015	3,441,722	518,889	-	200,088	10,316,369
Reinsurance assets	-	81,687,197	-	-	-	1,591,117	83,278,314
Deferred acquisition cost	-	1,302,467	-	-	-	-	1,302,467
Other receivables and prepayments	2,578,598	-	3,639,069	-	-	-	6,217,668
Loans and advances	-	23,230	-	127,993.79	-	530,316.65	681,541
Property and equipment	2,629,877	-	2,353,229	-	-	-	4,983,106
Investment properties	5,739,223	-	9,910,999	1,815,150	2,618,688.86	-	20,084,060
Investment in subsidiaries	-	-	-	-	-	-	-
Deferred tax assets	-	-	-				-
Intangible assets	40,612	-	1,649,884	-	-	-	1,690,496
Statutory deposits	300,000	-	200,000	-	-	-	500,000
Total:	**44,982,170**	**130,404,262**	**32,604,130**	**36,385,578**	**239,290,116**	**18,299,019**	**501,965,277**
Liabilities							-
Trade payables	18,503,323	1,652,907	4,968,422	-	-	305,405	25,430,058
Current income tax liabilities	438,746	-	563,537	-	-	-	1,002,283
Other liabilities	-	-	-	-	-	-	-
Insurance contract liabilities	-	109,228,925	-	-	232,096,446	16,269,027	357,594,398
Investment contract liabilities	-	-	-	35,917,975	-	-	35,917,975
Deferred tax liabilities	1,910,635	-	243,778	-	-	-	2,154,413
TOTAL:	**20,852,704**	**110,881,832**	**5,775,737**	**35,917,975**	**232,096,446**	**16,574,432**	**422,099,127**
Surplus	**24,129,466**	**19,522,431**	**26,828,392**	**467,603**	**7,193,670**	**1,724,587**	**79,866,150**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

3.3 Financial risk management

The Group is exposed to a range of financial risks through its financial instrument, reinsurance assets and insurance liabilities. The key financial risk is that in the long term its investments proceeds are not sufficient to fund the obligations arising from its insurance and investment contracts. The most important components of the financial risks are:

- Credit risks
- Liquidity risks
- Market risks

3.3.1 Credit risk

Credit risks arise from the default of a counterparty to fulfil its on and/or off- balance sheet contractual obligations. Exposure to this risk results from financial transactions with a counterparty including issuer, debtor, investee, borrower, broker, policy holder, reinsurer or guarantor.

The Group has policies in place to mitigate its credit risks.

(I) The Group's Enterprise risk management policy sets out the assessment and determination of what constitutes credit risk for the company. Compliance with the policy is monitored and exposures and breaches are reported to the company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

Net exposure limits are set for each counterparty or group of counterparties (i.e. limits are set for investments and cash deposits, foreign exchange trade exposures and minimum credit ratings for investments that may be held).

(ii) The Group's set guidelines determine when to obtain collateral and guarantees. The Group also maintains strict control limits by amount and terms on financial assets. The amounts subject to credit risk are limited to the fair value of 'in the money' financial assets against which the Group either obtains collateral from counterparties or requires margin deposits. Collateral may be sold or repledged by the Group and is repayable if the contract terminates or the contract's fair value falls.

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

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

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

(vi) In evaluating credit risk (impairment), the group determines impairment on loans that are not specifically impaired using a model in line with the requirements of IFRS as follows:

Impairment = EAD * PD * LGD
the parameters are defined as follows:

1. Probability of default (PD) : This is the probability that a counterparty will default on an exisiting commitment usually over a 12 months period
2. Loss given default (LGD) : This is the portion of a loan or receivable determined to be irrecoverable, our methods considers prior period experience, other qualitative factors and future economic prospect
3. Exposure at default (EAD): This represents the amount that is due or outstanding at the time of default.

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

3.3.1.1 Maximum exposure to credit risk	Note	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Cash and cash equivalents (See note 1 below)	5	61,300,539	42,966,406	58,719,587	40,680,739
Trade receivables	6	6,660,884	914,818	6,396,980	839,917
Investment securities:					
- Fair value through profit or loss (See note 2 below)	7.1	239,398,644	255,585,741	239,398,644	255,585,741
- Available for sale	7.2	34,992,763	39,996,990	34,985,607	39,901,115
Reinsurance Assets (See note 3 below)	8	89,592,591	78,484,096	89,496,318	78,450,952
Other receivables (See note 4 below)	10	671,615	1,438,170	671,615	1,438,170
Loans and advances	11	966,556	681,541	966,556	681,541
Statutory deposits	17	500,000	500,000	500,000	500,000
Total assets exposed to credit risk		**434,083,592**	**420,567,762**	**431,135,307**	**418,078,175**

1. Cash and cash equivalents excludes the balance in hand which is not exposed to credit risk.
2. Assets measured at fair value through profit or loss and Available for sale financial instrument do not include the balance of equity securities in these classes of asset as equity securities are not exposed to credit risk.
3. Reinsurance Assets only includes amount recoverable on claims reported (excluding IBNR) and amount due from reinsurers. The balance on prepaid reinsurance is excluded from this analysis.
4. Other receivables excludes prepayments and other non financial assets. (see note 10)

The Group's investment portfolio is exposed to credit risk through its fixed income and money market instruments. The contribution of the fixed Income & money market instruments to the Group's investment is as follows:

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

3.3.1.2 Counterparty risk

(a) Cash and cash equivalent

The group and company's counterparty exposure of its cash and cash equivalent is represented below:

Counterparty	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
National banks	48,754,457	33,456,049	48,754,457	33,456,049
Foreign banks	4,863,161	5,067,989	2,281,766	2,782,069
Investment banks	7,680,426	4,439,045	7,680,426	4,439,045
	61,298,044	**42,963,083**	**58,716,649**	**40,677,163**

Counterparty	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
National banks	80%	78%	83%	82%
Foreign banks	8%	12%	4%	7%
Investment banks	12%	10%	13%	11%
	100%	**100%**	**100%**	**100%**

(b) Investment securities

The group and company's counterparty exposure of its investment securities is represented below:

Counterparty	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Federal Government of Nigeria	274,487,575	285,817,043	274,487,575	285,817,043
State Government in Nigeria	2,538,716	100,415	2,538,716	100,415
Corporates with acceptable risk ratings	18,852,161	13,533,252	18,756,286	13,437,377
	295,885,608	**299,450,710**	**295,782,577**	**299,354,835**

(c) Trade receivables

Credit risk exposure to trade receivables arises from the 30 days window given by NAICOM in the "No Premium No Cover" policy. This give the brokers latitude to withhold premium collected from the insured for 30 days before remittance. However, they are expected to issue their credit note and remit the premium on or before the expiration of the 30 days grace period. Brokers who fail to remit are reported on a quarterly basis to NAICOM and are subject to the downgrading process in line with the Group's policy. The Group's risk exposure to credit risk is low as the receipt of insurance premium from the insured is a pre-condition for the issuance of insurance cover.

(d) Loans and advances

Credit risk exposure to direct business is low as the Company requires debtors to provide guarantees before inception of insurance policies. The Company's exposure to credit risk arising from brokered business is relatively moderate and the risk is managed by the Group's internal rating model for brokers. Our credit risk internal rating model is guided by several weighted parameters which determine the categorization of brokers the Group transacts businesses with.

(e) Reinsurance receivable

Reinsurance contract is executed only with reinsurers with a minimum acceptable credit rating. Management monitors the credit worthiness of reinsurers by reviewing their annual financial statements and through ongoing communications. Reinsurance treaties are reviewed annually by management prior to renewal of reinsurance contracts.

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

3.3.1.3 Credit quality

Group 2022	Notes	AA+/AA-	A+/A-	BB+/BB-	UNRATED	TOTAL
Neither past due nor impaired						
Cash and cash equivalents (excl. cash on hand)	5	14,032,144	24,840,226	19,600,264	3,024,823	61,300,539
Investment securities:						-
Investment securities - FVTPL (excl. equity)	7.1	978,372	4,481,675	233,880,404	58,192	239,398,644
Investment securities - AFS (excl. equity)	7.2	-	8,315,307	26,511,654	154,731	34,992,763
Investment securities - HTM	7.3			3,867,979		3,867,979
Trade receivables	6	-	-	-	6,660,884	6,660,884
Loans and advances	11	-	-	-	966,556	966,556
Reinsurance Assets	8	74,653,972	7,353,184	2,982,862	4,602,573	89,592,591
Other receivables (excl. prepayments)	10	-	-	-	671,615	671,615
Statutory deposits	17	-	-	500,000	-	500,000
Past due but not impaired						
Loans and advances		-	-	-	-	-
Past due and impaired						
Loans and advances		-	-	-	-	-
Less specific impairment on ***past due and impaired:***						
Loans and advances		-	-	-	-	-
		89,664,488	**44,990,392**	**287,343,162**	**16,139,374**	**437,951,571**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Group 2021		**AA+/AA-**	**A+/A-**	**BB+/BB-**	**UNRATED**	**TOTAL**
Neither past due nor impaired						
Cash and cash equivalents (excl. cash on hand)	5	12,736,332	17,084,906	8,531,177	3,024,824	42,966,406
Investment securities:						-
Investment securities - FVTPL (excl. equity)	7.1	1,071,503	4,653,496	249,860,741	-	255,585,741
Investment securities - AFS (excl. equity)	7.2	-	-	39,746,384	154,731	39,996,990
Investment securities - HTM	7.3			3,867,979		3,867,979
Trade receivables	6	-	-	-	914,818	914,818
Loans and advances	11	-	-	-	681,541	681,541
Reinsurance Assets	8	65,397,695	6,441,470	2,613,020	4,031,904	78,484,089
Other receivables (excl. prepayments)	10	-	-	-	1,438,170	1,438,170
Statutory deposits	17	-	-	500,000	-	500,000
		-	-	-	-	-
Past due but not impaired						-
Loans and advances		-	-	-	-	-
Past due and impaired						
						-
Loans and advances		-	-	-	1,138	1,138
		-	-	-		
Less specific impairment on ***past due and impaired:***						
Loans and advances		-	-	-	(112)	(112)
		79,205,531	**28,179,872**	**305,119,302**	**10,247,014**	**424,436,760**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Company 2022		**AA+/AA-**	**A+/A-**	**BB+/BB-**	**UNRATED**	**TOTAL**
Neither past due nor impaired						
Cash and cash equivalents (excl. cash on hand)	5	14,032,144	24,840,226	19,600,264	246,954	58,719,587
Investment securities - FVTPL (excl. equity)	7.1	978,373	4,481,675	233,880,404	58,192	239,398,644
Investment securities - AFS (excl. equity)	7.2	-	8,315,307	26,511,654	343,375	34,985,607
Investment securities - HTM	7.3	-	910,488	18,273,028	2,214,811	21,398,326
Trade receivables	6	-	-	-	6,396,980	6,396,980
Loans and advances	11	-	-	-	966,556	966,556
Other receivables - financial assets	10	-	-	-	671,615	671,615
Statutory deposits	17	-	-	500,000	-	500,000
Reinsurance assets (Due from reinsurers)	8	74,653,972	7,256,911	2,982,862	4,602,573	89,496,318
						-
Past due but not impaired						-
Loans and advances		-	-	-	-	-
Past due and impaired						
Loans and advances		-	-	-	-	-
Less specific impairment on ***past due and impaired:***						
Loans and advances		-	-	-		-
		89,664,488	**45,804,606**	**301,748,211**	**15,501,056**	**452,533,633**

Company 2021		**AA+/AA-**	**A+/A-**	**BB+/BB-**	**UNRATED**	**TOTAL**
Neither past due nor impaired						
Cash and cash equivalents (excl. cash on hand)	5	12,736,332	17,084,906	8,531,177	2,328,323	40,680,739
Investment securities - FVTPL (excl. equity)	7.1	1,071,503	4,653,496	249,860,741	-	255,585,741
Investment securities - AFS (excl.	7.2		-	39,746,384	154,731	39,901,115
Investment securities - HTM	7.3	-	-	3,867,979	-	3,867,979
Trade receivables	6	-	-	-	839,917	839,917
Loans and advances	11	-	-	-	681,541	681,541
Other receivables - financial assets	10	-	-	-	1,438,170	1,438,170
Statutory deposits	17	-	-	500,000	-	500,000
Reinsurance assets (Due from reinsurers)		65,370,078	6,438,750	2,611,916	4,030,201	78,450,945
Past due but not impaired						
Loans and advances		-	-	-		-
Past due and impaired						
Loans and advances		-	-	-	1,138	1,138
Less specific impairment on ***past due and impaired:***						
Loans and advances		-	-	-	-	-
		79,177,913	**28,177,152**	**305,118,198**	**9,474,020**	**421,947,285**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Global Corporate Rating (GCR)'s rating symbols and Definitions

AAA	Extremely strong financial security characteristics and is the highest FSR assigned by GCR.
AA+ AA AA-	Has very strong financial security characteristics, differing only slightly from those rated higher.
A+ A A-	Has strong financial security characteristics, but is somewhat more likely to be affected by adverse business conditions than assurers with higher ratings.
BBB+ BBB BBB-	Has good financial security characteristics, but is much more likely to be affected by adverse business conditions than assurers with higher ratings.
BB+	Has vulnerable financial security characteristics, which might outweigh its strengths. The ability of these companies to discharge obligations is not well safeguarded in the future.

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Past due and impaired				
0 - 90 days	-	1,138	-	1,138
90 - 180 days	-	-	-	-
181 days and above	1,138	-	1,138	-
	1,138	1,138	1,138	1,138

Concentration of credit risk

All credit risks are concentrated across many industries . The Group monitors concentration of credit risk by sector

Group 2022	Notes	Financial institution	Public sector	Others	Total
Cash and cash equivalents	5	61,300,539	-	-	61,300,539
Investment securities - FVTPL (excl. equity)	7.1	4,289,480	251,296,260	-	255,585,741
Investment securities - AFS (excl. equity)	7.2	8,310,850	30,623,261	1,060,374	39,994,485
Investment securities - HTM	7.3	614,857	3,253,122	-	3,867,979
Trade receivables	6	-	-	6,660,884	6,660,884
Loans and advances	11	64,085	-	902,471	966,556
Other receivables (excl. prepayments)	10	-	-	671,615	671,615
Statutory deposits	17	500,000	-	-	500,000
Reinsurance Assets	8	89,592,591	-	-	89,592,591
Total		**164,672,402**	**285,172,643**	**9,295,344**	**459,140,389**

Group 2021	Notes	Financial institution	Public sector	Others	Total
Cash and cash equivalents	5	42,966,406	-	-	42,966,406
Investment securities - FVTPL (excl. equity)	7.1	4,289,480	251,296,260	-	255,585,741
Investment securities - AFS (excl. equity)	7.2	8,310,850	30,623,261	1,060,374	39,994,485
Investment securities - HTM	7.3	614,857	3,253,122	-	3,867,979
Trade receivables	6	-	-	914,818	914,818
Loans and advances	11	64,085	-	617,456	681,541
Other receivables (excl. prepayments)	10	-	-	1,438,170	1,438,170
Statutory deposits	17	500,000	-	-	500,000
Reinsurance Assets	8	78,484,096	-	-	78,484,096
Total		**135,229,775**	**285,172,643**	**4,030,818**	**424,433,235**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Company 2022	Notes	Financial institution	Public sector	Others	Total
Cash and cash equivalents	5	58,719,587	-	-	58,719,587
Investment securities - FVTPL (excl. equity)	7.1	4,289,480	251,296,260		255,585,741
Investment securities - AFS (excl. equity)	7.2	8,310,850	30,623,261	967,004	39,901,115
Investment securities - HTM	7.3	614,857	3,253,122		3,867,979
Trade receivable	6	-	-	6,396,980	6,396,980
Loans and advances	11	64,085	-	902,471	966,556
Other receivables - financial assets	10	-	-	671,615	671,615
Statutory deposits	17	500,000	-	-	500,000
Reinsurance Assets	8	89,496,318	-	-	89,496,318
Total		**161,995,177**	**285,172,643**	**8,938,070**	**456,105,890**

Company 2021	Notes	Financial institution	Public sector	Others	Total
Cash and cash equivalents	5	40,680,739	-	-	40,680,739
Investment securities - FVTPL (excl. equity)	7.1	4,289,480	251,296,260		255,585,741
Investment securities - AFS (excl. equity)	7.2	8,310,850	30,623,261	967,004	39,901,114
Investment securities - HTM	7.3	614,857	3,253,122		3,867,979
Trade receivable	6	-	-	839,917	839,917
Loans and advances	11	64,085	-	617,456	681,541
Other receivables - financial assets	10	-	-	1,438,170	1,438,170
Statutory deposits	17	500,000	-	-	500,000
Reinsurance Assets	8	78,450,952	-	-	78,450,952
Total		**132,910,963**	**285,172,643**	**3,862,547**	**421,946,154**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

3.3.2 Liquidity risks

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments. In respect of catastrophic events there is also a liquidity risk associated with the timing differences between gross cash out–flows and expected reinsurance recoveries.

The following policies and procedures are in place to mitigate the company's exposure to liquidity risk:

i The Company's tailored Liquidity risk policy is the umbrella policy that guides the assessment and determination of all material risks impacting its liquidity position. Compliance with the policy is monitored and exposures and breaches are reported to the company's risk committee. The policy is regularly reviewed in line with organizational changes (inclusion of new products or changes to existing ones) as well as changes in the risk environment. With regards to liquidity risk, this policy is also supported by the investment guidelines that sets out asset allocations, portfolio limit structures, in order to ensure sufficient funding available to meet insurance and investment contracts obligations.

Liquidity Stress Testing: The liquidity stress test is conducted quarterly and incorporates market-wide and company specific stress scenerios. Leadway Assurance's liquidity risk stems primarily from the need to cover potential extreme loss events and constraints that limit the monetization of assets. The core objective of liquidity risk management is to retain sufficient liquidity in the form of high quality liquid assets and cash to meet potential funding requirements arising from an extreme loss event.

Our stress test assumptions were drawn from the Covid pandemic experience, the 2008 financial market In line with the Board approved appetite for liquidity risk, the expectation is that at all times and in all plausible hypothhetical scenarios, the available liquidity resources of the company should exceed liquidity needs.

Maturity analysis (contractual undiscounted cash flow basis for non–derivatives)

Using the behavioural pattern of our funding sources over time, the Group's expected cash flows on some financial assets and liabilities to vary significantly from the contractual cash flows. As part of management of liquidity risk arising from financial liabilities, the Group maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flow. The table below shows the undiscounted cash flow on the Group's financial assets and liabilities and on the basis of the earliest possible contractual maturity. The gross nominal inflow/outflow disclosed in the table is the contractual, undiscounted cash flows on the financial assets and liabilities. Whilst the table below have been prepared based on the contractual maturities, the maturity profile based on the behavioural pattern of the assets and liabilities observed over a very long period (five years) presents management with a reliable basis to manage the inherent liquidity risks.

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Group	Contractual maturities of financial assets and liabilities							
31 December 2022	**Notes**	**Carrying amount**	**Gross nominal**	**0-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**Over 5 years**
Assets								
Cash and cash equivalents	5	61,304,582	61,304,582	59,782,166	1,522,416	-	-	-
Trade receivables	6	6,660,884	6,660,884	6,660,884	-	-	-	-
Investment securities - FVTPL	7.1	241,696,163	241,696,164	-	12,584,666	-	35,487,925	193,623,573
Investment securities - Available for sale	7.2	68,199,416	68,384,145	2,415,150	1,887,848	-	18,474,650	45,606,497
Investment securities - Held to maturity	7.3	21,398,326	21,398,326	224,303	478,018	1,424,065	15,700,928	3,571,012
Reinsurance assets (Excl. prepaid reinsurance)	8	89,592,591	89,592,591	21,477,880	14,463,081	53,651,630	-	-
Other receivables - financial assets	10	671,615	671,615	671,615	-	-	-	-
Loans and Advances	11	966,556	966,556	-	91,632	874,924	-	-
Statutory deposit	17	500,000	500,000	-	-	-	-	500,000
Total financial assets		**490,990,133**	**491,174,863**	**91,231,998**	**31,027,661**	**55,950,619**	**69,663,503**	**243,301,082**
Trade payables	18	20,237,177	20,237,177	9,700,624	10,536,553	-	-	-
Other liabilities - financial liabilities	20	3,083,258	3,083,258	1,999,401	850,598	233,259	-	-
Insurance contract liabilities (excl. IBNR and unearned premium))	21	348,422,718	348,422,718	8,221,613	8,200,464	16,390,465	130,630,941	184,979,236
Investment contract liabilities	22	37,420,447	37,420,447	2,250,651	1,196,243	3,868,097	17,650,541	12,454,916
Total financial liabilities		**409,163,600**	**409,163,600**	**22,172,289**	**20,783,857**	**20,491,821**	**148,281,482**	**197,434,152**
Gap		**81,826,533**	**82,011,263**	**69,059,710**	**10,243,803**	**35,458,798**	**(78,617,979)**	**45,866,930**

Group	Contractual maturities of financial assets and liabilities							
31 December 2021	**Note**	**Carrying amount**	**Gross nominal**	**0-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**Over 5 years**
Cash and cash equivalents	5	42,969,621	42,969,621	36,504,642	3,333,459	3,131,521	-	-
Trade receivables	6	914,818	914,818	914,818	-	-	-	-
Investment securities - FVTPL	7.1	258,307,185	258,307,185	15,145,584	8,282,219	23,427,804	49,619,772	161,831,806
Investment securities - Available for sale	7.2	77,654,805	77,654,805	1,024,272	1,190,868	2,119,265	31,551,965	41,768,436
Investment securities - Held to maturity	7.3	3,867,979	3,867,979	193,342	60,775	254,117	2,340,610	1,019,135
Reinsurance assets (Excl. prepaid reinsurance)	8	78,484,096	78,484,096	21,414,751	14,463,081	42,606,264	-	-
Other receivables - financial assets	10	1,438,170	1,438,170	1,438,170	-	-	-	-
Loans and Advances	11	681,541	681,541	-	91,632	589,909	-	-
Statutory deposit	17	500,000	500,000	-	-	-	-	500,000
Total financial assets		**464,818,215**	**464,818,215**	**76,635,579**	**27,422,034**	**72,128,880**	**83,512,347**	**205,119,377**
Trade payables	18	18,600,653	18,600,653	9,700,624	8,900,029	-	-	-
Other liabilities - financial liabilities	20	3,035,214	3,035,215	1,577,425	1,267,328	190,461	-	-
Borrowings	21	-	-	-	-	-	-	-
Insurance contract liabilities (excl. IBNR and unearned premium))	21	328,874,347	328,874,347	8,221,613	8,200,464	16,390,465	129,910,335	166,151,471
Investment contract liabilities	22	35,917,975	35,917,975	2,250,651	1,196,243	3,868,097	15,448,799	13,154,186
Total financial liabilities		**386,428,189**	**386,428,190**	**21,750,313**	**19,564,064**	**20,449,023**	**145,359,134**	**179,305,657**
Gap		**78,390,026**	**78,390,026**	**54,885,267**	**7,857,969**	**51,679,857**	**(61,846,787)**	**25,813,720**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Company 31 December 2022	Note	Carrying amount	Gross nominal	0-3 months	3-6 months	6-12 months	1-5 years	Over 5 years
		Contractual maturities of financial assets and liabilities						
Assets								
Cash and cash equivalents	5	58,723,150	58,723,150	57,200,734	1,522,416	-	-	-
Trade receivables	6	6,396,980	6,396,980	6,396,980	-	-	-	-
Investment securities - FVTPL	7.1	241,696,163	241,696,164	-	12,584,666	-	35,487,925	193,623,573
Investment securities - Available for sale	7.2	65,784,266	65,968,995		1,887,848	-	18,474,650	45,606,497
Investment securities - Held to maturity	7.3	21,398,326	21,398,326	224,303	478,018	1,424,065	15,700,928	3,571,012
Reinsurance assets (Excl. prepaid reinsurance)	8	89,496,318	89,496,318	21,381,607	14,463,081	53,651,630	-	-
Other receivables - financial assets	10	671,615	671,615	671,615	-	-	-	-
Loans and advances	11	966,556	966,556		91,632	874,924		-
Statutory deposit	17	500,000	500,000	-	-	-	-	500,000
Total financial assets		**485,633,374**	**485,818,104**	**85,875,239**	**31,027,661**	**55,950,619**	**69,663,503**	**243,301,082**
Trade payables	18	20,017,191	20,017,191	9,690,123	10,327,068	-	-	-
Other liabilities - financial liabilities	20	2,889,624	2,889,624	1,805,767	850,598	233,259	-	-
Insurance contract liabilities (excl. IBNR and unearned premium))	21	347,380,706	347,380,706	8,221,613	8,200,464	16,390,465	129,588,929	184,979,236
Investment contract liabilities	22	35,216,547	35,216,547	3,060,838	1,196,243	3,868,097	14,636,454	12,454,916
Total financial liabilities		**405,504,068**	**405,504,068**	**22,778,341**	**20,574,372**	**20,491,821**	**144,225,383**	**197,434,152**
Gap		**80,129,306**	**80,314,036**	**63,096,899**	**10,453,289**	**35,458,798**	**(74,561,879)**	**45,866,930**

Company 31 December 2021	Note	Carrying amount	Gross nominal	0-3 months	3-6 months	6-12 months	1-5 years	Over 5 years
		Contractual maturities of financial assets and liabilities						
Cash and cash equivalents	5	40,683,664	40,683,664	36,504,642	4,179,022	-	-	-
Trade receivables	6	839,917	839,917	839,917	-	-	-	-
Investment securities - FVTPL	7.1	258,307,185	258,307,185	15,145,584	8,282,219	23,427,804	49,619,772	161,831,806
Investment securities - Available for sale	7.2	77,558,930	77,558,930	928,397	1,190,868	2,119,265	31,551,965	41,768,436
Investment securities - Held to maturity	7.3	3,867,979	3,867,979	193,342	60,775	254,117	1,019,135	2,340,610
Reinsurance assets (Excl. prepaid reinsurance)	8	78,450,952	78,450,952	21,381,607	14,463,081	42,606,264	-	-
Other receivables - financial assets	10	1,438,170	1,438,170	1,438,170	-	-	-	-
Loans and advances	11	681,541	681,541		91,632	589,909		-
Statutory deposit	17	500,000	500,000	-	-	-	-	500,000
Total financial assets		**462,328,339**	**462,328,338**	**76,431,659**	**28,267,597**	**68,997,359**	**82,190,872**	**206,440,852**
Trade payables	18	18,569,149	18,569,149	9,690,123	8,879,026	-	-	-
Other liabilities - financial liabilities	20	2,841,581	3,035,215	1,577,425	1,073,694	190,461	-	-
Insurance contract liabilities (excl. IBNR and unearned premium))	21	328,342,728	328,342,728	8,221,613	8,200,464	16,390,465	129,588,929	165,941,258
Investment contract liabilities	22	34,288,014	34,288,014	2,132,305	1,196,243	3,868,097	14,636,454	12,454,916
Total financial liabilities		**384,041,472**	**384,235,106**	**21,621,466**	**19,349,427**	**20,449,023**	**144,225,383**	**178,396,174**
Gap		**78,286,866**	**78,093,232**	**54,810,193**	**8,918,171**	**48,548,336**	**(62,034,511)**	**28,044,678**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

It is not expected that cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(g) Market risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

- The Group's enterprise risk management policy sets out the assessment and determination of what constitutes market risk . Compliance with the policy is monitored and exposures and breaches are reported to the company risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.

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

- The Group stipulates diversification benchmarks by type of instrument and geographical area, as the Group is exposed to guaranteed bonuses, cash and annuity options when interest rates falls.

(h) Foreign currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's principal transactions are carried out in Naira and its exposure to foreign exchange risk arise primarily with respect to US dollar and CFA.

The Group's financial assets are primarily denominated in the same currencies as the related insurance and investment contract liabilities. The main foreign exchange risk arises from recognised assets and liabilities denominated in currencies other than those in which insurance and investment contract liabilities are expected to be settled.

The table below summarises the Group's financial assets and liabilities by major currencies. Note that irrespective of the currency in which the assets are held, the amounts disclosed against individuals currencies are the Naira equivalent of the respective currencies. The exchange rates applied for each of the listed currencies have been obtained from reliable sources depicting reliable market transactions on 31 Decembers 2022.

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Group 31 December 2022	Notes	Naira (N)	US Dollars (USD)	UK Pound Sterling (GBP)	Euro	CFA Franc CFA	Others	Total
Assets								
Cash and cash equivalents	5	29,765,939	27,773,943	69,172	1,068,589	2,672,447	-	61,304,582
Trade receivables	6	6,035,620	-	-	-	263,904	-	6,299,524
Investment securities - FVTPL	7.1	240,772,240	923,923	-	-	-	-	241,696,163
Investment securities - Available for sale	7.2	34,994,510	30,789,755	-	-	2,415,150	-	68,199,416
Investment securities - Held to maturity	7.3	9,638,086	11,760,240	-	-	-	-	21,398,326
Reinsurance assets (Excl. prepaid reinsurance)	8	9,405,801	80,090,517	-	-	96,273	-	89,592,591
Other receivables - financial assets	10	671,615	-	-	-	-	-	671,615
Loans and advances	11	966,556	-	-	-	-	-	966,556
Statutory deposits	17	500,000	-	-	-	-	-	500,000
Total financial assets		**332,750,367**	**151,338,378**	**69,172**	**1,068,589**	**5,447,774**	**-**	**490,628,772**
Trade payables	18	20,017,191	-	-	-	219,986	-	20,237,177
Other liabilities - financial liabilities	20	2,889,624	-	-	-	193,634	-	3,083,258
Insurance contract liabilities (excl. IBNR and unearned premium))	21	252,178,063	95,202,643	-	-	1,042,012	-	348,422,718
Investment contract liabilities	22	35,216,547	-	-	-	2,203,900	-	37,420,447
Total financial liabilities		**310,301,425**	**95,202,643**	**-**	**-**	**3,659,532**	**-**	**409,163,600**
Net FCY exposure		**22,448,943**	**56,135,735**	**69,172**	**1,068,589**	**1,788,241**	**-**	**81,465,172**

Group 31 December 2021	Note	Naira (N)	US Dollars (USD)	UK Pound Sterling (GBP)	Euro	CFA Franc CFA	Others	Total
Cash and cash equivalents	5	10,930,303	29,165,026	40,977	547,359	2,285,957	-	42,969,621
Trade receivables	6	353,132	-	-	-	74,901	-	428,033
Investment securities - FVTPL	7.1	251,288,040	7,019,145	-	-	-	-	258,307,185
Investment securities - Available for sale	7.2	52,718,721	24,840,210	-	-	95,875	-	77,654,805
Investment securities - Held to maturity	7.3	3,867,979	-	-	-	-	-	3,867,979
Reinsurance assets (Excl. prepaid reinsurance)	8	7,526,931	70,924,021	-	-	33,144	-	78,484,096
Other receivables - financial assets	10	1,438,170	-	-	-	-	-	1,438,170
Loans and advances	11	681,541	-	-	-	-	-	681,541
Statutory deposits	17	500,000	-	-	-	-	-	500,000
Total financial assets		**329,304,816**	**131,948,402**	**40,977**	**547,359**	**2,489,878**	**-**	**464,331,431**
Trade payables	18	18,569,149	-	-	-	31,504	-	18,600,653
Other liabilities - financial liabilities	20	2,841,581	-	-	-	193,634	-	3,035,214
Insurance contract liabilities (excl. IBNR and unearned premium))	21	249,663,628	78,679,100	-	-	531,619	-	328,874,347
Investment contract liabilities	22	34,288,014	-	-	-	1,629,961	-	35,917,975
Total financial liabilities		**305,362,372**	**78,679,100**	**-**	**-**	**2,386,718**	**-**	**386,428,190**
Net FCY exposure		**23,942,445**	**53,269,302**	**40,977**	**547,359**	**103,159**	**-**	**77,903,241**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Company 31 December 2022	Note	Naira (₦)	US Dollars (USD)	UK Pound Sterling (GBP)	Euro	CFA Franc CFA	Others	Total
Cash and cash equivalents	5	29,765,939	27,773,943	69,172	1,068,589	45,507	-	58,723,150
Trade receivables	6	6,035,620				-	-	6,035,620
Investment securities - FVTPL	7.1	240,772,240	923,923	-	-	-	-	241,696,163
Investment securities - Available for sale	7.2	34,994,510	30,789,755			-	-	65,784,266
Investment securities - Held to maturity	7.3	9,638,086	11,760,240	-	-	-	-	21,398,326
Reinsurance assets (Excl. prepaid reinsurance)	8	9,405,801	80,090,517	-	-	-	-	89,496,318
Other receivables - financial assets	10	671,615	-	-	-		-	671,615
Loans and advances	11	966,556	-	-	-	-	-	966,556
Statutory deposits	17	500,000	-	-	-	-	-	500,000
Total financial assets		**332,750,368**	**151,338,378**	**69,172**	**1,068,589**	**45,507**	**-**	**485,272,013**
Trade payables	18	20,017,191		-	-		-	20,017,191
Other liabilities - financial liabilities	20	2,889,624	-	-	-		-	2,889,624
Insurance contract liabilities (excl. IBNR and unearned premium))	21	252,178,063	95,202,643	-	-		-	347,380,706
Investment contract liabilities	22	35,216,547	-	-	-		-	35,216,547
Total financial liabilities		**310,301,425**	**95,202,643**	**-**	**-**	**-**	**-**	**405,504,068**
Net FCY exposure		**22,448,943**	**56,135,735**	**69,172**	**1,068,589**	**45,507**	**-**	**79,767,945**

Company 31 December 2021	Note	Naira₦	US Dollars (USD)	UK Pound Sterling (GBP)	Euro	Franc CFA	Others	Total
Cash and cash equivalents	5	10,930,303	29,165,026	40,977	547,359	-	-	40,683,664
Trade receivables	6	353,132				-	-	353,132
Investment securities - FVTPL	7.1	251,288,040	7,019,145			-	-	258,307,185
Investment securities - Available for sale	7.2	52,718,721	24,840,210			-	-	77,558,930
Investment securities - Held to maturity	7.3	3,867,979	-	-	-	-	-	3,867,979
Reinsurance assets (Excl. prepaid reinsurance)	8	7,526,931	70,924,021	-	-	-	-	78,450,952
Other receivables - financial assets	10	1,438,170	-	-	-		-	1,438,170
Loans and advances	11	681,541	-	-	-	-	-	681,541
Statutory deposits	17	500,000	-	-	-	-	-	500,000
Total financial assets		**329,304,816**	**131,948,402**	**40,977**	**547,359**	**-**	**-**	**461,841,553**
Trade payables	18	18,569,149		-	-		-	18,569,149
Other liabilities - financial liabilities	20	2,841,581	-	-	-		-	2,841,581
Insurance contract liabilities (excl. IBNR and unearned premium))	21	249,663,628	78,679,100	-	-		-	328,342,728
Investment contract liabilities	22	34,288,014	-	-	-		-	34,288,014
Total financial liabilities		**305,362,372**	**78,679,100**	**-**	**-**	**-**	**-**	**384,041,472**
Net FCY exposure		**23,942,445**	**53,269,302**	**40,977**	**547,359**	**-**	**-**	**77,800,081**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Foreign currency sensitivity

The tables below shows the sensitivity of the Group's profit before tax to appreciation or depreciation of the naira in relation to other currencies. Based on the past years behaviour, it is reasonable to assume 800 basis points appreciation and 800 basis points depreciation of the Naira holding all other variables constant.

Group	31 December 2022			31 December 2021	
Currency	Change in variables	Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
US Dollar	+ 800 basis points	4,490,859	3,143,601	4,261,544	2,983,081
Pound sterling	+ 800 basis points	5,534	3,874	3,278	2,295
Euro	+ 800 basis points	85,487	59,841	43,789	30,652
Franc CFA	+ 800 basis points	143,059	100,142	8,253	5,777
US Dollar	- 800 basis points	(4,490,859)	(3,143,601)	(4,261,544)	(2,983,081)
Pound sterling	- 800 basis points	(5,534)	(3,874)	(3,278)	(2,295)
Euro	- 800 basis points	(85,487)	(59,841)	(43,789)	(30,652)
Franc CFA	- 800 basis points	(143,059)	(100,142)	(8,253)	(5,777)

Company	31 December 2022			31 December 2021	
Currency	Change in variables	Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
US Dollar	+ 800 basis points	4,490,859	3,143,601	4,261,544	2,983,081
Pound sterling	+ 800 basis points	5,534	3,874	3,278	2,295
Euro	+ 800 basis points	85,487	59,841	43,789	30,652
US Dollar	- 800 basis points	(4,490,859)	(3,143,601)	(4,261,544)	(2,983,081)
Pound sterling	- 800 basis points	(5,534)	(3,874)	(3,278)	(2,295)
Euro	- 800 basis points	(85,487)	(59,841)	(43,789)	(30,652)
Franc CFA					

(I) Interest rate risks:

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

Exposure to this risk primarily results from timing differences in the repricing of assets and liabilities as they mature (fixed rate instruments) or contractually repriced (floating rate instruments).

The Group monitors this exposure through periodic reviews of the assets and liability position. Estimates of cash flows, as well as the impact of interest rate fluctuations relating to the investment portfolio and insurance provisions are modeled and reviewed .

The overall objective of these strategies is to limit the net change in value of assets and liabilities arising from interest rate movements.

While it is more difficult to measure the interest sensitivity of insurance liabilities than that of the related assets, to the extent that such sensitivities are measurable then the interest rate movements will generate asset value changes that substantially offset changes in the value of the liabilities relating to the underlying products. The table below details the interest rate sensitivity analysis of the Group as at 31 December 2021 holding all other variables constant. Based on historical data, 100 basis points change is deemed to be reasonably possible and are used when reporting interest rate risk.

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Group **31 December 2022**		**Non-interest bearing**	**0-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**Over 5 years**	**Total**
Cash and cash equivalents (fixed)	5	13,157,420	48,147,162	-	-	-	-	61,304,582
Investment securities - FVTPL	7.1	13,889,578	9,039,071	14,139,719	198,479,520	-	6,148,275	241,696,163
Investment securities - AFS	7.2	31,487,407	795,248	618,772	5,778,791	-	29,519,198	68,199,416
Investment securities - Held to maturity		17,530,347	579,465	2,101,718	1,186,796	-	-	21,398,326
Loans and advances	11	415,552	-	-	45,955	505,049	-	966,556
Statutory deposits	17	-	-	-	-	-	500,000	500,000
Total		**76,480,304**	**58,560,946**	**16,860,209**	**205,491,062**	**505,049**	36,167,473	394,065,043
Investment contract liabilities	22	2,203,900	3,060,838	1,196,243	3,868,097	14,636,454	12,454,916	37,420,447
Borrowings		-	-	-	-	-	-	-
Total		**2,203,900**	**3,060,838**	**1,196,243**	**3,868,097**	**14,636,454**	12,454,916	37,420,447
Gap		**74,276,404**	**55,500,108**	**15,663,966**	**201,622,965**	**(14,131,405)**	**23,712,557**	**356,644,596**
Cumulative gap		**74,276,404**	**129,776,512**	**145,440,478**	**347,063,443**	**332,932,039**	**356,644,596**	
Impact on profit before tax			12,977,651	14,544,048	34,706,344	33,293,204	35,664,460	131,185,707
Taxation at 30%			3,893,295	4,363,214	10,411,903	9,987,961	10,699,338	39,355,712
Impact on equity			9,084,356	10,180,834	24,294,441	23,305,243	24,965,122	91,829,995

Group **31 December 2021**		**Non-interest bearing**	**0-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**Over 5 years**	**Carrying amount**
Cash and cash equivalents (fixed)	5	8,508,719	34,460,902	-	-	-	-	42,969,621
Investment securities - FVTPL	7.1	2,721,444	9,039,071	14,139,719	226,258,676	-	6,148,275	258,307,185
Investment securities - AFS	7.2	40,942,796	795,248	618,772	5,778,791	-	29,519,198	77,654,805
Loans and advances	11	-	579,465	2,101,718	1,186,796	-	-	3,867,979
		130,537	-	-	45,955	505,049	-	681,541
Statutory deposits	17	-	-	-	-	-	500,000	500,000
Total		**52,303,496**	**44,874,686**	**16,860,209**	**233,270,218**	**505,049**	**36,167,473**	**383,981,131**
Investment contract liabilities	22	-	2,132,305	1,196,243	3,868,097	14,636,454	12,454,916	35,917,975
Borrowings		-	-	-	-	-	-	-
Total		**-**	**2,132,305**	**1,196,243**	**3,868,097**	**14,636,454**	**12,454,916**	**35,917,975**
Gap		**52,303,496**	**42,742,381**	**15,663,966**	**229,402,121**	**(14,131,404)**	**23,712,557**	**349,693,117**
Cumulative gap		**52,303,496**	**95,045,878**	**110,709,844**	**340,111,965**	**325,980,561**	**349,693,118**	
Impact on profit before tax			9,504,588	11,070,984	34,011,196	32,598,056	34,969,312	122,154,136
Taxation at 30%			2,851,376	3,321,295	10,203,359	9,779,417	10,490,794	36,646,241
Impact on equity			6,653,212	7,749,689	23,807,837	22,818,639	24,478,518	85,507,895

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Company 31 December 2022		Non-interest bearing	0-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	Total
Cash and cash equivalents (fixed)	5	10,575,988	48,147,162	-	-	-	-	58,723,150
Investment securities - FVTPL	7.1	13,889,578	9,039,071	14,139,719	198,479,520	-	6,148,275	241,696,163
Investment securities - AFS	7.2	29,489,776	795,248	201,253	5,778,791	-	29,519,198	65,784,266
Investment securities - Held to maturity	11	17,530,347	579,465	2,101,718	1,186,796	-	-	21,398,326
Loans and advances	11	415,552			45,955	505,049	-	966,556
Statutory deposits	17	-	-	-	-	-	500,000	500,000
Total		**71,901,241**	**58,560,946**	**16,442,690**	**205,491,062**	**505,049**	**36,167,473**	**389,068,461**
Investment contract liabilities	22	(0)	3,060,838	1,196,243	3,868,097	14,636,454	12,454,916	35,216,547
Borrowings		-	-	-	-	-	-	-
Total		**(0)**	**3,060,838**	**1,196,243**	**3,868,097**	**14,636,454**	**12,454,916**	**35,216,547**
Gap		**71,901,241**	**55,500,108**	**15,246,447**	**201,622,965**	**(14,131,405)**	**23,712,557**	**353,851,914**
Cumulative gap		**71,901,241**	**127,401,349**	**142,647,796**	**344,270,761**	**330,139,357**	**353,851,914**	
Impact on profit before tax		-	12,740,135	14,264,780	34,427,076	33,013,936	35,385,191	129,831,118
Taxation at 30%		-	3,822,040	4,279,434	10,328,123	9,904,181	10,615,557	38,949,335
Impact on equity		-	8,918,094	9,985,346	24,098,953	23,109,755	24,769,634	90,881,782

Company 31 December 2021		Non-interest bearing	0-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	Carrying amount
Cash and cash equivalents (fixed)	5	6,222,762	34,460,902	-	-	-	-	40,683,664
Investment securities - FVTPL	7.1	2,721,444	9,039,071	14,139,719	226,258,676	-	6,148,275	258,307,185
Investment securities - AFS	7.2	41,264,440	795,248	201,253	5,778,791	-	29,519,198	77,558,930
Investment securities - Held to maturity		-	579,465	2,101,718	1,186,796	-	-	3,867,979
Loans and advances	11	130,537			45,955	505,049	-	681,541
Statutory deposits	17	-	-	-	-	-	500,000	500,000
Total		**50,339,183**	**44,874,686**	**16,442,690**	**233,270,218**	**505,049**	**36,167,473**	**381,599,299**
Investment contract liabilities	22	-	2,132,304.82	1,196,243	3,868,097	14,636,454	12,454,916	34,288,014
Borrowings		-	-	-	-	-	-	-
Total		**-**	**2,132,305**	**1,196,243**	**3,868,097**	**14,636,454**	**12,454,916**	**34,288,014**
Gap		**50,339,183**	**42,742,381**	**15,246,447**	**229,402,121**	**(14,131,404)**	**23,712,557**	**347,311,285**
Cumulative gap		**50,339,183**	**93,081,565**	**108,328,012**	**337,730,133**	**323,598,729**	**347,311,286**	
Impact on profit before tax			9,308,156	10,832,801	33,773,013	32,359,873	34,731,129	121,004,972
Taxation at 30%			2,792,447	3,249,840	10,131,904	9,707,962	10,419,339	36,301,492
Impact on profit after tax			6,515,710	7,582,961	23,641,109	22,651,911	24,311,790	84,703,481

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

(J) Equity price risk

The Group manages its exposure to equity price risk through adherence to investment in eligible equities as approved by the Board and in line with NAICOM investment guidelines. Management Investment Committee establishes and approves a list of eligible stocks in line with approval as approved by the Board through its Board Investment Committee.
The investment decisions are subject to authorization(s) levels.

Management Investment Committee

1. An investment which would result in exposure to the invested company for not greater than 5% of the issue under consideration i.e. Equities, Bonds etc.
2. Investment in any unquoted stock with value less than N500m.

Board Investment Committee

i. An investment which would result in exposure to the invested company for greater than 5% of the issue under consideration.
ii. Any investment where the value of total exposure to the invested corporate on completion, as a percentage of total Leadway's Asset Under Management will exceed 2.5% as at the time of the investment.
iii. An Investment in any unquoted stock with value greater than N500m.
iv. Investment in a start-up venture with value over N100m.
v. Investments in a company, which will result in the Leadway having control of management.
vi. Securities lending, leveraged investments, derivatives or hedging.

We have exposure to equity risk through asset/liability mismatches, including our investments in equity securities held in our investment portfolio. Changes in equity prices create risk that the resulting changes in asset values will differ from the changes in the value of the liabilities. Additionally, changes in equity prices may impact other items including, but not limited to investment income of the Company.

Financial assets	Group 31-Dec-22 +/- 1200 basis points	Group 31-Dec-21 +/- 2000 basis points	Company 31-Dec-22 +/- 1200 basis points	Company 31-Dec-21 +/- 2000 basis points
Listed equities (FVTPL)	275,702	326,573	275,702	326,573
Listed equities(AFS)	2,797,650	3,280,974	2,508,691	3,280,974
Unlisted equities (AFS)	1,187,148	1,237,964	1,187,148	1,237,964
Impact on profit before tax	275,702	326,573	275,702	326,573
Tax charge of 30%	(82,711)	(97,972)	(82,711)	(97,972)
Impact on profit after tax	**192,992**	**228,601**	**192,992**	**228,601**
Impact on equity	**4,177,790**	**4,747,539**	**3,888,831**	**4,747,539**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

3.4 Fair values of financial assets and liabilities

Accounting classification, measurement basis and fair values
The table below sets out the Group's classification of each class of financial assets and liabilities, and their fair values

Group 31 December 2022	Notes	At fair value through P/L	Held to Maturity	Loans and receivables	Available for sale	Other financial liabilities at amortised cost	Total carrying amount	Fair Value
Assets								
Cash and cash equivalents	5	-	-	61,304,582	-	-	61,304,582	61,304,582
Trade receivables	6	-	-	6,660,884	-	-	6,660,884	6,660,884
Investment securities - FVTPL	7.1	241,696,163	-	-	-	-	241,696,163	241,696,163
Investment securities - AFS	7.2	-	-	-	68,199,416	-	68,199,416	68,199,416
Investment securities - HTM	7.3	-	21,398,326	-	-	-	21,398,326	21,398,326
Reinsurance assets (Excl. prepaid reinsurance)	8	-	-	89,592,591	-	-	89,592,591	89,592,591
Other receivables	9	-	-	671,615	-	-	671,615	671,615
Loans and advances	11			966,556	-		966,556	966,556
Statutory deposits	17	-	-	500,000	-	-	500,000	500,000
Total		**241,696,163**	**21,398,326**	**159,696,228**	**68,199,416**	**-**	**490,990,133**	**490,990,133**
Liabilities								
Trade payables	18	-	-	-	-	20,237,177	20,237,177	20,237,177
Other liabilities	20	-	-	-	-	3,083,258	3,083,258	3,083,258
Borrowings	21	-	-	-	-	-	-	-
Insurance contract liabilities (excl. IBNR and unearned premium)	21	240,698,506	-	-	-	107,724,212	348,422,718	348,422,718
Investment contract liabilities	22	-	-	-	-	37,420,447	37,420,447	37,420,447
Total		**240,698,506**	**-**	**-**	**-**	**168,465,094**	**409,163,600**	**409,163,600**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Group 31 December 2021	Notes	At fair value through P/L	Held to Maturity	Loans and receivables	Available for sale	Other financial liabilities at amortised cost	Total carrying amount	Fair Value
Assets								
Cash and cash equivalents	5	-	-	42,969,621	-	-	42,969,621	42,969,621
Trade receivables	6	-	-	914,818	-	-	914,818	914,818
Investment securities - FVTPL	7.1	258,307,185	-	-	-	-	258,307,185	258,307,185
Investment securities - AFS	7.2	-	-	-	77,654,805	-	77,654,805	77,654,805
Reinsurance assets (Excl. prepaid reinsurance)	8	-	-	78,484,096	-	-	78,484,096	78,484,096
Other receivables	9	-	-	1,438,170	-	-	1,438,170	1,438,170
Loans and advances	11			681,541	-		681,541	681,541
Statutory deposits	17	-	-	500,000	-	-	500,000	500,000
Total		**258,307,185**	**3,867,979**	**124,988,246**	**77,654,805**	**-**	**464,818,215**	**464,818,215**
Liabilities								
Trade payables	18	-	-	-	-	18,600,653	18,600,653	18,600,653
Other liabilities	20	-	-	-	-	3,035,214	3,035,214	3,035,214
Borrowings	21	-	-	-	-	-	-	-
Insurance contract liabilities (excl. IBNR and unearned premium)	21	237,801,234	-	-	-	91,073,113	328,874,347	328,874,347
Investment contract liabilities	22	-	-	-	-	35,917,975	35,917,975	35,917,975
Total		**237,801,234**	**-**	**-**	**-**	**148,626,955**	**386,428,189**	**386,428,189**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Company

31 December 2022	Notes	At Fair Value through P/L	Held to Maturity	Loans and receivables	Available for sale	Other financial liabilities at amortised cost	Total Carrying amount	Fair Value
Assets								
Cash and cash equivalents	5	-	-	58,723,150	-	-	58,723,150	58,723,150
Trade receivables	6	-	-	6,396,980	-	-	6,396,980	6,396,980
Investment securities - FVTPL	7.1	241,696,163	-	-	-	-	241,696,163	241,696,163
Investment securities - AFS	7.2	-	-	-	65,784,266	-	65,784,266	65,784,266
Investment securities - HTM	7	-	21,398,326	-	-	-	21,398,326	-
Reinsurance assets (Excl. prepaid reinsurance)	8	-	-	89,496,318	-	-	89,496,318	89,496,318
Other receivables	9	-	-	671,615	-	-	671,615	671,615
Loans and advances	11	-	-	966,556	-	-	966,556	966,556
Statutory deposits	17	-	-	500,000	-	-	500,000	500,000
Total		**241,696,163**	**21,398,326**	**156,754,619**	**65,784,266**	**-**	**485,633,374**	**464,235,047**
Liabilities								
Trade payables	18	-	-	-	-	20,017,191	20,017,191	20,017,191
Other liabilities	20	-	-	-	-	2,889,624	2,889,624	2,889,624
Insurance contract liabilities (excl. IBNR and unearned premium))	21	240,698,506	-	-	-	106,682,200	347,380,706	347,380,706
Investment contract liabilities	22	-	-	-	-	35,216,547	35,216,547	35,216,547
Total		**240,698,506**	**-**	**-**	**-**	**164,805,562**	**405,504,068**	**405,504,068**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Company

31 December 2021	Notes	At Fair Value through P/L	Held to Maturity	Loans and receivables	Available for sale	Other financial liabilities amortised cost	Total Carrying amount	Fair Value
Assets								
Cash and cash equivalents	5	-	-	40,683,664	-	-	40,683,664	40,683,664
Trade receivables	6	-	-	839,917	-	-	839,917	839,917
Investment securities - FVTPL	7.1	258,307,185	-	-	-	-	258,307,185	258,307,185
Investment securities - AFS	7.2	-	-	-	77,558,930	-	77,558,930	77,558,930
Investment securities - HTM	7	-	3,867,979	-	-	-	3,867,979	
Reinsurance assets (Excl. prepaid reinsurance)	8	-	-	78,450,952	-	-	78,450,952	78,450,952
Other receivables	9	-	-	1,438,170	-	-	1,438,170	1,438,170
Loans and advances	11	-	-	681,541	-	-	681,541	681,541
Statutory deposits	17	-	-	500,000	-	-	500,000	500,000
Total		**258,307,185**	**3,867,979**	**122,594,244**	**77,558,930**	**-**	**462,328,339**	**458,460,359**
Liabilities								
Trade payables	18	-	-	-	-	18,569,149	18,569,149	18,569,149
Other liabilities	20	-	-	-	-	2,841,581	2,841,581	2,841,581
Insurance contract liabilities (excl. IBNR and unearned premium)	21	237,801,234	-	-	-	90,541,494	328,342,728	328,342,728
Investment contract liabilities	22	-	-	-	-	34,288,014	34,288,014	34,288,014
Total		**237,801,234**	**-**	**-**	**-**	**146,240,238**	**384,041,472**	**384,041,472**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

3.4.1 **Fair value hierarchy**

The Group's accounting policy on fair value measurement is disclosed in note 2.6.1(e), The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). These may include quoted prices for similar assets or liabilities in active markets or quoted prices for identical or similar assets and liabilities in markets that are not active.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data (that is, unobservable inputs). It also includes financial instruments whose fair values could not be reliably determined and so they were measured at cost.

(a) The following table presents the financial assets and liabilities that are measured at fair value as 31 December 2022. See note 7.1 for non-financial assets that are measured at fair value.

Group
31 December 2022

All amounts are in thousands of Naira unless otherwise stated

Assets		Level 1	Level 2	Level 3	Total
Investment securities:	Note				
Fair value through profit or loss	7.1				
- Equity securities		2,297,519	-	-	2,297,519
- Federal government bond		232,754,720	-	-	232,754,720
- State government		2,427,520	-	-	2,427,520
- Corporate bonds		4,158,211	-	-	4,158,211
Available for sale	7.2				
- Listed equity securities		20,905,759	-	-	20,905,759
- Unlisted equity securities		-	-	9,917,859	9,917,859
- Unlisted equity securities		-	-	-	-
- Listed debt securities		34,992,763	-	-	34,992,763
Held to Maturity	7.3				
- Equity securities					
- Federal government bond		17,969,035			17,969,035
- State government		105,805			105,805
- Corporate bonds		3,323,486			3,323,486
Total		**318,934,819**	-	**9,917,859**	**328,827,718**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Group
31 December 2021

All amounts are in thousands of Naira unless otherwise stated

Assets	Note	Level 1	Level 2	Level 3	Total
Investment securities:					
Fair value through profit or loss	7.1				
- Equity securities		2,721,444	-	-	2,721,444
- Federal government bond		242,972,942	-	-	242,972,942
- State government		2,175,044		-	2,175,044
- Corporate bonds		10,437,755	-	-	10,437,755
					-
Available for sale	7.2				-
- Listed equity securities		27,341,446	-	-	27,341,446
- Unlisted equity securities		-	-	10,316,369	10,316,369
- Listed debt securities		39,996,990	-	-	39,996,990
Total		**325,645,621**	**-**	**10,316,369**	**335,961,990**

Company
31 December 2022

All amounts are in thousands of Naira unless otherwise stated

Assets	Note	Level 1	Level 2	Level 3	Total
Investment securities:					
Fair value through profit or loss	7.1				
- Equity securities		2,297,519	-	-	2,297,519
- Federal government bond		232,754,720	-	-	232,754,720
- State government		2,427,520	-	-	2,427,520
- Corporate bonds		4,158,211	-	-	4,158,211
		-			-
Available for sale	7.2	-			-
- Listed equity securities		20,905,759	-	-	20,905,759
- Unlisted equity securities		-	-	9,917,859	9,917,859
- Listed debt securities		34,985,607	-	-	34,985,607
- Unlisted equity securities					-
Held to Maturity	7.3				
- Equity securities					-
- Federal government bond		17,969,035			17,969,035
- State government		105,805			105,805
- Corporate bonds		3,323,486			3,323,486
Total		**318,927,663**	-	**9,917,859**	**328,820,562**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Company
31 December 2021

All amounts are in thousands of Naira unless otherwise stated

Assets	Note	Level 1	Level 2	Level 3	Total
Investment securities:					
Fair value through profit or loss	7.1				
- Equity securities		2,721,444	-	-	2,721,444
- Federal government bond		242,972,942	-	-	242,972,942
- State government		2,175,044	-	-	2,175,044
- Corporate bonds		10,437,755	-	-	10,437,755
		-	-	-	-
Available for sale	7.2	-	-	-	-
- Listed equity securities		27,341,446	-	-	27,341,446
- Unlisted equity securities		-	-	10,316,369	10,316,369
- Listed debt securities		39,901,115	-	-	39,901,115
- Unlisted equity securities			-	-	-
Total		325,549,746	-	10,316,369	335,866,115

There were no transfers between levels 1 and 2 during the year

(I) **Financial instruments in level 1**

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price.

(ii) **Financial instruments in Level 2**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:
(i) Quoted market prices or dealer quotes for similar instruments;
(ii) Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments

The Group's level 2 corporate bonds, state bonds and unlisted equities were valued using quoted market prices for similar instruments at the measurement date."

(iii) **Financial instruments in level 3**

The following table presents the changes in Level 3 instruments for the year ended 31 December 2022

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

All amounts are in thousands of Naira unless otherwise stated

Equity securities - Available for sale	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Opening balance	**9,836,369**	6,634,627	**9,836,369**	6,634,627
Acquisitions	**2,542,967**	2,655,352	**2,542,967**	2,655,352
Reclassification from investments at cost less impairment (see note 7.2)	**-**	-	**-**	-
Reclassifications from Level 2	**-**	-		
Changes in fair value recognised in other comprehensive income	**(2,959,281)**	546,390	**(2,966,437)**	546,390
Balance, end of year	**9,420,056**	9,836,369	**9,412,900**	9,836,369

Varying valuation techniques in determining the fair value of Level 3 item, investments in AFC, Capital Bancorp, Lekky Budget Limited, Mainstreet Technologies, Oakwood Park Limited, Energy & Allied Limited, JDI Investment Company, Nigeria Liability Insurance Pool are as follows:

Valuation technique	Unobservable inputs	Range of unobservable inputs (probability - weighted average)	Relationship of unobservable inputs to fair value
Market Approach	P/BV multiples	0.85x - 5.88x	The higher the multiples the higher the fair value of the asset.
	EV/EBITDA multiples	5.73x - 15.57x	

EV/EBITDA or P/E valuation multiple - the company determines appropriate comparable public company/ies based on industry, size, developmental stage, revenue generation and strategy. The company then calculates a trading multiple for each comparable company identified. The multiple is calculated by either dividing the quoted price of the comparable company by its net income (P/E).

Financial instruments not measured at fair value

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

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Group
31 December 2022

All amounts are in thousands of Naira unless otherwise stated

Assets	Note	Level 1	Level 2	Level 3	Total
Cash and cash equivalents			61,304,582		61,304,582
Held to maturity investment securities:					
State bonds		-	-	105,805	105,805
Corporate bonds		-		3,323,486	3,323,486
Federal government bonds			-	17,969,035	17,969,035
Federal government treasury bills			-	-	-
Available for sale: Unlisted equity at cost		-	-	480,000	480,000
Trade receivables				6,660,884	6,660,884
Loans and advances				966,556	966,556
Reinsurance assets (Excl. prepaid reinsurance)				89,592,591	89,592,591
Other receivables				671,615	671,615
Statutory deposits				500,000	500,000
Total financial assets		-	61,304,582	120,269,972	181,574,554
Liabilities					
Investment contract liabilities				37,420,447	37,420,447
Trade payables				20,237,177	20,237,177
Other liabilities				3,083,258	3,083,258
Borrowings				-	-
Total financial liabilities		-	-	60,740,882	60,740,882

Group
31 December 2021

All amounts are in thousands of Naira unless otherwise stated

Assets	Note	Level 1	Level 2	Level 3	Total
Cash and cash equivalents			42,969,621		42,969,621
Held to maturity investment securities:					
State bonds			-	100,415	100,415
Corporate bonds				614,857	614,857
Federal government bonds			-	3,152,707	3,152,707
Federal government treasury bills			-	-	-
Available for sale: Unlisted equity at cost			-	480,000	480,000
Trade receivables				914,818	914,818
Loans and advances				681,541	681,541
Reinsurance assets (Excl. prepaid reinsurance)				78,484,096	78,484,096
Other receivables				1,438,170	1,438,170
Statutory deposits				500,000	500,000
					-
Total financial assets		-	42,969,621	86,366,604	129,336,225
Liabilities					
Investment contract liabilities				35,917,975	35,917,975
Trade payables				18,600,653	18,600,653
Other liabilities				3,035,214	3,035,214
Borrowings				-	-
Total financial liabilities		-	-	57,553,842	57,553,842

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Company
31 December 2022

All amounts are in thousands of Naira unless otherwise stated

Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	-	58,723,150	-	58,723,150
Held to maturity investment securities:				
State bonds	-	-	105,805	105,805
Corporate bonds	-	-	3,323,486	3,323,486
Federal government bonds	-	-	17,969,035	17,969,035
Federal government treasury bills	-	-	-	-
Available for sale: Unlisted equity at cost	-	-	480,000	480,000
Trade receivables	-		6,396,980	6,396,980
Loans and advances	-	-	966,556	966,556
Reinsurance assets (Excl. prepaid reinsurance)	-	-	89,496,318	89,496,318
Other receivables	-	-	671,615	671,615
Statutory deposits	-	-	500,000	500,000
				-
Total financial assets	**-**	**58,723,150**	**119,909,795**	**178,632,945**
Liabilities				
Investment contract liabilities	-	-	35,216,547	35,216,547
Trade payables	-	-	20,017,191	20,017,191
Other liabilities	-	-	2,889,624	2,889,624
Total financial liabilities	**-**	**-**	**58,123,362**	**58,123,362**

Company
31 December 2021

All amounts are in thousands of Naira unless otherwise stated

Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	-	40,683,664	-	40,683,664
Held to maturity investment securities:				
State bonds	-	-	100,415	100,415
Corporate bonds	-	-	614,857	614,857
Federal government bonds	-	-	3,152,707	3,152,707
Federal government treasury bills	-	-	-	-
Available for sale: Unlisted equity at cost	-	-	480,000	480,000
Trade receivables	-		839,917	839,917
Loans and advances	-	-	681,541	681,541
Reinsurance assets (Excl. prepaid reinsurance)	-	-	78,450,952	78,450,952
Other receivables	-	-	1,438,170	1,438,170
Statutory deposits	-	-	500,000	500,000
Total financial assets	**-**	**40,683,664**	**86,258,558**	**126,942,222**
Liabilities				
Investment contract liabilities	-	-	34,288,014	34,288,014
Trade payables	-	-	18,569,149	18,569,149
Other liabilities	-	-	2,841,581	2,841,581
				-
Total financial liabilities	**-**	**-**	**55,698,744**	**55,698,744**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

The fair value for financial assets and liabilities that are not carried at fair value were determined respectively as follows:

(i) Cash

Included in the balances of cash and cash equivalents are cash and balances with banks and short term placement. The carrying amount of cash and cash equivalents is a reasonable approximation of fair value.

(ii) Loans and advances

The estimated fair value of loans and advances represents the discounted amount of estimated future cashflows expected to be received. Expected future cash flows are discounted at the current market rate to determine the fair value.

(iii) Trade receivables, Other Receivables, Reinsurance Assets (Excl. prepaid reinsurance), Trade payables and Other liabilities

The estimated fair value of receivables and payables with no stated maturity which includes no interest payables and receivables is the amount repayable or received on demand. The carrying amounts are reasonable approximation of their fair values which are payable on demand.

(iv) Investment contract liabilities

Investment contracts are those that do not transfer significant insurance risk from the contract holder to the issuer. The carrying amount of investment contract liability is a reasonable approximation of fair value.

3.4 Management of insurance risk

The Group issues contracts that transfer insurance risk or financial risk or both. This section summarizes these risks and the way the Group manages them.

Insurance Risk

Insurance risk arises from accepting risks which turn out to be inappropriate or pricing the risks accepted inappropriately. The principal risk that the Group faces under its insurance contracts is that the actual claims and benefits payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random, and the actual number and amount of claims and benefits will could vary from year to year from the level established using statistical techniques.

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

Non-life Insurance Contracts

(a) Frequency and severity of claims: The frequency and severity of claims can be affected by several factors. The most significant are the increasing level of awards for the damages suffered as a result of road accidents. The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling and investigations.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Group has the right not to renew certain policies, it can impose excess or deductibles and has the right to reject the payment of a fraudulent claim. Insurance contracts also entitle the Group to pursue third parties for payment of some or all of claims costs. The reinsurance arrangements include excess and proportional coverage. The effect of such reinsurance arrangements is that the Group should not suffer total net insurance losses in any one year.

The Group has a specialized claims unit that ensures mitigation of the risks surrounding all known claims. This unit investigates and adjusts all claims in conjunction with appointed loss adjusters. The Group actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Risk concentration is assessed per class of business. The concentration of insurance risk before and after reinsurance by class in relation to the type of insurance risk accepted is summarized below, with reference to the carrying amount of the insurance liabilities (gross and net of reinsurance) arising from all non-life insurances.

Group Life Reinsurance

The table below shows the Group life risk exposure by industry or sector in 2022. The table shows that the company's exposure is highly skewed towards Administrative, Civil Service/Government agency, Estate Management/Insurance and Banking & Financial Institutions.

(All amounts in Nigerian Naira unless otherwise stated)

Company 2022

Industry/Sector	**Before Reinsurance**	**Share of Gross**	**After Reinsurance**
Civil Service/Government Agency	11,209,308,561	61.7%	10,634,429,287
Education, Research & Professional Institutions	87,429,502	0.5%	65,835,590
Engineering & Construction	343,260,923	1.9%	279,292,563
Estate Management/Insurance, banking & Financial Institutions	1,182,678,573	6.5%	1,031,979,380
Foods & Beverages/Agro-allied	56,217,266	0.3%	46,053,492
Health Service provider	97,913,381	0.5%	81,580,686
Hotels and Resorts/catering services	31,301,374	0.2%	25,149,916
Manufacturing	304,078,318	1.7%	245,264,714
Marine & Aviation	113,332,526	0.6%	94,017,362
Administrative	2,452,705,394	13.5%	2,027,825,549
Oil & Gas	1,632,159,609	9.0%	924,249,752
Radio & Television/ Electronics & Telecommunications	30,666,569	0.2%	10,997,914
Religious institutions/NGO/Clubs& Associations	536,658,267	3.0%	519,285,146
Security Personnel	90,026,810	0.5%	61,902,370
	18,167,737,073	**100%**	**16,047,863,719**

Company 2021

Industry/Sector	**Before Reinsurance**	**Share of Gross**	**After Reinsurance**
Civil Service/Government Agency	947,412,817,436	19%	898,823,915,670
Education, Research & Professional Institutions	35,308,625,880	2%	26,587,869,989
Engineering & Construction	82,144,586,539	3%	66,836,539,087
Estate Management/Insurance, banking & Financial Institutions	486,057,721,560	16%	424,123,305,842
Foods & Beverages/Agro-allied	7,469,099,573	0%	6,118,727,282
Health Service provider	26,233,480,934	1%	21,857,537,205
Hotels and Resorts/catering services	7,296,715,522	0%	5,862,738,828
Manufacturing	90,438,292,446	3%	72,946,082,001
Marine & Aviation	55,713,947,589	2%	46,218,667,792
Administrative	772,347,469,140	22%	638,554,444,430
Others		0%	
NNPC		0%	
Oil & Gas	370,305,536,273	15%	209,694,442,858
Radio & Television/ Electronics & Telecommunications	73,809,823,422	5%	26,470,326,305
Religious institutions/NGO/Clubs& Associations	359,358,258,452	8%	347,724,831,902
Security Personnel	5,562,944,373	3%	3,825,076,532
	3,319,459,319,139	**100%**	**2,795,644,505,725**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

b) Sources of uncertainty in the estimation of future claim payments

Claims on non-life insurance contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred 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 they 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 Group 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 likely that the final outcome will prove to be different from the original liability established. The reserves held for these contracts comprises of a provision for IBNR, a provision for reported claims not yet paid and a provision for unearned premiums at the end of the reporting period.

c) Process used to decide on assumptions

Non-life insurance contract liabilities: The discounted inflation adjusted chain ladder method (IABCL) was applied for reserving in respect of non-life risk, with the exception of special risk policies reserved using the Expected Loss Ratio Approach. The discounted inflation adjusted chain ladder method (IABCL) method involves historical paid losses adjusted for inflation using the corresponding inflation index in each of the accident years to the year of valuation and then accumulated to their ultimate values for each accident year to obtain the projected outstanding claims. The projected outstanding claims are then further multiplied by the future inflation index from the year of valuation to the future.

The Expected Loss Ratio Approach was adopted for the special risk sub-category of non-life risks due to the volume of data available being too small to be credible when using a statistical approach. Under this method, the ultimate claims is obtained by assuming loss ratio. Paid claims already emerged is then deducted for from the estimated ultimate claims.

The provision for outstanding claims, including IBNR, was determined for each line of business on both gross and net of reinsurance basis. A yearly cohort from year 2007 has been adopted in building the historical claims.

Year	Inflation index	Accumulated Inflation Index
2007	6.6%	448.9%
2008	15.1%	414.9%
2009	13.9%	347.4%
2010	11.8%	292.8%
2011	10.3%	251.3%
2012	12.0%	218.5%
2013	8.0%	184.4%
2014	8.3%	163.3%
2015	9.6%	143.1%
2016	18.5%	121.8%
2017	15.4%	87.2%
2018	11.3%	62.3%
2019	11.4%	45.8%
2020	15.0%	31.0%
2021	13.9%	13.9%
2022+	21.3%	18.9%

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Key assumptions

The methods assumes that future claims follow a regression pattern from the historical data. Hence payment patterns will be broadly similar in each accident year. Thus the proportionate increase in the known cumulative payments from one development year to the next is used to calculate the expected cumulative payments for the future development periods.

- An implicit assumption of the chain ladder is that weighted past average inflation will remain unchanged in to the future.
- We assume gross claim amount includes all related claim expenses. If this is not the case, we will hold a separate reserve to cover claim expenses.
- The UPR is calculated on the assumption that risk will occur evenly during the duration of the policy.
- Claims occur uniformly throughout the year for each class of business. This implies that claims occur on average halfway through year.
- Future claims follow a regression pattern from the historical data. Hence payment patterns will be broadly similar in each accident year. The proportionate increase in the known cumulative payments from one development year to the next is used to calculate the expected cumulative payments for the future development periods.
- Policies are written uniformly throughout the year for each class of business.
- Under the Average Cost per claim method used in estimating large losses, we assumed the early years (e.g. accident years2007, 2008) are fully developed.

Life insurance contract liabilities- Individual risk business comprises whole life assurances, endowment assurances and term assurances of descriptions, including mortgage protection and credit life. For all individual risk business the gross premium method of valuation was adopted. Reserves were calculated via a cash flow projection approach, taking into account future office premium, expenses and benefit payments, including payments on surrender where applicable. Future cash flows were discounted back to the valuation date at the valuation rate of interest. An unexpired premium reserve was included for Group life business, after allowing for acquisition expenses. Where required, an additional unexpired risk reserve was also is held for any inadequacies in the unexpired risk reserve for meeting claims in respect of the unexpired period. The claim rates underlying the determination of additional unexpired risk reserve were based on pooled historical scheme claims experience.

An allowance was made for incurred but not reported (IBNR) claims in group life to take care of delay in reporting claims. This was based on Chain Ladder method, where the group business was grouped into two classes - Public and Private Businesses. Historical claims were grouped into accident year cohorts-representing how they were paid after their accident year to form development triangles. For each accident year, paid claims were accumulated to the valuation date and projected into the future to obtain the expected ultimate claim arising for that year. This assumes the trends observed in the historical data will continue. The gross claim reserve is calculated as the difference between the estimated ultimate claims and the accumulated paid claims. For the later years where the cohorts are underdeveloped or has less than expected claims, the Bornheutter Ferguson (BF) method was used to estimate the ultimate claims. The appropriate loss ratio used in estimating the BF ultimate claim was the average of fully developed historical years."

Key assumptions

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

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

(I) Sensitivity analysis on insurance contract liabilities

The analysis which follows is performed for reasonably possible movements in key assumptions with all other assumptions held constant, and shows the impact on gross and net liabilities, profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, the assumptions had to be changed on an individual basis.

It should be noted that movements in these assumptions are non-linear. Sensitivity information will also vary according to the current economic assumptions, mainly due to the impact of changes to both the intrinsic cost and time value of options and guarantees. When options and guarantees exist, they are the main reason for the asymmetry of sensitivities.

Sensitivities were not applied to the Reinsurance for individual life business as its value is immaterial. Also, Mortality sensitivity tests were applied in the opposite direction for the annuity business. These are as shown below:

N'000m	Base	Interest rate +1%	Interest rate -1%	Expenses +10%	Expenses -10%	Expense Inflation +2%	Expense Inflation -2%	Lapses +10%	Lapses -10%	Mortality +5%	Mortality -5%
Investment Linked Plans - Fund Balance	24,870,248	24,870,248	24,870,248	24,870,248	24,870,248	24,870,248	24,870,248	24,870,248	24,870,248	24,870,248	24,870,248
Investment Linked Plans - Risk Reserve	264,979	260,817	269,379	294,318	236,149	274,756	256,078	264,976	264,981	266,283	263,688
Traditional Plans (excluding Annuity)	8,007,054	7,897,461	8,137,321	8,057,926	7,957,320	8,046,434	7,983,200	8,007,423	8,006,827	8,066,400	7,947,021
Annuity	232,287,996	222,043,016	243,495,493	232,765,192	231,810,800	233,127,401	231,625,944	232,287,996	232,287,996	233,583,828	231,024,468
Group DA	49,474	49,474	49,474	49,474	49,474	49,474	49,474	49,474	49,474	49,474	49,474
Group Life – UPR	10,346,299	10,346,299	10,346,299	10,346,299	10,346,299	10,346,299	10,346,299	10,346,299	10,346,299	10,346,299	10,346,299
Group Life – IBNR	8,413,250	8,413,250	8,413,250	8,413,250	8,413,250	8,413,250	8,413,250	8,413,250	8,413,250	8,413,250	8,413,250
Other Group Risk	5,253,819	5,253,819	5,253,819	5,253,819	5,253,819	5,253,819	5,253,819	5,253,819	5,253,819	5,253,819	5,253,819
Outstanding Claims	4,511,729	4,511,729	4,511,729	4,511,729	4,511,729	4,511,729	4,511,729	4,511,729	4,511,729	4,511,729	4,511,729
Additional reserves	89,003	88,702	89,311	89,497	88,517	89,053	88,955	89,003	89,003	90,162	87,844
Reinsurance	(1,837,819)	(1,837,819)	(1,837,819)	(1,837,819)	(1,837,819)	(1,837,819)	(1,837,819)	(1,837,819)	(1,837,819)	(1,837,819)	(1,837,819)
Net liability	292,256,033	281,896,998	303,598,505	292,813,935	291,699,787	293,144,646	291,561,178	292,256,400	292,255,809	293,613,674	290,930,023
	-	-3.54%	3.88%	0.19%	-0.19%	0.30%	-0.24%	0.00%	0.00%	0.46%	-0.45%

Summary	Base	Interest rate +1%	Interest rate -1%	Expense +10%	Expense -10%	Expense Inflation +1%	Expense Inflation -1%	Lapse +20%	Lapse -20%	Mortality +1%	Mortality -1%
Individual	265,519,280	255,160,244	276,861,752	266,077,181	264,963,034	266,407,893	264,824,425	265,519,646	265,519,055	266,876,921	264,193,269
Group	26,736,754	26,736,754	28,574,572	28,574,572	28,574,572	28,574,572	28,574,572	28,574,572	28,574,572	28,574,572	28,574,572
Net liability	292,256,033	281,896,998	305,436,324	294,651,753	293,537,606	294,982,465	293,398,997	294,094,218	294,093,628	295,451,493	292,767,841
% change in liability	-	-3.54%	4.51%	0.82%	0.44%	0.93%	0.39%	0.63%	0.63%	1.09%	0.18%

---The mortality stress has been applied in the opposite direction for annuities. For example the 5% strengthening of the mortality assumption was modelled as 5% lighter mortality for annuitants.

---All stresses were applied independently
--- All stresses were applied independently

Changes in key assumptions used to value insurance contracts would result in increases or decreases to the insurance contract provisions recorded, with impact on profit/(loss) and/or shareholders' equity.
The net increase or decrease to insurance contract provisions recorded as of 31 December 2015 has been estimated as follows:

The changes in insurance contract liabilities shown are calculated using the specified increase or decrease to the rates, with no change in charges paid by policyholders.

(b) Non-life insurance contract liabilities

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Class of business	Base	5% Development Ratio	-5% Development Ratio	1% Inflation Rate	-1% Inflation Rate	1% Discount Rate	-1% Discount Rate
General Accident	1,604,507,665	1,755,963,931	1,740,047,646	1,611,423,990	1,597,590,494	1,595,154,775	1,614,044,243
Engineering	737,108,917	740,210,252	733,798,989	739,201,288	735,016,223	732,129,625	742,198,152
Fire	3,084,209,607	3,099,671,655	3,067,859,425	3,095,712,159	3,072,705,922	3,064,262,886	3,104,558,248
Marine	1,968,221,022	1,985,514,717	1,950,160,165	1,975,449,109	1,960,992,548	1,954,292,171	1,982,471,090
Motor	1,696,672,993	1,732,151,506	1,660,146,089	1,704,195,815	1,689,150,130	1,686,234,265	1,707,322,566
Agric	255,849,826	256,000,554	255,669,774	257,359,875	254,339,768	254,702,624	257,012,751
Bond	705,499,316	807,749,182	603,249,449	705,499,316	705,499,316	701,837,817	709,217,364
Special Risks	102,859,504,176	102,934,590,449	103,188,170,684	103,035,382,658	102,683,466,477	102,105,531,006	103,632,280,197
Total	112,911,573,522	113,311,852,246	113,199,102,221	113,124,224,210	112,698,760,878	112,094,145,169	113,749,104,611
Account outstanding	102,344,137,445	102,344,137,445	102,344,137,445	102,344,137,445	102,344,137,445	102,344,137,445	102,344,137,445
Difference	10,567,436,077	10,967,714,801	10,854,964,776	10,780,086,765	10,354,623,433	9,750,007,724	11,404,967,166
Percentage change		**0.4%**	**0.3%**	**0.2%**	**-0.2%**	**-0.7%**	**0.7%**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

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

Mortality and morbidity rates

"Our assumptions are based on standard industry and national tables, according to the type of contract written . They are adjusted when appropriate to reflect historical experience of the portfolio.

An appropriate, but not excessive prudent allowance is made for expected future improvements.

An increase in rates on products other than life annuities will lead to a larger number of expected claims (and claims could occur sooner than anticipated), which will increase the reserve and reduce reported profits for the shareholders. For Life annuities, the converse will be true.

Longevity

Our assumptions are based on standard industry and national tables, according to the type of contract written . They are adjusted when appropriate to reflect historical experience of the portfolio.

An appropriate, but not excessive prudent allowance is made for expected future improvements.

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

Investment return

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

Expenses

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

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

Lapses and surrender rates

Lapses relate to the termination of risk policies due to non-payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Company's experience and vary by product type.

Usually, an increase in lapse rates early in the life of the policy would tend to reduce profits for shareholders to the unrecouped initial expenses.

Life insurance liabilities are determined as the sum of the discounted value of the expected future benefits and future administration expenses directly related to the contract, less the discounted value of the expected future premiums from the contract. Discount rates are based on the risk free rate at different tenors plus an adjustment for risk.

A decrease in the discount rate will increase the value of the insurance liability and therefore reduce profits for the shareholders with the exception of a perfectly matched annuity portfolio where both assets and liabilities will increase by the same magnitude.

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

The following table outlines the general form of terms and conditions that apply to contracts sold in each category of business, and the nature of the risk incurred by the Group.

	Name	Features
1	Leadway Immediate Annuity Plan	Designed to help with the cost of retirement by providing a guaranteed income for the rest of the policyholder's life. The annual payments can be made monthly, quarterly or annually.
		During the stated guarantee period, the annuity payments will continue whether the annuitant is alive or not. If the annuitant dies before the end of the guarantee period the present value of the outstanding payment due within the guarantee period shall be payable in a lump sum to the name beneficiary or to the estate of the annuitant under probate.
2	Annuity certain	Policyholder buys into this product and pays a lump-sum premium. The policyholder in turn receives pre-defined payments throughout the term of the policy. If the policyholder dies within the annuity period, the balance in the annuity is payable to the beneficiary, but if he survives the annuitant (policy holder) gets the annuity.
3	Education Protection Plan	The policy covers payment of fees for the named beneficiary children or ward whilst in school or college in the event of death, total permanent disablement (optional cover) or critical illness (optional cover) of the named parent and/or Policyholder. The policy has a minimum term of one year and has options for Level Benefit and Decereasing benefit. The benefit shall be payable to the named school through the named legal guardian for the unexpired school years as stated in the schedule.
4	Family Benefit Plan	A whole Life Assurance product that pays sum assured on death of policyholder or any of the parents or spouse insured. - Policy terminates on first death. - Additonal grocery voucher of N25,000 on death of any member and a family support benefit payable for 6 months in installments of N20,000 on death of policyholder.
5	Family Benefit Plan Plus	A Whole Life Assurance that pays sum assured on death of each of the members covered by the policy. Policy terminates on the death of the policyholder. Additonal grocery voucher of N25,000 on death of any member and a family support benefit of N20,000 payable for 6 months on death of policyholder. "
6	Group life	Sum assured is payable in the event of death of a member while in the service of the employer and before retirement.. Refund of premium: in the event that the life assured is terminated before the normal retirement date from any cause other than death, the Company will pay to the employer a rebate in respect of the relative premium proportionate to the unexpired portion of the then current year of assurance. Premium rates are annually renewable. Leadway has the right to charge extra premiums on medical grounds.
7	Credit Life	Credit Life Protection that pays outstanding loan amount on death. There are disability and job loss riders.
8	Personal Loan Protection Plan	Credit Life Protection that pays outstanding loan amount on Death. It has PTD and Job Loss Covers.
9	Term Assurance	The Term Assurance product pays out a lump sum if death (or any other insured events) occurs during the period of cover.
10	Mortgage Protection Plan	Credit Life Protection that pays outstanding loan amount on death. It also has optional CIC, 12 months Job loss and PTD riders.

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

11	REN Credit Life	Credit Life Protection that pays outstanding loan amount on Death. It has PTD , Critical Illness and 6 months Job Loss cover.
12	RSL Credit Life Insurance	Credit Life Protection that pays outstanding loan amount on Death. It has PTD , Critical Illness and 6 months Job Loss cover.
13	Vehicle Loan Protection Plan	Credit Life Protection that pays outstanding loan amount on Death. It has PTD , Critical Illness and 6 months Job Loss cover.
14	Heritage Credit Life Protection	Credit Life Protection that pays outstanding loan amount on Death. It has PTD and 6 months Job Loss cover
15	BORSTAL MFB Credit LIfe Protection	Credit Life Protection that pays outstanding loan amount on Death. It has PTD and 3 months Job Loss cover.
16	CRUTECH MFB Credit LIfe Protection	Credit Life Protection that pays outstanding loan amount on Death. It has PTD, Critical Illness and 3 months Job Loss cover.
17	EcoBank Credit Life Protection	Credit Life Protection that pays outstanding loan amount on Death and PTD. It has 6 months job loss cover.
18	MICROCRED MFB Credit LIfe Protection	Credit Life Protection that pays outstanding loan amount on death, critical illness and Permanent Disability. Outstanding loan less terminal benefit is paid on job loss. Minimum term is 1 year.
19	WEMA Credit Protection	Credit Life Protection that pays outstanding loan amount on Death, critical illness and Permanent Total Disability.
20	Heritage Personal Protection Plan	Credit Life Protection that pays outstanding loan amount on Death.
21	Small and Medium Enterprise	Credit Life Protection that pays outstanding loan amount on Death. It has PTD and 6 months job loss cover.
22	Credit Card Protection	Credit Life Protection that pays outstanding loan amount on Death or named Critical Illness.
23	GTB Credit Life protection	Credit Life Protection that pays outstanding loan amount on death.
24	Personal Credit Loan	Credit Life Protection that pays outstanding loan amount on Death and PTD. It has 6 months job loss cover.
25	Term Loan Protection Plan	Credit Life Protection that pays outstanding loan amount with one month Job loss.
26	Group Credit Life	Credit Life Protection that pays outstanding loan amount on Death or Critical Illness or PTD. It has 6 months Job Loss also.
27	Group Mortgage Protection	Credit Life Protection that pays outstanding loan amount on Death. It has PTD or 12 months Job Loss cover.
28	Private Health Plan	One year renewable term assurance with sum assurance payable on death.PTD benefit is payable if specified by the policyholder.
29	Education Target Plan	Payment of Sum Assured (Target amount) upon Death or Maturity, whichever comes earlier. Policy terminates after payment of any benefit. Critical Illness, Accidental, Total and Permanent disability are optional riders and attract additional premium.
30	Leadway Target Plan	Payment of Sum Assured (Target amount) upon Death or Maturity, whichever comes earlier. Policy terminates after payment of any benefit. Critical Illness, Accidental, Total and Permanent disability are optional riders and attract additional premium.

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

31	Leadway Lifestyle Protection Plan	Leadway Lifestyle Protection is a life assurance plan that provides you with a life cover and also optionally protects you against Critical Illness, Permanent Total Disability and Job Loss. The product pays a sum assured on occurrence of the insured risks within the policy term. The minimum policy term is one year. For having consecutive claim-free years, you receive a cash-back payment which is a rate on the premiums paid in the year.

Investment contract liabilities

The following table outlines the deposit based (DA) products)

	Name	Features
1	Deferred annuity plan	This product meets protection and savings needs of a policyholder towards funding an annuity pension at retirement. Contributions from policy holder are to be invested in a fund. The accumulated return on the investment as well as the invested amount is due on maturity. Payment of Sum Assured + Savings account balance upon death. Minimum policy term is 3 years. On choosing critical illness and/or PTD riders, payment of sum assured on the riders + Savings account balance in the event of claim.
	Name	**Features**
2	Leadway Investment Plan	Single Premium endowment assurance that pays the higher of "Invested single premium plus an additional 20% of invested Single Premium" and "Accumulated value of single premium"" on death or maturity. The 20% of Single Premium is subject to a maximum death risk benefit of N5 million. On Maturity, the guaranted accumulated value of the premium is paid. A guaranteed amount (known at inception) is paid upon maturity of the investment. Policyholders can avail additional Life Cover, Critical illness and PTD cover.
3	Personal Savings Plan	Deposit Based Savings. Death benefit is sum assured + savings account balance upon death.
4	Education Target Plan	Payment of Sum Assured + Savings account balance upon death, Minimum policy term is 3 years, on choosing critical illness and/or PTD riders, payment of sum assured on the riders.
5	Leadway Savings Plan	Payment of Sum Assured + Savings account balance upon death. At maturity, account deposit balance is paid. On choosing critical illness and/or PTD riders, payment of sum assured on the riders + Savings account balance in the event of claim.
6	Custodian	Deposit based savings, Risk component is the outstanding premium payable. It is thus a decreasing term assurance with start sum assured equal to contracted total premium. Risk benefit is funded by the Nil and partial allocations on the premiums. The structure for Nil and Partial allocation. Year 1- 75% allocation. Year 2 to year 4 - 90% allocation. Year 6 afterwards- 97% allocation. The product is running off.

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

7	Individual Deposit Admin	The life cover granted during the policy shall be future unpaid premiums up to cessation date provided the policy is in force. This policy has nil allocation between 4 months to 8 months during which the overhead cost of the Company are met. If term assurance is not opted for, 100% premium will be transferred to the policyholder's account for investment purpose.
8	Pearl	When policyholder dies, the balance in the policyholder's account plus total premium due after death and before maturity is payable to the beneficiary. If the policyholder surrenders or terminates the policy; the balance in the policyholder's account is payable. On maturity, accumulated balance in the policy holder's account is paid or instalment payment of the maturity benefit through the period of child's education. Deposit based savings. No risk cover. The product is running off. No new business.
9	Group Deposit Admin	Guaranteed interest (renewable annually) on all deposits received from employer. Contribution to the fund can be on individual basis or on pool basis. If a member leaves the service of the employer before normal retirement date, accrued benefit up to withdrawal date in respect of employee's and employer's contribution shall be paid to the member. Pension option: In the event of the benefit becoming payable; it could be applied in whole or in part to secure a Pension. This pension is payable at equal intervals to the member until he dies , however the payment is guaranteed for a predefined period. If a member leaves the service of the employer before normal retirement date, accrued benefit up to withdrawal date in respect of employee's and employer's contribution shall be paid to the member. If a member dies before the expiration of the guaranteed period a cash sum shall be payable.

4 Critical accounting estimates and judgement.

In preparing these consolidated financial statements, management makes estimates and judgements that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements 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.

These disclosures supplement the commentary on enterprise risk management (see note 3). Estimates where management has applied judgements are:(a) Ultimate liability arising from claims made under insurance contracts(b) Determination of fair value of level 3 financial instruments (unquoted equities)(c) Assessment of impairment of goodwill on acquired subsidiaries(d) Deferred tax asset assessment

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(a) The ultimate liability arising from claims made under insurance contracts

The estimation of the ultimate liability arising from claims made under insurance contracts is one of the Group's most critical accounting estimate.

There are several sources of uncertainty that need to be considered in the estimate of the liability that the Group will ultimately pay for such claims.

The ultimate cost of outstanding claims is estimated by using a standard actuarial claims projection techniques called the Basic Chain Ladder (BCL).

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

The main assumption underlying these technique is that the Group's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, this method extrapolates the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analyzed by accident years and the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgment is used to assess the extent to which past trends may not apply in future, (for example to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims, inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

See note 3.4 (i) for sensitivity analysis on insurance contract liabilities.

(b) Determination of fair value of level 3 financial instruments (Unquoted equities)

Investments in unquoted equity securities that are classified as equity securities at fair value available for sale financial instrument in line with the accounting policies as set out in note 2.6 of the statement of significant accounting policies. See note 3.4 for the valuation methodology for the determining the fair value.

(c) Assessment of impairment of goodwill on acquired subsidiary

Leadway Assurance owns 99.9% of the shareholdings of Leadway Vie, goodwill was recognised upon acquisition of the subsidiary. The goodwill amount was tested for impairment using discounted cash flow valuation method at year end. Projected cash flows were discounted to present value using a discount rate of 11.5% (2021: 11.5%), an average annual revenue growth of 8% over a period of 5 years (2021: 8% over 5 years). The Group determined the appropriate discount rate at the end of the reporting period. See note 16 for further details. Deferred tax asset assessment. Deferred tax assessment relates to availability of future taxable profit against which carry-forward tax losses can be used. see note 15 for details.

(d) Deferred tax asset assessment

Deferred tax assessment relates to availability of future taxable profit against which carry-forward tax losses can be used. see note 15 for details.

5 Cash and cash equivalents

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Cash on hand	**4,043**	3,215	**3,563**	2,925
Cash at bank	**13,153,377**	8,505,504	**12,021,515**	6,354,523
Tenored deposits	**48,147,162**	34,460,902	**46,698,072**	34,326,216
	61,304,582	**42,969,621**	**58,723,150**	**40,683,664**

Tenored deposits are made up of placements with banks and other financial institutions with less than 3 months maturity from the date of acquisition. The carrying amounts disclosed above reasonably approximates fair value at the reporting date.

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

6 Trade receivables

(a) Trade receivable comprises the following:

	Group	Group	Company	Company
Non-Life Insurance receivables	974,577	757,222	771,305	757,222
Life Insurance receivables (see note b below)	5,686,307	157,596	5,625,675	82,695
Gross Trade receivables	**6,660,884**	**914,818**	**6,396,980**	**839,917**
Less Impairment allowance:				
Non-Life business (See note 35)	(353,420)	(430,012)	(353,420)	(430,012)
Life business (See note 35)	(7,940)	(56,773)	(7,940)	(56,773)
	(361,360)	(486,785)	(361,360)	(486,785)
Net Trade receivables	**6,299,524**	**428,033**	**6,035,620**	**353,132**
Insurance receivable is analysed as follows:				
Due from Brokers	6,299,524	428,033	6,035,620	353,132
	6,299,524	428,033	6,035,620	353,132
Current	6,299,524	428,033	6,035,620	353,132

(b) Part of the 2022 receivable in Life business is a group life scheme on one of the Government agencies amounting to N5.2 Billion in which payments is installmental.

(c) The age analysis of gross insurance receivables as at the end of the year is as follows:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Analysis of premium debtors in days				
0 - 30 days	6,299,524	428,033	6,035,620	353,132
	6,299,524	428,033	6,035,620	353,132

7. Investment securities:

The Group's investment securities are summarised below by measurement category in the table below:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Financial assets at fair value through profit or loss (see note 7.1 below)	241,696,163	258,307,185	241,696,163	258,307,185
Available for sale (see note 7.2 below)	68,199,415	77,654,805	65,784,265	77,558,930
Held to maturity (see note 7.3 below)	21,398,326	3,867,979	21,398,326	3,867,979
	331,293,904	339,829,969	328,878,754	339,734,094
Current	12,090,263	9,914,255	11,672,744	9,496,736
Non Current	319,203,640	329,915,714	317,206,009	330,237,358
	331,293,904	339,829,969	328,878,754	339,734,094

The assets comprised in each of the categories above are detailed in the tables below:

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For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

7.1 Financial assets at fair value through profit or loss

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Designated at fair value through profit or loss				
Debt securities:				
- Listed	**239,398,644**	255,585,741	**239,398,644**	255,585,741
Held for trading				
Equity securities:				
- Listed	**2,297,519**	2,721,444	**2,297,519**	2,721,444
Total financial assets at fair value through profit or loss	**241,696,163**	258,307,185	**241,696,163**	258,307,185
Current	**2,297,519**	2,721,444	**2,297,519**	2,721,444
Non Current	**239,398,644**	255,585,741	**239,398,644**	255,585,741
	241,696,163	**258,307,185**	**241,696,163**	**258,307,185**

Movement in financial assets at fair value through profit or loss

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Opening balance	**258,307,184**	322,052,795	**258,307,183**	322,052,795
Additions	**54,980,524**	60,731,695	**54,980,524**	60,731,695
Disposals	**(54,658,072)**	(33,894,935)	**(54,658,072)**	(33,894,935)
Gain/(Loss) on disposals	**984,017**	(6,962,234)	**984,017**	(6,962,234)
Accrued Interest on bonds	**30,622,961**	29,508,308	**30,622,961**	29,508,308
Interest received	**(29,618,885)**	(29,576,485)	**(29,618,885)**	(29,576,485)
Exchange Gain/(Loss)	**(218,644)**	733,537	**(218,644)**	733,537
Fair value changes	**(18,702,923)**	(84,285,499)	**(18,702,925)**	(84,285,499)
Closing balance	**241,696,163**	**258,307,184**	**241,696,163**	**258,307,183**

7.2 Available for sale financial assets

Certain unquoted investment securities listed below for which fair values could not be reliably estimated have been carried at cost less impairment. There are no active markets for these equity instruments, fair value information are therefore not available making it impracticable for the group to fair value these investments. The group does not intend to dispose any of these investments within the next financial year.

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Equity securities at fair value				
- Listed	**23,313,753**	27,341,446	**20,905,759**	27,341,446
- Unlisted (see note a(I) below)	**9,917,859**	10,341,329	**9,917,859**	10,341,329
Equity securities at cost				
- Listed	**31,644**	31,644	**31,644**	31,644
- Unlisted (see note a(ii) below)	**480,000**	480,000	**480,000**	480,000
Debt securities:				
- Listed	**34,992,763**	39,996,990	**34,985,607**	39,901,115
	68,736,018	78,191,409	**66,320,868**	78,095,534
Less: allowance for impairment loss (see note b below)				
- Unlisted	**(504,960)**	(504,960)	**(504,960)**	(504,960)
- Listed	**(31,644)**	(31,644)	**(31,644)**	(31,644)
Total available for sale financial assets	**68,199,415**	77,654,805	**65,784,265**	77,558,930
Current	**7,192,811**	7,192,811	**6,775,292**	6,775,292
Non Current	**61,006,604**	70,461,994	**59,008,973**	70,783,638
	68,199,415	**77,654,805**	**65,784,265**	**77,558,930**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

a (i) Analysis of unlisted available for sale financial assets:

		Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
At fair value					
Africa Finance Corporation		2,370,861	1,687,334	2,370,861	1,687,334
African Reinsurance Company Limited		1,538,678	1,667,693	1,538,678	1,667,693
Capital Bancorp		176,023	282,786	176,023	282,786
Food Concept Limited		9,000	8,100	9,000	8,100
Lekky Budget Limited		34,068	31,166	34,068	31,166
Mainstreet Technologies		-	565,786	-	565,786
Energy and Allied Insurance pool of Nigeria		389,006	487,725	389,006	487,725
Infra Credit		2,311,933	2,165,255	2,311,933	2,165,255
Africa Plus Infra Fund II		104,463	63,924	104,463	63,924
West African Milk Company Limited		54,746	48,112	54,746	48,112
JDI investment company Ltd		17,179	17,179	17,179	17,179
Nigeria Liability Insurance Pool		236,928	125,355	236,928	125,355
Lagos Building Investment Company Ltd		29,794	87,352	29,794	87,352
FBS Reinsurance Limited		570,196	445,585	570,196	445,585
Verod Capital Management Ltd		1,990,732	2,580,924	1,990,732	2,580,924
Sparkle		109,212	102,012	109,212	102,012
	A	**9,942,819**	**10,366,289**	**9,942,819**	**10,366,289**

a (ii)

		Group 31-Dec-22	Group 31-Dec-21	Group 31-Dec-22	Group 31-Dec-21
At cost					
MotorWays Assets Limited		480,000	480,000	480,000	480,000
	B	480,000	480,000	480,000	480,000
Less: Specific allowance for impairment (unquoted equity securities)	C	(504,960)	(504,960)	(504,960)	(504,960)
Total unlisted equities (A+B +C)		**9,917,859**	**10,341,329**	**9,917,859**	**10,341,329**

b (i) The movement in the allowance for impairment losses on available for sale unquoted equities is as follows:

	Group 31-Dec-22	Group 31-Dec-21	Group 31-Dec-22	Company 31-Dec-21
Balance, beginning of year	**504,960**	504,960	**504,960**	504,960
Balance, end of year	**504,960**	**504,960**	**504,960**	**504,960**

(ii) The movement in the allowance for impairment losses on available for sale quoted equities is as follows:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Balance, beginning of year	31,644	31,644	31,644	31,644
Balance, end of year	**31,644**	**31,644**	**31,644**	**31,644**

(c) Movement in Available for sale financial assets:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Opening balance	**77,654,805**	55,953,412	**77,558,930**	55,584,203
Additions	**10,224,466**	24,469,336	**10,224,466**	24,469,336
Disposals	**(18,490,449)**	(11,701,081)	**(20,809,726)**	(11,427,749)
Gain/(Loss) on Disposal	**1,684,084**	(3,466)	**1,684,084**	(3,466)
Fair value changes (see note (I) below)	**(7,604,110)**	4,258,662	**(7,604,110)**	4,258,662
Exchange gains	**4,809,681**	4,155,887	**4,809,681**	4,155,887
Interest received	**(3,402,130)**	(2,703,626)	**(3,402,130)**	(2,703,626)
Accrued Interest on bonds & treasury bill	**3,323,071**	3,225,681	**3,323,071**	3,225,681
Closing balance	**68,199,416**	**77,654,805**	**65,784,266**	**77,558,930**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

(I) Analysis of Fair value changes on Available for sale financial assets

	Group 31/Dec/22	Group 31/Dec/21	Company 31/Dec/22	Company 31/Dec/21
Opening balance	14,196,940	9,938,278	14,196,940	9,938,278
Increase in Fair value- Equities	3,975,878	7,163,752	3,975,878	7,163,752
Decrease in Fair value- Debt instruments	(11,579,988)	(2,905,089)	(11,579,988)	(2,905,089)
Closing balance	6,592,830	14,196,940	6,592,830	14,196,940

7.3 Held to maturity financial assets

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Debt securities:				
- Listed	21,398,326	3,867,979	21,398,326	3,867,979
	21,398,326	3,867,979	21,398,326	3,867,979
Current	2,599,933	-	2,599,933	-
Non-current	18,798,393	3,867,979	18,798,393	3,867,979
	21,398,326	3,867,979	21,398,326	3,867,979

Held to maturity assets are analysed below:

		Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Federal Government Debt Securities					
FGN 16.2884 17-MAR-2027		117,770	117,770	117,770	117,770
FGN 16.2884 17-MAR-2027		506,412	506,412	506,412	506,412
FGN 16.2884 17-MAR-2027		23,554	23,554	23,554	23,554
FGN 16.2884 17-MAR-2027		235,540	235,540	235,540	235,540
13.53% FGN MAR 2025		226,338	226,338	226,338	226,338
13.53% FGN MAR 2025		147,075	147,075	147,075	147,075
FGN 16.2884 17-MAR-2027		233,628	233,628	233,628	233,628
FGN 16.2884 17-MAR-2027		956,575	956,575	956,575	956,575
FGN 16.2884 17-MAR-2027		107,728	107,728	107,728	107,728
13.98% FGN FEB 2028		69,111	69,111	69,111	69,111
12.40% FGN MAR 2036		151,602	151,602	151,602	151,602
16.2499% NGN FGN BOND 18-04-2037		377,373	377,373	377,373	377,373
NIGERIA 6.375% 2023		2,599,933	-	2,599,933	-
NIGERIA 7.625% 2025		5,630,375	-	5,630,375	-
NGERIA 6.50% 2027		3,400,314	-	3,400,314	-
NGERIA 8.375% 2029		838,686	-	838,686	-
13.00% FGN JAN 2042		107,921	-	107,921	-
FGN 14.20 14-MAR-2024		157,102	-	157,102	-
FGN 14.20 14-MAR-2024		296,477	-	296,477	-
FGN 16.2499 18-APR-2037		315,023	-	315,023	-
FGN 7.625% NOV 21 2025		396,439	-	396,439	-
FGN 12.50% 22-JAN-2026		520,205	-	520,205	-
12.50% FGN APR 2032		553,854	-	553,854	-
	A	17,969,035	3,152,707	17,969,035	3,152,707
State Government Bonds					
Lagos State bonds 13% 20-Dec- 2031		105,805	100,415	105,805	100,415
	B	105,805	100,415	105,805	100,415

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For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Corporate bonds					
C&I LEASING 15.50% 3-JUN-2028		**303,993**	303,521	**303,993**	303,521
MINARETSUKUK CO. LTD 15%-7SEP2028		**190,895**	209,660	**190,895**	209,660
ARDOVA PLC 13.30%-12 NOV 2028		**101,743**	101,677	**101,743**	101,677
Infrafunding SPV LIMITED 12.5%-13 APR 2029		**61,050**	-	**61,050**	-
INFRAFUNDING 14%-28 SEP 2029		**152,713**	-	**152,713**	-
PRESCO PLC 12.85% - 5 APR 2029		**172,126**	-	**172,126**	-
INFRAFUNDING 12.5%-13 APR 2029		**205,417**	-	**205,417**	-
ACCELEREX SPV PLC SERIES		**266,042**	-	**266,042**	-
SHELTERAFRIQUE 13% 20APR2027		**410,256**	-	**410,256**	-
GEREGU PLC 14.50%-28 JUL 2029		**530,813**	-	**530,813**	-
NOSAK DISTILLERS LTD		**134,648**	-	**134,648**	-
EUNISELL LIMITED		**147,023**	-	**147,023**	-
DARAJU IND LTD		**193,605**	-	**193,605**	-
LEKKI GARDENS ESTATE LTD		**192,611**	-	**192,611**	-
MTN PLC		**77,280**	-	**77,280**	-
MAGNIFICIENT LTD		**91,803**	-	**91,803**	-
INDUSTRIAL & MEDICAL GASES PLC		**91,469**	-	**91,469**	-
	C	**3,323,486**	**614,857**	**3,323,486**	**614,857**
Grand Total	**(D = A+B+C)**	**21,398,326**	**3,867,979**	**21,398,326**	**3,867,979**

(b) Movement in financial assets designated as Held to Maturity :

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Opening balance	**3,867,979**	-	**3,867,979**	-
Additions	**18,263,971**	3,884,074	**18,263,971**	3,884,074
Disposal	**(1,411,973)**	-	**(1,411,973)**	-
Exchange Gain/(Loss)	**475,796**	-	**475,796**	-
Accrued interests	**1,284,328**	172,019	**1,284,328**	172,019
Interest received	**(1,081,774)**	(188,114)	**(1,081,774)**	(188,114)
Total Held to maturity financial assets (Note 7.3)	**21,398,326**	**3,867,979**	**21,398,326**	**3,867,979**

8 Reinsurance assets

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Prepaid reinsurance	**4,898,601**	4,794,217	**4,898,601**	4,794,217
Reinsurance recoverable	**85,137,612**	77,828,306	**85,137,612**	77,828,306
Due from reinsurers	**4,454,979**	655,790	**4,358,706**	622,646
	94,491,192	**83,278,314**	**94,394,918**	**83,245,169**

			Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
(a)	Prepaid reinsurance - Non Life business		**4,214,221**	4,376,047	**4,214,221**	4,376,047
	Prepaid reinsurance - Life Business		**684,379**	418,170	**684,379**	418,170
		A	**4,898,601**	**4,794,217**	**4,898,601**	**4,794,217**
	See note (i) below for movement					
(b)	Reinsurance recoverable Non Life business		**83,996,112**	76,688,504	**83,996,112**	76,688,504
	Reinsurance recoverable Life business		**1,141,501**	1,139,802	**1,141,501**	1,139,802
		B	**85,137,612**	**77,828,306**	**85,137,612**	**77,828,306**
	See note (ii) below for movement					
(c)	Due from reinsurers Non Life business		**3,908,435**	622,646	**3,908,435**	622,646
	Due from reinsurers Life business		**546,544**	33,144	**450,271**	-
		C	**4,454,979**	655,790	**4,358,706**	622,646
	Total Reinsurance Assets (A+B+C)		**94,491,192**	**83,278,314**	**94,394,918**	**83,245,169**

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Current	**93,963,522**	82,831,035	**94,394,918**	83,245,169
Non-current	**527,670**	447,279	**-**	-
	94,491,192	**83,278,314**	**94,394,918**	**83,245,169**

(I) The movement in prepaid reinsurance is as follows:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Balance, beginning of the year	**4,794,217**	3,635,574	**4,794,217**	3,635,574
Reinsurance Ceded during the year (see note 26)	**20,071,948**	21,642,150	**19,830,826**	21,599,785
Reinsurance Expense during the year (see note 26)	**(19,967,564)**	(20,483,508)	**(19,726,443)**	(20,441,143)
Balance, end of year	**4,898,601**	**4,794,217**	**4,898,601**	**4,794,217**

Non-life

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Balance, beginning of the year	**4,376,047**	3,358,908	**4,376,047**	3,358,908
Reinsurance Ceeded during the year (see note 26)	**18,592,598**	19,437,298	**18,592,598**	19,437,298
Reinsurance Expense during the year (see note 26)	**(18,754,423)**	(18,420,159)	**(18,754,423)**	(18,420,159)
Balance, end of year	**4,214,221**	**4,376,047**	**4,214,221**	**4,376,047**

Life

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Balance, beginning of the year	**418,170**	276,666	**418,170**	276,666
Reinsurance Ceeded during the year (see note 26)	**1,342,782**	2,204,853	**1,238,229**	2,162,488
Reinsurance Expense during the year (see note 26)	**(1,076,573)**	(2,063,349)	**(972,020)**	(2,020,983)
Balance, end of year	**684,379**	**418,170**	**684,379**	**418,170**

(ii) The movement in reinsurance recoverable is as follows:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Balance, beginning of the year	**77,828,306**	54,374,890	**77,828,306**	54,374,890
Increase during the year (see note 28)	**7,316,475**	23,453,416	**7,309,306**	23,453,416
Balance, end of year	**85,137,612**	77,828,306	**85,137,612**	77,828,306
Non-life				
Balance, beginning of the year	**76,688,504**	53,800,869	**76,688,504**	53,800,869
Increase during the year (see note 28)	**7,314,776**	22,887,635	**7,307,608**	22,887,635
Balance, end of year	**84,003,280**	76,688,504	**83,996,112**	76,688,504
Life				
Balance, beginning of the year	**1,139,802**	574,021	**1,139,802**	574,021
Increase during the year (see note 28)	**1,699**	565,781	**1,699**	565,781
Balance, end of year	**1,141,501**	**1,139,802**	**1,141,501**	**1,139,802**

9 Deferred acquisition costs

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

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Motor	**277,025**	204,932	**268,964**	204,932
Fire	**383,686**	338,582	**382,008**	338,582
General accident	**124,874**	112,753	**124,658**	112,753
Agric	**62,115**	38,994	**60,640**	38,994
Marine	**141,187**	222,441	**139,165**	222,441
Bond	**16,739**	11,445	**10,794**	11,445
Engineering and Special Risk	**486,538**	373,320	**469,668**	373,320
	1,492,164	**1,302,467**	**1,455,897**	**1,302,467**

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i. The movement in deferred acquisition costs is as follows:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Balance, beginning of year	**1,302,467**	862,676	**1,302,467**	862,676
Cost incurred during the year	**9,362,739**	6,796,143	**9,326,472**	6,796,143
Amortisation for the year (see(ii) below)	**(9,173,042)**	(6,356,352)	**(9,173,042)**	(6,356,352)
Balance, end of year	**1,492,164**	**1,302,467**	**1,455,897**	**1,302,467**

ii. Analysis of amortization for the year is as follows:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Acquisition cost during the year	**9,326,472**	6,796,143	**9,326,472**	6,796,143
Increase/(decrease) in deferred acquisition cost during the year	**(153,430)**	(439,791)	**(153,430)**	(439,791)
Balance, end of year	**9,173,042**	6,356,352	**9,173,041**	6,356,352
Current	**1,492,164**	1,302,467	**1,455,897**	1,302,467
	1,492,164	**1,302,467**	**1,455,897**	**1,302,467**

10 Other receivables and prepayments

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Financial assets:				
Accrued interest on statutory deposits	**5,658**	3,283	**5,658**	3,283
Receivable from third party	**-**	-	**-**	-
Rental income receivable	**347,462**	635,345	**347,462**	635,345
Dividend receivable	**139,734**	778,933	**139,734**	778,933
Receivable from Leadway Hotel, Leadway Pensure, & Leadway Trustee (see note "I")	**217,066**	57,505	**217,066**	57,505
	709,920	**1,475,066**	**709,920**	**1,475,066**
Non financial assets:				
Prepayment (see note "ii" below)	**656,694**	354,355	**656,694**	354,355
Deposit for shares (see note "a" below)	**-**	2,164,276	**-**	2,164,276
Receivable on Claims settled on behalf of Co - Insurers	**102,385**	102,385	**102,385**	102,385
Sundry debtors (See note "iii" below)	**4,364,574**	2,326,777	**2,425,003**	593,140
	5,123,653	4,947,793	**3,184,082**	3,214,156
Gross other receivables	**5,833,573**	6,422,859	**3,894,002**	4,689,222
Less: Impairment allowance on:				
Financial asset				
Accrued interest on statutory deposits	**-**	-	**-**	-
Dividend receivable	**(38,305)**	(36,896)	**(38,305)**	(36,896)
Receivable from related parties	**-**	-	**-**	-
Total Impairment losses on Financial assets	**(38,305)**	(36,896)	**(38,305)**	(36,896)
Non-Financial Assets				
Asset receivable from debtors	**-**	-	**-**	-
WHT Recoverable	**-**	-	**-**	-
Sundry debtors	**(65,026)**	(168,295)	**(63,477)**	(168,295)
Total Impairment losses on Non- Financial assets	**(65,026)**	(168,295)	**(63,477)**	(168,295)
Total Impairment on Financial and Non Financial Assets (See note 10b)	**(103,331)**	(205,191)	**(101,782)**	(205,191)
Net other receivables	**5,730,239**	6,217,668	**3,792,220**	4,484,031

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Current	**5,695,589**	6,203,229	**3,757,570**	4,469,592
Non Current	**34,650**	14,439	**34,650**	14,439
	5,730,239	6,217,668	**3,792,220**	4,484,031

i. The receivable amount are due from Leadway Hotel, Leadway Pensure, & Leadway Trustee represents Technical Service fees.
ii. Prepayment relates to our advance payments on expenses like rent, advertisement and others
iii. Sundry Debtors includes a receivable of N2.4 billion which represents 50% balance due to Leadway on disposal of CSCS stock

a. Deposit for shares relates to payments made for the acquisition of shares in unquoted companies which had not been allotted as at year end. Detail is shown below.

	Company's name	**31-Dec-22**	31-Dec-21	**Nature of Business**
i	Leadway Vie (IARD)	-	2,164,276	Underwriting of risk
	Total	-	**2,164,276**	

The movement in deposit for shares is as follows:	**Group 31-Dec-22**	**Group 31-Dec-21**	**Company 31-Dec-22**	**Company 31-Dec-21**
Balance, beginning of year	**2,164,276**	280,000	**2,164,276**	280,000
Addition	-	2,164,276		2,164,276
Transfer to Investment in subsidiary upon allotment of Leadway Vie's equity (See note 14 a(i))	**(2,070,574)**	-	**(2,070,574)**	-
Exchange gains/(loss) on Transfer to Investment in subsidiary	**(93,702)**	-	**(93,702)**	-
Transfer to Equity investments on allotment of shares	-	(280,000)	-	(280,000)
Balance, end of year	-	**2,164,276**	-	**2,164,276**

b. The movement in allowance for impairment of other receivable is as follows:

	Group 31-Dec-22	**Group 31-Dec-21**	**Company 31-Dec-22**	**Company 31-Dec-21**
Balance, beginning of year	**205,191**	154,341	**205,191**	154,341
Charge for the year (see note 35)	**99,666**	71,765	**99,666**	71,765
Write back / (Impairments)	**(201,526)**	(20,915)	**(203,075)**	(20,915)
Balance, end of year	**103,331**	**205,191**	**101,782**	**205,191**

11 Loans and Advances

	Group 31-Dec-22	**Group 31-Dec-21**	**Company 31-Dec-22**	**Company 31-Dec-21**
Gross				
Commercial loans	**239,291**	-	**239,291**	-
Staff loans	**48,011**	59,379	**48,011**	59,379
Agency loan	**102,538**	92,871	**102,538**	92,871
Loan to policy holders	**576,716**	530,429	**576,716**	530,429
	966,556	**682,679**	**966,556**	**682,679**
Current	**120,395**	100,395	**120,395**	100,395
Non Current	**846,161**	582,284	**846,161**	582,284
	966,556	682,679	**966,556**	682,679
Specific Impairment allowance on:				
-Policy holders loans	-	(112)	-	(112)
Collective Impairment - Loans (see note 35)	-	(1,026)	-	(1,026)
	-	**(1,138)**	-	**(1,138)**
Net Loans and advances	**966,556**	**681,541**	**966,556**	**681,541**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

(I) The movement in allowance for impairment of loans is as follows:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Balance, beginning of year (a)	1,138	2,397	1,138	2,397
Charge/ (credit) for the year : (see note ii below)				
- Commercial loans	-	(477)	-	(477)
- Agency loans	-	(894)	-	(894)
- Policy holders loans	-	112	-	112
Derecognition of distributed subsidiaries	-		-	-
Subtotal (b)	-	(1,259)	-	(1,259)
Balance, end of year (a+b)	1,138	1,138	1,138	1,138

(ii) Movement in loans and advances is as follows:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Balance beginning of year	681,541	577,144	681,541	577,144
Additional loans granted	719,350	525,884	719,350	525,884
Loan repayment received	(454,016)	(454,181)	(454,016)	(454,181)
Accrued interests	(1,088,446)	60	(1,088,446)	60
Impairment writeback/ (charge)	-	1,259	-	1,259
Reclassification to other debtors	(950)	31,374	(950)	31,374
Balance end of year	(142,520)	681,541	(142,520)	681,541

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

12 **Property and equipment**

12.1 **Group - 2022**

	Land	Building	Office equipment	Computer equipment	Furniture & fittings	Motor vehicles	Capital Work in progress	Right of Asset Use	Total
Cost or valuation									
Balance, beginning of year	561,974	1,762,983	772,424	1,584,735	784,037	2,068,368	1,677,033	375,292	9,586,845
Additions	63,655	258,254	459,437	805,742	225,407	496,601	228,049	123,910	2,661,055
Disposals (see a below)	-	-	-	-	-	(18,000)	-	(79,447)	(97,447)
Balance, end of year	625,629	2,021,238	1,231,861	2,390,477	1,009,444	2,546,968	1,905,082	419,755	12,150,454
	-								
Accumulated depreciation									
Balance, beginning of year	-	-	646,293	1,396,415	639,426	1,646,833	-	274,772	4,603,739
Charge for the year	-	-	67,508	243,289	59,707	232,952	-	120,273	723,729
Reversal of accumulated depreciation due to disposal	-	-	-	-	-	(18,000)		(32,456)	(50,456)
Balance, end of year	-	-	713,801	1,639,704	699,133	1,861,785	-	362,589	5,277,012
Net book value end of year	625,629	2,021,238	518,060	750,773	310,312	685,183	1,905,082	57,166	6,873,442
Net book value beginning of year	561,974	1,762,984	126,131	188,320	144,611	421,535	1,677,033	100,519	4,983,106

a. Their was no profit on the disposal above as the disposed vehicle is a status car that has been fully depreciated

(I) Fair values of land and buildings

On a determined basis, the Group engages the services of external, independent and qualified valuers to determine the fair value of the group's land and buildings. As at 31 December 2021, the fair values of the land and buildings have been determined by Gboyega Fatimilehin (FRC/2013/NIESV/00000000754) for Diya Fatimilehin & Co., Estate Surveyor and Valuers (FRC/2013/NIESV/00000002773). See note 12.4b for the analysis of the fair valuation method used for land and building.Consequent to the adjusted revaluation of the Group's land and buildings at 31 December 2021, the accumulated depreciation at that date was eliminated against the gross carrying amount of the properties and the net amount adjusted to the revalued amount.

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

(iii) No leased assets are included in property and equipment (31 December 2021: Nil)

(iii) No borrowing cost was capitalised as borrowing liability does not relate to purchase of property and equipment.

(iv) The group did not recognise any lease liability for the period as management has determined that there is no economic incentive that will significantly influence or reasonably ascertain renewals of any of it's leased rental properties

(v) There are no restriction to the use of the Company's properties.

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

12.2 Company - 2022

	Land	Building	Office equipment	Computer equipment	Furniture & fittings	Motor vehicles	Capital Work In Progress	Right of Asset Use	Total
Cost or valuation									
Balance, beginning of year	561,974	1,762,984	765,936	1,516,464	622,776	1,970,715	1,677,033	375,292	9,253,175
Additions	63,655	258,254	454,568	776,833	49,229	417,585	228,049	123,910	2,372,083
Disposals	-	-	-	-	-	(18,000)	-	(79,447)	(97,447)
Balance, end of year	625,629	2,021,238	1,220,504	2,293,297	672,005	2,370,300	1,905,082	419,755	11,527,811
Accumulated depreciation									
Balance, beginning of year	-	-	642,159	1,333,888	552,073	1,557,811		274,773	4,360,703
Charge for the year	-	-	65,987	223,443	23,543	199,461	-	120,273	632,707
Reversal of accumulated depreciation due to disposal	-	-	-	-	-	(18,000)		(32,456)	(50,456)
Balance, end of year	-	-	708,146	1,557,331	575,616	1,739,272	-	362,590	4,942,954
Net book value end of year	625,629	2,021,238	512,358	735,967	96,389	631,028	1,905,082	57,165	6,584,858
Net book value beginning of year	561,974	1,762,983	123,777	182,577	70,704	412,904	1,677,033	100,519	4,892,471

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

12 **Property and equipment**

12.3 **Group - 2021**

	Land	Building	Office equipment	Computer equipment	Furniture & fittings	Motor vehicles	Capital Work in progress	Right of Asset Use	Total
Cost or valuation									
Balance, beginning of year	815,074	1,747,188	751,139	1,388,142	731,540	1,802,975	1,584,743	267,005	9,087,806
Additions	7,658	21,424	21,285	196,953	52,497	283,493	92,290	108,287	783,888
Revaluation Gain/(Loss)	13,878	(5,629)	-	-	-	-	-	-	8,249
Disposals	-		-	(360)	-	(18,100)	-	-	(18,460)
Reclassification to investment property	(274,636)						-	-	(274,636)
Balance, end of year	561,974	1,762,984	772,424	1,584,735	784,037	2,068,368	1,677,033	375,292	9,586,846
Accumulated depreciation									
Balance, beginning of year	-	-	599,162	1,280,478	608,761	1,424,009	-	163,020	4,075,430
Charge for the year	-	54,816	47,131	116,174	30,665	240,924	-	111,753	601,463
Reversal of accumulated depreciation due to revaluation	-	(54,816)	-	-	-	-	-	-	(54,816)
Disposals	-	-	-	-	-	-	-	-	-
Reversal of accumulated depreciation due to disposal	-	-	-	(236)	-	(18,100)			(18,336)
Balance, end of year	-	-	646,293	1,396,415	639,426	1,646,833	-	274,773	4,603,740
Net book value end of year	**561,974**	**1,762,984**	**126,131**	**188,320**	**144,611**	**421,535**	**1,677,033**	**100,519**	**4,983,107**
Net book value beginning of year	**815,074**	**1,747,189**	**151,976**	**107,664**	**122,779**	**378,967**	**1,584,743**	**103,985**	**5,012,378**

12.4 Company - 2021

	Land	Building	Office equipment	Computer equipment	Furniture & fittings	Motor vehicles	Capital Work In Progress	Right of Asset Use	Total
Cost or valuation									
Balance, beginning of year	815,074	1,747,189	745,090	1,319,871	573,115	1,718,564	1,584,744	267,005	8,770,652
Additions	7,658	21,424	20,847	196,953	49,661	270,251	92,290	108,287	767,371
Revaluation surplus/(deficit)	13,878	(5,629)	-	-	-	-	-	-	8,249
Reclassification to investment property"	(274,636)		-	-	-	-	-		(274,636)
Disposals	-	-	-	(360)	-	(18,100)	-	-	(18,460)
Balance, end of year	561,974	1,762,984	765,936	1,516,464	622,776	1,970,715	1,677,033	375,292	9,253,175
Accumulated depreciation									
Balance, beginning of year	-	-	593,113	1,234,649	534,043	1,365,589		163,020	3,890,413
Charge for the year	-	54,816	49,046	99,475	18,030	210,322	-	111,753	543,443
Reversal of accumulated depreciation due to revaluation	-	(54,816)	-	-	-	-	-	-	(54,816)
Disposals	-	-	-	-	-		-	-	-
Reversal of accumulated depreciation due to disposal	-	-	-	(236)	-	(18,100)	-	-	(18,336)
Balance, end of year	**-**	**-**	**642,159**	**1,333,888**	**552,073**	**1,557,811**	**-**	**274,773**	**4,360,703**
Net book value end of year	**561,974**	**1,762,983**	**123,777**	**182,577**	**70,704**	**412,904**	**1,677,033**	**100,519**	**4,892,472**
Net book value beginning of year	**815,074**	**1,747,188**	**151,977**	**85,222**	**39,073**	**352,976**	**1,584,744**	**103,985**	**4,880,238**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

(b) Non financial instruments measured at fair value

The following table sets out fair values of non financial instruments measured at fair value and analyses them by level in the fair value hierarchy into which each fair value measurement is categorised

Group

31 December 2022

All amounts are in thousands of Naira unless otherwise stated

	Level 1	Level 2	Level 3	Total
Property and equipment				
- Land	-	-	625,629	625,629
- Building	-	-	2,021,238	2,021,238
Total	-	-	2,646,867	2,646,867

Group
31 December 2021

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Property and equipment				
- Land	-	-	561,974	561,974
- Building	-	-	1,762,984	1,762,984
Total	-	-	2,324,958	2,324,958

Company
31 December 2022

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Property and equipment				
- Land	-	-	625,629	625,629
- Building	-	-	2,021,238	2,021,238
Total	-	-	2,646,867	2,646,867

Company
31 December 2021

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Property and equipment				
- Land	-	-	561,974	561,974
- Building	-	-	1,762,983	1,762,983
Total	-	-	2,324,957	2,324,957

Valuation techniques used to derive level 3 fair values

Level 3 fair values of land and buildings have been derived using the market valuation approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size and age.

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

13 Investment properties

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Office property	**17,788,922**	16,261,381	**15,548,107**	14,824,960
Residential property	**5,512,960**	3,822,679	**5,512,960**	3,822,679
	23,301,882	20,084,060	**21,061,067**	18,647,639
Non Current	**23,301,882**	20,084,060	**21,061,067**	18,647,639
	23,301,882	**20,084,060**	**21,061,067**	**18,647,639**

(a) The movement in investment properties during the year is shown below:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Balance, beginning of the year	**20,084,060**	19,062,755	**18,647,639**	17,694,603
Additions during the year	**173,949**	481,290	**105,680**	413,021
Fair value gain/(loss) (see note 31)	**3,043,873**	596,737	**2,307,748**	596,737
Disposal	**-**	(56,722)	**-**	(56,722)
As at end of the year	**23,301,882**	**20,084,060**	**21,061,067**	**18,647,639**

The analysis of investment properties is as follows:

	Title status	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Thomas Wyatt House ** (See note "c" below)	Not Perfected	**1,487,999**	1,449,563	**1,487,999**	1,449,563
Cadastral Property, Abuja	Perfected	**2,876,734**	2,867,082	**2,876,734**	2,867,082
Bedwell Road, Ikoyi I	Perfected	**3,274,496**	2,046,117	**3,274,496**	2,046,117
George Street Ikoyi Property	Perfected	**1,387,030**	999,889	**1,387,030**	999,889
Ozumba Mbadiwe Property	Perfected	**1,420,597**	1,185,783	**1,420,597**	1,185,783
Abeokuta property - Oke Ilewo	Perfected	**145,005**	142,505	**145,005**	142,505
Aerodrome Road, Apapa	Perfected	**315,768**	283,785	**315,768**	283,785
Warehouse Road Apapa	Perfected	**461,859**	451,209	**461,859**	451,209
Onike Road, Sabo Yaba	Perfected	**208,983**	197,992	**208,983**	197,992
Alfred Rewane Road (Marble House)	Perfected	**7,895,545**	7,519,566	**7,895,545**	7,519,566
Funsho Williams Av. - Old Corporate Office	Perfected	**880,622**	869,980	**880,622**	869,980
Plot 802 Cadastral Zone Bo2, Durumi	Perfected	**121,247**	118,868	**121,247**	118,868
Sangotedo scheme, Lekki sub-region	Perfected	**192,158**	187,780	**192,158**	187,780
Ibeju Lekki	Perfected	**393,024**	327,520	**393,024**	327,520
Cocody Besiko - Cote de voire	Perfected	**2,240,815**	1,436,421	**-**	-
		23,301,882	20,084,060	**21,061,067**	18,647,639

(b) The Group's investment properties are held for the purpose of capital appreciation and rental income generation under operating lease arrangements (All leases are cancellable). The Group's investment properties were revalued by Diya Fatimilehin & Co, Estate Surveyors and Valuers (FRC/2013/NIESV/00000002773) using the Comparative approach method of valuation to arrive at the open market value as at 31 December 2022. Fair value gains have been recognized in the income statement in line with the fair value model of IAS 40. Rental income on investment property included in the statement of comprehensive income for the year is N959.55 million (note 30) (2021: N579.20 million); and N944.42 million (note 30) (2021: N560.38 million) for group and company respectively. The titles of all of the group's properties are fully perfected (except Thomas Wyatt House property)

© The Thomas Wyatt House property is subject of an ongoing litigation. Our Legal experts are of the view that Leadway Assurance Company has a high probability of success based on the facts of the case and that there is no other encumbrance to the full realization of the property. There is no income being realized from the property.

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For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

(d)

DESCRIPTION	BAL. B/F	ADDITION	DISPOSAL	FAIR VALUE GAIN/(LOSS) ON REVALUATION	CLOSING BALANCE
THOMAS WYATT HOUSE	1,449,563	49,861	-	(11,425)	1,487,999
ABUJA CADASTRAL OFFICE	2,867,082	1,740	-	7,912	2,876,734
BEDWELL ROAD IKOYI	2,046,117	-	-	1,228,379	3,274,496
GEORGE STR-AMCON (Undeveloped Landed property)	999,889	-	-	387,141	1,387,030
OZUMBA MBADIWE-AMCON (Undeveloped Landed property)	1,185,783	-	-	234,814	1,420,597
ABEOKUTA PROPERTY (Undeveloped Landed property)	142,505	-	-	2,500	145,005
PROPERTY IN APAPA -AERODROME ROAD	283,785	-	-	31,983	315,768
PROPERTY IN APAPA - WAREHOUSE ROAD	451,209	-	-	10,650	461,859
NO. 2, ONIKE ROAD (4A, INDUSTRIAL AVENUE), SABO, YABA, LAGOS.	197,992		-	10,991	208,983
MARBLE HOUSE IKOYI	7,519,566	46,973	-	329,006	7,895,545
FUNSHO WILLIAMS AVENUE PROPERTY	869,980	7,106	-	3,536	880,622
ASO 1-PLOT 802, CADASTRAL ZONE B02, DURUMI DISTRICT	118,868	-	-	2,379	121,247
ASO 2- SANGOTEDO SCHEME, LEKKI SUB - REGION, ETI OSA	187,780	-	-	4,378	192,158
PROPERTY IN ORIGANGAN TOWN, IBEJU LEKKI	327,520	-	-	65,504	393,024
Total	**18,647,639**	**105,680**	-	**2,307,748**	**21,061,067**

i. On Thomas Wyatt and Marble House, the respective additions valued at N50 million and N47 million represent ceiling works done during the year.

(e) Non financial instruments measured at fair value

The following table sets out fair values of non financial instruments measured at fair value and analyses them by level in the fair value hierarchy into which each fair value measurement is categorised

Group
31 December 2022

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Investment properties				
- Office property	-	-	17,788,922	17,788,922
- Residential property	-	-	5,512,960	5,512,960
Total	-	-	**23,301,882**	**23,301,882**

Group
31 December 2021

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Investment properties				
- Office property	-	-	16,261,381	16,261,381
- Residential property	-	-	3,822,679	3,822,679
Total	-	-	**20,084,060**	**20,084,060**

Company
31 December 2022

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Investment properties				
- Office property	-	-	15,548,107	15,548,107
- Residential property	-	-	5,512,960	5,512,960
Total	-	-	**21,061,067**	**21,061,067**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Company
31 December 2021

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Investment properties				
- Office property	-	-	14,824,960	14,824,960
- Residential property	-	-	3,822,679	3,822,679
Total		-	**18,647,639**	**18,647,639**

Valuation techniques used to derive level 3 fair values

Level 3 fair values of land and buildings have been derived using the market valuation approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size and age.

14 Investment in subsidiary

(a)

The Company's investment in subsidiary is as stated below:	**Company 31-Dec-22**	Company 31-Dec-21
Leadway IARD (note 10a)	**2,070,574**	-
Leadway Vie	**5,674,730**	5,674,730
	7,745,304	**5,674,730**

(i)

Breakdown of Investement in subsidiary is analysed as follows:	**Company 31-Dec-22**	**Company 31-Dec-21**
Balance at the beginning of the year	**5,674,730**	5,590,448
Transfer from deposit for shares (note 10a)	**2,070,574**	-
Cash transferred to subsidiary		84,282
	7,745,304	**5,674,730**

(b) Nature of investments in subsidiary

Name of entity	**Nature of business**	**Country of incorporation**	**Proportion of ordinary shares directly held by parent/ group (%)**	**Proportion of ordinary shares held by non-controlling interest (%)**
Leadway Vie	Life Insurance	Cote d'iVoire	99.99%	0.01%
Leadway IARD	General Insurance	Cote d'iVoire	56.00%	44.00%

The table below summarises the financial information of all the Parent's subsidiaries before any intra-group elimination.

In thousand of Naira	**Leadway Vie 31 December**		**Leadway IARD 31 December**	
	31-Dec-22	31-Dec-21	**31-Dec-22**	31-Dec-21
Assets				
Cash and cash equivalent	**970,014**	2,285,958	**1,611,417**	-
Other receivables and prepayments	**1,598,286**	1,841,683	**736,178**	-
Investment securities	**1,048,354**	95,875	**1,366,796**	-
Property and equipment	**247,080**	90,635	**41,505**	-
Intangible assets	**-**	185	**550,341**	-
Investment property	**2,240,815**	1,436,421	**-**	-
Investment in subsidiary	**1,073,364**	-	**-**	-
Total Assets	**7,177,913**	5,750,757	**4,306,237**	-

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Liabilities				
Other liabilities	**267,838**	558,638	**771,907**	-
Current tax liability	**47,514**	45,632	**2,147**	-
Investment contract liabilities	**2,203,899**	1,629,961	**-**	-
Insurance contract liabilities	**687,113**	531,619	**354,898**	-
Total liabilities	**3,206,364**	2,765,851	**1,128,953**	-
Capital and reserves				
Share capital	**5,549,341**	5,549,341	**2,565,000**	-
Retained earnings	**(1,862,639)**	(2,431,720)	**(401,962)**	-
Translation reserves	**276,824**	(141,542)	**1,014,246**	-
Other reserves	**8,826**	8,826	**-**	-
				-
Total equity	**3,972,352**	2,984,906	**3,177,284**	-
Total Liabilities and Equity	**7,178,716**	5,750,757	**4,306,237**	-

	Leadway Vie		Leadway IARD	
	31 December		31 December	
	31-Dec-22	**31-Dec-21**	**31-Dec-22**	**31-Dec-21**
Revenue	**1,236,984**	363,456	**660,168**	-
Profit/(Loss) before income tax	**587,061**	(562,387)	**(404,139)**	-
Income tax expense	**(1,039)**	(2,102)	**2,177**	-
Profit/(Loss) after tax	**586,022**	**(564,489)**	**(401,962)**	**-**
Other comprehensive income	**-**	**-**	**-**	**-**
Total comprehensive income	**586,022**	**(564,489)**	**(401,962)**	**-**

Deferred taxation

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

The movement in deferred tax liabilities account during the year was as follows:

	Group 31-Dec-22	**Group 31-Dec-21**	**Company 31-Dec-22**	**Company 31-Dec-21**
Balance, Beginning of year	**(2,154,413)**	(1,919,527)	**(2,154,413)**	(1,919,527)
Charge to income statement (see note 36)	**274,533**	(234,886)	**274,533**	(234,886)
	(1,879,880)	**(2,154,413)**	**(1,879,880)**	(2,154,413)
Net Deferred Tax Liabilities (See note "15.1" below)	**(1,879,880)**	**(2,154,413)**	**(1,879,880)**	**(2,154,413)**

Net deferred tax liability is attributable to the following:

	Group 31-Dec-22	**Group 31-Dec-21**	**Company 31-Dec-22**	**Company 31-Dec-21**
Property and equipment	**422,520**	3,313	**422,520**	3,313
Other Non-Current Assets and liabilities	**(159,424)**	(110,039)	**(159,424)**	(110,039)
Provisions	**55,998**	(41,387)	**55,998**	(41,387)
Unrecouped tax losses	**-**	-	**-**	-
Net deferred tax liabilities - Life Business	**319,094**	**(148,113)**	**319,094**	**(148,113)**
Property and equipment	**314,160**	228,997	**314,160**	228,997
Other Non-Current Assets and liabilities	**(2,552,080)**	(220,047)	**(2,552,080)**	(220,047)
Unrealised exchange difference	**(179,561)**	(2,061,483)	**(179,561)**	(2,061,483)
Unrecouped tax losses	**218,506**	46,232	**218,506**	46,232
Net deferred tax liabilities - General Business	**(2,198,975)**	**(2,006,300)**	**(2,198,975)**	**(2,006,300)**
Net Deferred Tax Liabilities	**(1,879,880)**	**(2,154,413)**	**(1,879,880)**	**(2,154,413)**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

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The Group did not recognise deferred income tax assets of N312billion (2021: N230billion) in respect of unrecouped losses amounting to N1.041trillion (2021: N768billion).

15.1 Movements in temporary differences during the year ended 31 December 2022

	Group				Company			
	Balance at 1 January 2022	Recognised in profit or loss	Recognised in other comprehensive income	Balance at 31 December 2022	Balance at 1 January 2022	Recognised in profit or loss	Recognised in other comprehensive income	Balance at 31 December 2022
Property and equipment	232,311	504,369	-	736,680	232,311	504,369	-	736,680
Other non current assets	(330,085)	(2,381,418)	-	(2,711,504)	(330,085)	(2,381,418)	-	(2,711,504)
Provisions	4,845	269,660	-	274,504	4,845	269,660		274,504
Unrealised exchange gain	(2,061,483)	1,881,922	-	(179,561)	(2,061,483)	1,881,922	-	(179,561)
Unrecouped tax losses	-	-			-	-		
	(2,154,413)	**274,533**	**-**	**(1,879,880)**	**(2,154,413)**	**274,533**	**-**	**(1,879,880)**

Movements in temporary differences during the year ended 31 December 2021

	Group				Company			
	Balance at 1 January 2021	Recognised in profit or loss	Recognised in other comprehensive income	Balance at 31 December 2021	Balance at 1 January 2021	Recognised in profit or loss	Recognised in other comprehensive income	Balance at 31 December 2021
Property and equipment	(543,624)	775,935	-	232,311	(543,624)	775,935	-	232,311
Other non current assets	(333,014)	2,929	-	(330,085)	(333,014)	2,929		(330,085)
Provisions	(33,022)	37,867		4,845	(33,022)	37,867		4,845
Unrealised exchange gain	(1,006,331)	(1,054,557)	-	(2,061,483)	(1,006,331)	(1,054,557)	-	(2,061,483)
	(3,536)	2,941	-	-	(3,536)	2,941		
Unrecouped tax losses	**(1,919,527)**	**(234,886)**	**-**	**(2,154,413)**	**(1,919,527)**	**(234,886)**	**-**	**(2,154,413)**

15.2 Analysis of amount of deferred tax recognised in profit or loss

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Deferred tax from continuing operations (See note 15 above)	**274,533**	**(234,886)**	**274,533**	**(234,886)**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

16 Intangible assets

In thousands of Naira

	Group				Company		
	Goodwill	Software	Work in Progress	Total	Software	Work in Progress	Total
31 December 2022							
Cost							
Balance, beginning of year	1,649,697	1,287,499	-	2,937,196	1,281,405	-	1,281,405
Addition to other intangible assets	-	752,905	-	752,905	9,471	-	9,471
Reclassification to prepayments (see note 10)	-	(11,007)	-	(11,007)	(11,007)		(11,007)
Balance, end of year	1,649,697	2,029,396	-	3,679,094	1,279,868	-	1,279,869
Accumulated amortization							
Balance, beginning of year	-	1,246,701	-	1,246,701	1,240,793	-	1,240,793
Amortization	-	217,415	-	217,415	24,543	-	24,543
Depreciation on reclassified asset	-	406	-	406	(2,083)		
Balance, end of year	-	1,464,522	-	1,464,522	1,265,336	-	1,265,336
Carrying amount							
As at end of year	1,649,697	564,876	-	2,214,572	14,533	-	14,534
As at beginning of year	1,649,697	40,798	-	1,690,495	40,613	-	40,613
31 December 2021							
Cost							
Balance, beginning of year	1,649,697	1,270,112	-	2,919,809	1,264,013		1,264,013
Addition to other intangible assets	-	17,387	-	17,387	17,392	-	17,392
Reclassification to other assets	-	-	-	-			-
Balance, end of year	1,649,697	1,287,499	-	2,937,196	1,281,405	-	1,281,405
Accumulated amortization							
Balance, beginning of year	-	1,190,934	-	1,190,934	1,187,069	-	1,187,069
Amortization	-	55,767	-	55,767	53,724	-	53,724
Balance, end of year	-	1,246,701	-	1,246,701	1,240,793	-	1,240,793
Carrying amount							
As at end of year	1,649,697	40,798	-	1,690,495	40,613	-	40,613
As at beginning of year	1,649,697	79,178	-	1,728,875	76,944	-	76,944

Impairment test of goodwill

Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. Impairment assessment has been performed for the period, and no impairment losses on goodwill was recognized during the period under review as the recoverable amount of Goodwill as at 31 December 2022 was greater than its carrying amount and is thus not impaired.

The recoverable amount was determined using a value-in-use computation.

Goodwill is monitored by the Group on an entity by entity basis.

The key assumption used in computing the value-in-use for goodwill in 2022 are as follows:

	Group 31-Dec-22	Group 31-Dec-21
Long term growth rate (Terminal growth rate)	5.4%	4.6%
Discount rate	11.7%	11.5%

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Cash Flow Forecast

Cash flows were projected based on past experience of operating results. These cashflows are based on the expected revenue growth for the entity over a 5 year period.

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Discount Rate

Pre-tax discount rate of 11.7% (2021:11.5%) was applied in determining the recoverable amounts for the entity with goodwill (Leadway Vie Ltd). This discount rate was estimated using the risk-free rate using the average yeild on Ivorian goverment long term bond, equity risk premium and appropriate Beta.

Long term growth rate

The key assumptions described above may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions are not expected to cause the recoverable amount of the subsidiaries (from which the goodwill arose) to decline below their carrying amount

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Sensitvitiy analysis of key assumptions used

	Group 31-Dec-22		Group 31-Dec-21	
	5% increase	5% decrease	5% increase	5% decrease
Impact of change in discount rate on value-in-use computation	(1,608)	32,834	(2,752)	26,040

In millions of Nigerian Naira	31-Dec-22		31-Dec-21	
Recoverable amount		6,673		5,471
Less: Carrying amount				
Goodwill	(1,650)		(1,650)	
Net assets	(2,908)		(3,494)	
Total carrying amount		(4,558)		(5,144)
Excess of recoverable amount over carrying amount		2,115		327

17 Statutory deposits

This represents the Company's deposit with the Central Bank of Nigeria as at 31 December 2022, in compliance with the Insurance Act, CAP 117 LFN 2004. This amount is not available for the day-to day use in the working capital of the Company and is therefore excluded from cash and cash equivalents. Analysis of statutory deposits is as shown below:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Non-life Business	300,000	300,000	300,000	300,000
Life Business	200,000	200,000	200,000	200,000
	500,000	**500,000**	**500,000**	**500,000**
Non Current	500,000	500,000	500,000	500,000
	500,000	**500,000**	**500,000**	**500,000**

Income on statutory deposit is recognized in investment income

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

18 Trade payables

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Reinsurance payable	3,109,952	4,072,313	2,889,966	4,040,809
Amount Due To Insurance Intermediaries	5,168,624	2,017,353	5,168,624	2,017,353
Claims Deposit (see note 'b' below)	48,008	142,630	48,008	142,630
Premium deposits (see note 'a' below)	11,910,593	12,368,357	11,910,593	12,368,357
	20,237,177	**18,600,653**	**20,017,191**	**18,569,149**
	-		-	
Current	20,237,177	18,600,653	20,017,191	18,569,149
	20,237,177	**18,600,653**	**20,017,191**	**18,569,149**

a. The movement in premium deposit is as follows:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Balance, beginning of year	12,368,357	4,251,535	12,368,357	4,251,535
Addition during the year	10,707,759	10,581,772	10,707,759	10,581,772
Transfer to premium income (see note 'c' below)	(11,165,523)	(1,882,175)	(10,813,006)	(1,882,175)
Transfer to other income (see note 'd' below)	-	(582,774)	(352,517)	(582,774)
Transfer to other income (see note 'd' below)	**11,910,593**	**12,368,357**	**11,910,593**	**12,368,357**

a. Premium deposit represents premium received in advance but which the policy risk period is yet to commence as at reporting date.

b. Claims deposit relates to claim amounts received from other insurance companies as their proportion on claims due to insured."

c. Transfers to premium income from premium deposit relates to amounts received on or before reporting date for policies commencing at the start of the following year

d. Transfers to other income represents long term inflows on general business (one year policies) that cannot be allocated to a specific policy.

19 Current income tax liabilities

The movement on current income tax liabilities during the year was as follows:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Balance, beginning of year	1,002,282	815,776	956,651	788,560
Charge for the year (see note (a) below)	375,658	309,546	376,796	307,444
Payments during the year	(208,748)	(123,040)	(62,554)	(139,353)
Balance, end of year	**1,169,192**	**1,002,282**	**1,124,962**	**956,651**

(a) Analysis of charge for the year is as follows:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
- Current year's income tax provision	375,658	309,546	376,796	307,444
	375,658	**309,546**	**376,796**	**307,444**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

20 Other liabilities

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Financial liabilities:				
Sundry creditors	233,259	190,461	233,259	190,461
Accrued audit fee	63,257	58,000	63,257	58,000
Accrued consultancy fee	1,186,797	913,911	993,163	720,277
Staff profit sharing payable	638,531	673,665	638,531	673,665
Insurance supervisory fee payable	212,067	593,663	212,067	593,663
NCDF Levy	749,347	605,514	749,347	605,514
	3,083,258	**3,035,214**	**2,889,624**	**2,841,581**
Non-financial liabilities:				
Deferred rental income	984,450	819,691	924,450	759,691
Unearned income(see note "c" below)	508,060	632,988	508,060	632,988
Withholding tax payable	246,601	681,696	246,601	681,696
Premium & other suspense (see note 'a' below)	1,425,033	1,067,155	1,425,033	1,067,155
Agency provident fund	168,851	66,416	168,851	66,416
PAYE deductions	65,656	27,342	65,656	27,339
NHF, Staff Cooperative and other statutory deductions	5,017	9,256	5,017	9,256
Rent Received In Advance	255,242	-	255,242	-
Due to Vendors and other service providers	475,371	240,481	475,371	240,481
Office rent payable	-	34,890	-	34,890
VAT payable	352,067	135,084	352,067	135,084
Other creditors (see note 'b' below)	1,566,645	332,422	1,000,522	58,925
	6,052,993	**4,047,422**	**5,426,870**	**3,713,921**
Total other liabilities	**9,136,251**	**7,082,636**	**8,316,493**	**6,555,502**
Current	8,819,926	6,766,311	8,000,168	5,081,862
Non Current	316,325	316,325	316,325	316,325
	9,136,251	**7,082,636**	**8,316,493**	**6,555,502**

a. Premium suspense represents premium paid into the Company's bank account by customers which are yet to be matched with specific policies as at the reporting date due to unavailability of relevant policy information. This is usually reconciled and matched with appropriate policies on a regular basis.

b. Other creditor represent cheques due to customers that has not been collected

c. Unearned income relates to commission received on premium ceded to reinsurer which has not been earned due to time apportionment

21 Insurance contract liabilities

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Gross				
Claims reported and loss adjustment payable (see note 21.1 below)"	107,724,212	91,073,113	106,682,200	90,541,494
Claims incurred but not reported - IBNR (see note 21.1 below)	15,821,255	16,619,879	15,821,255	16,619,879
Unearned premium (see note 21.2 below)"	19,183,891	12,100,174	19,183,891	12,100,174
Life fund (see note 21.3 below)	240,698,506	237,801,234	240,698,506	237,801,234
	383,427,864	**357,594,400**	**382,385,852**	**357,062,781**

Outstanding claims represents the estimated cost of settling all claims arising from incidents occurring as at the reporting date. The liability adequacy test for outstanding claims liability as at 31 December 2022 and the comparative periods were done by Wise Chigudu for Ernst & Young Nigeria Limited (FRC/2022/PRO/NAS/00000024119).

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21.1 Analysis of gross benefit and claims expenses

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Non-life (see note 21.1d)	102,344,139	85,745,450	102,344,139	85,745,450
Life (see note 21.1d)	5,380,073	5,327,663	4,338,061	4,796,044
	107,724,212	**91,073,113**	**106,682,200**	**90,541,494**
Claims incurred but not reported	**Group 31-Dec-22**	**Group 31-Dec-21**	**Company 31-Dec-22**	**Company 31-Dec-21**
Non-life	10,567,436	13,139,237	10,567,436	13,139,237
Life	5,253,819	3,480,641	5,253,819	3,480,641
	15,821,255	**16,619,879**	**15,821,255**	**16,619,879**
	123,545,467	**107,692,992**	**122,503,455**	**107,161,373**

(a) *The aging analysis of claims reported and loss adjusted for non-life insurance contracts*

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Days				
0 - 90	1,972,712	1,272,024	1,972,712	1,272,024
91- 180	1,541,473	1,169,357	1,541,473	1,169,357
181 - 270	14,586,050	7,841,815	14,586,050	7,841,815
271 - 365	1,125,927	14,856,484	1,125,927	14,856,484
366 and above	83,117,976	60,605,770	83,117,976	60,605,770
	102,344,139	**85,745,450**	**102,344,139**	**85,745,450**

(a.i) Non-life business Age Analysis of Outstanding Claims

Days	No. of Claimants	Amount(N)
0 - 90 days	1053	1,972,712
91 - 180 days	632	1,541,473
181 - 270 days	311	14,586,050
271 - 365 days	414	1,125,927
Above 365 days	7081	83,117,976
	9,491	**102,344,139**

(a.ii) Non-life business Reasons for Outstanding Claims

	Discharged Voucher not yet signed	Claims reported but incomplete documentation	Litigation awarded	Awaiting Lead Insurer's Instruction	Claims reported with no information (SPDC)	Total
0 - 90 days						
Quantity	31	826	7	188	1	**1,053**
Amount (₦)	26,260	1,654,840	73,750	243,460	60,817	**2,059,128**
91 - 180 days						
Quantity	14	473	2	142	1	**632**
Amount (₦)	352,042	1,064,563	300	63,750	60,817	**1,541,473**
181 - 270 days						
Quantity	2	231	2	76	-	**311**
Amount (₦)	8,065	12,034,538	2,474,368	69,079	-	**14,586,050**
271 - 365 days						
Quantity	6	306	5	97	-	**414**
Amount (₦)	187,640	210,587	1,400	726,299	-	**1,125,926**
Above 365 days						
Quantity	19	3419	40	3515	88	**7,081**
Amount (₦)	16,270	44,274,648	5,086,566	2,539,390	31,114,689	**83,031,563**
Grand Total						
Quantity	72	5255	56	4018	90	**9,491**
Amount (₦)	**590,278**	**59,239,176**	**7,636,384**	**3,641,978**	**31,236,323**	**102,344,139**

Notes to the Consolidated and Separate Financial Statements (continued)

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(All amounts in thousands of Nigerian Naira unless otherwise stated)

(b) *The aging analysis of claims reported for life insurance contracts*

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Days				
0 - 90	796,604	1,455,115	796,604	1,455,115
91- 180	796,103	984,734	544,103	732,734
181 - 270	194,805	201,848	194,805	201,848
271 - 365	232,325	327,839	232,325	327,839
366 and above	3,360,236	2,358,127	2,570,225	2,078,508
See b (i) as analysed below for current year	**5,380,073**	**5,327,663**	**4,338,062**	**4,796,044**

(b.i) Life business Age Analysis of Outstanding Claims

Days	No. of Claimants	Amount(N)
0 - 90 days	246	796,604
91 - 180 days	232	544,103
181 - 270 days	94	194,805
271 - 365 days	103	232,325
Above 365 days	1932	2,570,225
	2,607	**4,338,062**

(b.ii) Life business Reasons for Outstanding Claims

	Discharged Voucher not yet signed	Claims reported but incomplete documentation	Claims repudiated	Total
0 - 90 days				
Quantity	-	246	-	**246**
Amount (N)	-	796604	-	**796,604**
91 - 180 days				
Quantity	-	232	-	**232**
Amount (N)	-	544,103	-	**544,103**
181 - 270 days				
Quantity	-	94	-	**94**
Amount (N)	-	194,805	-	**194,805**
271 - 365 days				
Quantity	6	97	-	**103**
Amount (N)	29,455	202,870	-	**232,325**
Above 365 days				
Quantity	27	1904	1	**1,932**
Amount (N)	46,437	2,520,962	2,826	**2,570,225**
Grand Total				
Quantity	33	2573	1	**2,607**
Amount (N)	**75,893**	**4,259,344**	**2,826**	**4,338,062**

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

(c) *Movement in outstanding claims provision inclusive of IBNR:*

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Balance, beginning of year	107,692,992	80,852,551	107,161,373	61,843,173
Less movement:				
- Claims incurred during the year	37,686,511	43,697,652	37,157,644	46,137,619
- Claims paid during the year (see note 28)	(22,061,746)	(17,084,922)	(21,815,562)	(27,507,246)
Net movement in the year	**15,624,765**	**26,612,730**	**15,342,082**	**18,630,373**
Balance, end of year	**123,545,467**	**107,692,992**	**122,503,455**	**107,161,373**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

(d) **Group and Company analysis of claims reported and IBNR by class:**

	Group 31-Dec-22 Claims reported	IBNR	Total	Company 31-Dec-22 Claims reported	IBNR	Total
Non-life:						
Motor	953,361	743,312	1,696,673	953,361	743,312	1,696,673
Fire	2,105,663	978,547	3,084,210	2,105,663	978,547	3,084,210
General accident	1,254,009	350,499	1,604,508	1,254,009	350,499	1,604,508
Marine	1,450,107	518,114	1,968,221	1,450,107	518,114	1,968,221
Agric	630,822	74,678	705,500	630,822	74,678	705,500
Bond	168,751	87,099	255,850	168,751	87,099	255,850
Engineering	578,783	158,326	737,109	578,783	158,326	737,109
Special risk	95,202,643	7,656,861	102,859,504	95,202,643	7,656,861	102,859,504
	102,344,139	**10,567,436**	**112,911,575**	**102,344,139**	**10,567,436**	**112,911,575**
Life:						
Group life	4,451,618	5,253,819	9,705,437	3,409,606	5,253,819	8,663,425
Individual life	336,644	-	336,644	336,644	-	336,644
Annuity	591,811	-	591,811	591,811	-	591,811
	5,380,073	**5,253,819**	**10,633,892**	**4,338,060**	**5,253,819**	**9,591,880**
Total claims	**107,724,212**	**15,821,255**	**123,545,467**	**106,682,200**	**15,821,255**	**122,503,455**

"Included in "claims reported and loss adjustment payable" for the year is N2.25 billion (2021:N53.60m) representing insurance claims which are subject of ongoing litigations. The provision charged is recognised in "claims and loss adjustment expense". In the Directors' opinion, the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided as at 31 December 2022."

Group and Company

	31-Dec-21 Claims reported	IBNR	Total	31-Dec-21 Claims reported	IBNR	Total
Non-life:						
Motor	1,079,011	460,011	1,539,022	1,079,011	460,011	1,539,022
Fire	3,100,207	1,063,358	4,163,565	3,100,207	1,063,358	4,163,565
General accident	1,134,616	289,463	1,424,079	1,134,616	289,463	1,424,079
Marine	983,712	447,929	1,431,641	983,712	447,929	1,431,641
Agric	297,424	598,177	895,601	297,424	598,177	895,601
Bond	163,751	103,901	267,652	163,751	103,901	267,652
Engineering	307,629	147,995	455,624	307,629	147,995	455,624
Special risk	78,679,100	10,028,403	88,707,503	78,679,100	10,028,403	88,707,503
	85,745,450	**13,139,237**	**98,884,687**	**85,745,450**	**13,139,237**	**98,884,687**
Life:						
Group life	4,624,477	3,480,641	8,105,118	4,092,858	3,480,641	7,573,499
Individual life	237,045	-	237,045	237,045	-	237,045
Annuity	466,141	-	466,141	466,141	-	466,141
	5,327,663	**3,480,641**	**8,808,304**	**4,796,044**	**3,480,641**	**8,276,685**
Total claims	**91,073,113**	**16,619,879**	**107,692,992**	**90,541,494**	**16,619,879**	**107,161,373**

21.2 Unearned premium

Group and Company analysis of unearned premium by class:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Non-life				
Motor	2,277,801	1,629,358	2,277,801	1,629,358
Fire	2,138,564	1,948,924	2,138,564	1,948,924
General accident	789,157	856,322	789,157	856,322
Marine	451,494	344,801	451,494	344,801
Agric	809,995	1,221,929	809,995	1,221,929
Bond	70,447	63,034	70,447	63,034
Engineering	382,865	589,120	382,865	589,120
Special risk	3,850,318	3,690,751	3,850,318	3,690,751
	10,770,641	10,344,238	10,770,640	10,344,238
Life				
Group life	8,413,250	1,755,935	8,413,250	1,755,935
	19,183,891	**12,100,174**	**19,183,891**	**12,100,174**

Notes to the Consolidated and Separate Financial Statements (continued)

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(All amounts in thousands of Nigerian Naira unless otherwise stated)

Movement in unearned premium is as follows:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Balance, beginning of the year	12,100,174	9,517,376	12,100,174	9,517,376
Increase during the year(see note 25)	7,347,088	2,582,798	7,083,717	2,582,798
Balance, end of year	19,183,891	12,100,174	19,183,891	12,100,174

21.3 Analysis of life fund is as follows:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Individual life	8,410,510	6,702,548	8,410,510	6,702,548
Annuity	232,287,996	231,098,686	232,287,996	231,098,686
	240,698,506	237,801,234	240,698,506	237,801,234

(I) The movement on the life insurance liability during the year was as follows:

Group and company - 2022	Group			Company		
	Individual life	**Annuity**	**Total**	**Individual life**	**Annuity**	**Total**
Balance, beginning of year	6,702,548	231,098,686	237,801,234	6,702,548	231,098,686	237,801,234
Reclassification of DA	42,406	-	42,406	-	-	-
Addition/reduction during the year	1,665,556	1,189,310	2,854,866	1,707,962	1,189,310	2,897,272
Balance, end of year	8,410,510	232,287,996	240,698,506	8,410,510	232,287,996	240,698,506

Group and company - 2021						
	Individual life	**Annuity**	**Total**	**Individual life**	**Annuity**	**Total**
Balance, beginning of year	5,634,243	310,733,015	316,367,258	5,575,058	310,733,015	316,308,073
Reclassification of DA	-	-	-	-	-	-
Addition during the year	1,068,305	(79,634,329)	(78,566,024)	1,127,490	(79,634,329)	(78,506,839)
Balance, end of year	6,702,548	231,098,686	237,801,234	6,702,548	231,098,686	237,801,234

(ii) The movement in Annuity fund during the year was as follows:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Balance, beginning of year	231,098,686	310,733,015	231,098,686	310,733,015
Premiums received during the year	26,840,139	22,883,463	26,840,139	22,883,463
Payments during the year	(33,900,226)	(31,370,835)	(33,900,226)	(31,370,835)
Annuity death claims	(1,917,615)	(2,132,601)	(1,917,615)	(2,132,601)
Changes in actuarial valuation	10,167,012	(69,014,356)	10,167,012	(69,014,356)
Balance as at 31 December	**232,287,996**	**231,098,686**	**232,287,996**	**231,098,686**

21.4 Claims development tables

The claims development table provides a measure of the Group's ability to estimate the ultimate value of claims. The top half of each table below illustrates how the Group's estimate of total claims outstanding for each year has changed at successive year-ends. The bottom half of the table reconciles the cumulative claims to the amount appearing in the consolidated statement of financial position.

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

MOTOR Table of claims paid excluding large claims (Attritional Table)

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	201,283	28,568	6,997	3,493	3,640	-	-	-	-	-	-
2008	853,038	421,486	72,016	18,286	5,934	4,180	-	-	704	-	-	-
2009	744,027	497,530	55,340	11,042	1,626	2,709	-	1,497	-	-	-	-
2010	758,364	471,609	65,663	13,725	6,279	635	4,042	1,124	-	-	-	-
2011	839,901	406,306	39,577	3,506	13,070	3,193	9,058	-	-	-	-	-
2012	894,025	505,792	24,724	13,153	10,034	2,831	-	502	-	-	-	-
2013	907,835	612,597	23,085	38,907	4,518	-	-	-	-	-	-	-
2014	963,872	390,059	85,746	36,049	8	6,429	1,789	-	-	-	-	-
2015	1,190,393	402,538	53,877	6,457	560	-	250	-	-	-	-	-
2016	1,296,782	310,620	2,446	2,000	24	-	-	-	-	-	-	-
2017	1,155,119	317,446	17,930	3,602	2,961	2,130	-	-	-	-	-	-
2018	1,450,223	317,759	6,241	9,125	5,750	-	-	-	-	-	-	-
2019	1,566,419	418,324	15,062	748	-	-	-	-	-	-	-	-
2020	1,511,735	519,212	47,481	-	-	-	-	-	-	-	-	-
2021	1,880,806	512,366	-	-	-	-	-	-	-	-	-	-
2022	2,055,569	-	-	-	-	-	-	-	-	-	-	-

MOTOR Table of inflated adjusted claims paid excluding large claims (Attritional Table)

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	1,064,331	132,626	29,056	13,151	12,236	-	-	-	-	-	-
2008	4,510,640	1,956,722	299,045	68,842	19,946	13,010	-	-	1,559	-	-	-
2009	3,454,097	2,065,967	208,338	37,115	5,061	7,784	-	3,313	-	-	-	-
2010	3,149,065	1,775,461	220,715	42,716	18,046	1,665	8,945	2,155	-	-	-	-
2011	3,161,963	1,365,726	123,176	10,075	34,269	7,066	17,376	-	-	-	-	-
2012	3,005,109	1,574,195	71,052	34,487	22,205	5,431	-	777	-	-	-	-
2013	2,825,490	1,760,489	60,530	86,106	8,666	-	-	-	-	-	-	-
2014	2,769,988	1,022,771	189,765	69,152	14	9,950	2,408	-	-	-	-	-
2015	3,121,321	890,861	103,351	11,130	866	-	296	-	-	-	-	-
2016	2,869,920	595,853	4,217	3,096	32	-	-	-	-	-	-	-
2017	2,215,830	547,222	27,753	4,848	3,500	2,130	-	-	-	-	-	-
2018	2,499,929	491,838	8,400	10,785	5,750	-	-	-	-	-	-	-
2019	2,424,558	563,040	17,803	748	-	-	-	-	-	-	-	-
2020	2,034,709	613,709	47,481	-	-	-	-	-	-	-	-	-
2021	2,223,113	512,366	-	-	-	-	-	-	-	-	-	-
2022	2,055,569	-	-	-	-	-	-	-	-	-	-	-

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

MOTOR — Combined results table (Attritional and Large Losses)

Accident Year	Paid to date	Latest Paid Large Loss	Total Ultimate	Gross claims reserve	Gross Earned Premium	Ultimate Loss ratio
2011	1,314,610	79,157	1,393,767	-	4,005,126	35%
2012	1,451,060	40,776	1,491,836	-	3,961,399	38%
2013	1,586,942	415,868	2,002,810	-	3,248,131	62%
2014	1,483,952	4,447,656	5,931,607	-	3,465,694	171%
2015	1,654,075	4,643,337	6,297,412	-	2,954,417	213%
2016	1,611,872	1,370,800	2,982,672	-	2,819,910	106%
2017	1,499,188	465,319	1,977,577	13,070	2,963,988	67%
2018	1,789,097	623,648	2,463,213	50,468	3,434,077	72%
2019	2,000,552	290,037	2,386,823	96,233	3,856,002	62%
2020	2,078,428	676,938	2,879,461	124,096	4,462,695	65%
2021	2,393,172	704,942	3,403,836	305,722	4,243,827	80%
2022	2,055,569	987,600	4,150,252	1,107,084	5,923,470	70%
Total	**18,862,947**	**13,758,477**	**33,211,014**	**589,589**	**39,415,266**	

ENGINEERING — Table of claims paid excluding large claims (Attritional Table)

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	32,204	9,310	270	-	-	722	-	-	-	-	-
2008	7,021	35,290	20,787	378	6,761	206	72	20	-	-	-	-
2009	54,795	64,082	17,683	285	575	10,080	319	1,713	-	-	-	-
2010	36,997	52,644	2,791	3,885	1,188	15	1,817	-	-	1,745	-	-
2011	35,548	77,976	43,413	7,612	3,053	-	-	-	-	-	-	-
2012	43,474	60,154	8,616	1,806	1,575	-	-	386	1,157	-	-	-
2013	55,067	156,706	16,278	2,690	1,158	-	18	925	-	-	-	-
2014	112,349	104,549	36,809	5,793	131	3	-	-	-	-	-	-
2015	69,671	75,925	2,835	17,924	397	-	-	-	-	-	-	-
2016	51,127	41,192	11,300	4,625	-	-	-	-	-	-	-	-
2017	55,758	41,346	19,325	8,794	1,300	278	-	-	-	-	-	-
2018	97,485	61,340	3,793	-	1,052	-	-	-	-	-	-	-
2019	51,307	86,610	15,597	2,771	-	-	-	-	-	-	-	-
2020	39,579	88,972	20,894	-	-	-	-	-	-	-	-	-
2021	92,592	116,632	-	-	-	-	-	-	-	-	-	-
2022	77,398	-	-	-	-	-	-	-	-	-	-	-

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

ENGINEERING **Table of inflated adjusted claims paid excluding large claims (Attritional Table)**

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	170,287	43,223	1,121	-	-	2,247	-	-	-	-	-
2008	37,123	163,832	86,318	1,424	22,727	642	208	52	-	-	-	-
2009	254,381	266,099	66,570	957	1,789	28,968	838	3,791	-	-	-	-
2010	153,626	198,189	9,381	12,090	3,413	40	4,021	-	-	2,701	-	-
2011	133,826	262,102	135,114	21,874	8,005	-	-	-	-	-	-	-
2012	146,131	187,219	24,761	4,735	3,485	-	-	598	1,557	-	-	-
2013	171,386	450,343	42,682	5,952	2,221	-	29	1,245	-	-	-	-
2014	322,869	274,138	81,463	11,113	226	5	-	-	-	-	-	-
2015	182,683	168,030	5,438	30,898	615	-	-	-	-	-	-	-
2016	113,151	79,018	19,479	7,159	-	-	-	-	-	-	-	-
2017	106,958	71,273	29,912	11,836	1,537	278	-	-	-	-	-	-
2018	168,046	94,944	5,105	-	1,052	-	-	-	-	-	-	-
2019	79,415	116,573	18,436	2,771	-	-	-	-	-	-	-	-
2020	53,271	105,165	20,894	-	-	-	-	-	-	-	-	-
2021	109,443	116,632	-	-	-	-	-	-	-	-	-	-
2022	77,398	-	-	-	-	-	-	-	-	-	-	-

ENGINEERING **Combined results table (Attritional and Large Losses)**

Accident Year	Paid to date	Latest Paid Large Loss	Total Ultimate	Gross claims reserve	Gross Earned Premium	Ultimate Loss ratio
2011	167,600	100,325	267,926	-	550,249	49%
2012	117,168	52,175	169,343	-	716,219	24%
2013	232,841	46,397	279,238	-	687,315	41%
2014	259,634	233,343	492,977	-	980,992	50%
2015	166,752	27,846	194,597	-	817,303	24%
2016	108,245	61,570	169,815	0.00	799,904	21%
2017	126,800	79,063	223,546	17,682.33	1,236,223	18%
2018	163,670	22,635	303,152	116,847	1,333,565	23%
2019	156,285	129,935	306,839	20,618	1,181,265	26%
2020	149,445	210,964	522,852	162,444	622,195	84%
2021	209,224	125,931	393,320	58,166	830,720	47%
2022	77,398	118,251	557,001	361,351	1,348,764	
Total	1,857,664	1,090,183	3,323,604	375,757	9,755,951	

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(All amounts in thousands of Nigerian Naira unless otherwise stated)

FIRE — **Table of claims paid excluding large claims (Attritional Table)**

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	107,972	92,652	3,492	3,087	1,947	549	-	-	463	-	-
2008	374,759	347,580	107,940	19,373	1,583	310	288	20	20	-	-	-
2009	138,680	208,113	36,520	53,204	619	-	54	4,180	-	-	-	-
2010	234,680	195,742	34,528	46,782	10,745	43	1,483	-	-	-	-	-
2011	253,527	540,578	112,765	44,405	339	4,064	5,426	-	13	-	-	-
2012	141,267	424,967	18,893	6,504	4,875	23	-	776	24	-	-	-
2013	346,437	262,961	71,619	37,622	225	-	62	-	-	-	-	-
2014	401,023	269,324	64,750	15,966	627	611	-	797	-	-	-	-
2015	326,449	323,922	12,866	1,637	1,755	-	302	-	-	-	-	-
2016	309,003	287,652	31,614	8,129	4,978	-	-	-	-	-	-	-
2017	295,526	244,555	89,370	171,626	123,261	949	-	-	-	-	-	-
2018	277,942	436,740	337,203	41,007	4,385	-	-	-	-	-	-	-
2019	485,596	402,389	62,447	35,711	-	-	-	-	-	-	-	-
2020	496,060	836,011	82,287	-	-	-	-	-	-	-	-	-
2021	450,014	539,555	-	-	-	-	-	-	-	-	-	-
2022	523,647	-	-	-	-	-	-	-	-	-	-	-

FIRE — **Table of inflated adjusted claims paid excluding large claims (Attritional Table)**

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	570,926	430,132	14,501	11,623	6,544	1,709	-	-	1,024	-	-
2008	1,981,627	1,613,618	448,217	72,934	5,322	965	828	52	44	-	-	-
2009	643,815	864,177	137,485	178,837	1,925	-	141	9,251	-	-	-	-
2010	824,447	407,402	98,189	123,182	26,123	96	2,777	-	-	-	-	-
2011	954,448	1,817,058	350,964	127,611	889	8,995	10,408	-	21	-	-	-
2012	474,845	1,322,643	54,296	17,054	10,790	43	-	1,201	32	-	-	-
2013	1,078,230	755,701	187,790	83,262	431	-	96	-	-	-	-	-
2014	1,152,466	706,191	143,299	30,628	1,081	946	-	943	-	-	-	-
2015	855,980	716,874	24,681	2,822	2,716	-	357	-	-	-	-	-
2016	683,858	551,794	54,496	12,582	6,700	-	-	-	-	-	-	-
2017	566,900	421,570	138,329	230,999	145,695	949	-	-	-	-	-	-
2018	479,123	676,001	453,856	48,471	4,385	-	-	-	-	-	-	-
2019	751,623	541,592	73,812	35,711	-	-	-	-	-	-	-	-
2020	667,669	988,164	82,287	-	-	-	-	-	-	-	-	-
2021	531,916	539,555	-	-	-	-	-	-	-	-	-	-
2022	523,647	-	-	-	-	-	-	-	-	-	-	-

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(All amounts in thousands of Nigerian Naira unless otherwise stated)

MARINE — **Table of claims paid excluding large claims (Attritional Table)**

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	19,792	21,180	2,889	2,010	-	-	-	-	-	-	-
2008	204,802	72,873	23,692	3,905	6,569	30	3,865	-	-	-	-	-
2009	117,809	144,680	37,589	4,329	929	58	54	-	-	-	-	-
2010	69,958	71,656	10,320	234	2,848	-	-	-	-	-	-	-
2011	89,041	89,334	9,788	3,004	147	37	-	-	-	-	-	-
2012	143,495	178,016	6,403	450	366	32	-	-	-	-	-	-
2013	212,807	187,282	15,176	-	1,582	-	-	-	-	-	-	-
2014	215,377	112,528	66,285	8,041	5,348	81	53	-	125	-	-	-
2015	218,141	173,052	20,702	12,907	-	39	250	-	-	-	-	-
2016	130,516	141,616	22,464	6,071	150	-	-	-	-	-	-	-
2017	163,563	227,428	17,154	113	464	-	-	-	-	-	-	-
2018	314,745	199,862	53,913	4,876	-	-	-	-	-	-	-	-
2019	384,498	252,711	65,200	5,718	-	-	-	-	-	-		
2020	345,716	357,005	16,875	-	-	-	-	-	-	-		
2021	468,726	408,411	-	-	-	-	-	-	-	-		
2022	626,605	-	-	-	-	-	-	-	-	-		

MARINE — **Table of inflated adjusted claims paid excluding large claims (Attritional Table)**

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	104,654	98,329	11,996	7,569	-	-	-	-	-	-	-
2008	1,082,939	338,308	98,378	14,702	22,080	92	11,107	-	-	-	-	-
2009	546,920	600,777	141,512	14,551	2,892	166	142	-	-	-	-	-
2010	290,496	269,761	34,689	730	8,185	-	-	-	-	-	-	-
2011	335,213	300,282	30,463	8,633	386	82	-	-	-	-	-	-
2012	482,332	554,045	18,400	1,180	809	60	-	-	-	-	-	-
2013	662,329	538,212	39,792	-	3,036	-	-	-	-	-	-	-
2014	618,952	295,059	146,696	15,425	9,220	125	71	-	125	-	-	-
2015	571,987	382,983	39,713	22,250	-	52	296	-	-	-	-	-
2016	288,847	271,658	38,724	9,397	201	-	-	-	-	-	-	-
2017	313,757	392,046	26,551	152	549	-	-	-	-	-	-	-
2018	542,565	309,354	72,563	5,763	-	-	-	-	-	-	-	-
2019	595,139	340,135	77,066	5,718	-	-	-	-	-	-		
2020	465,314	421,979	16,875	-	-	-	-	-	-	-		
2021	554,035	408,411	-	-	-	-	-	-	-	-		
2022	626,605	-	-	-	-	-	-	-	-	-		

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

MARINE — **Combined results table (Attritional and Large Losses)**

Accident Year	Paid to date	Latest Paid Large Loss	Total Ultimate	Gross claims reserve	Gross Earned Premium	Ultimate Loss ratio
2011	202,397	11,045	213,441	-	1,026,446	57%
2012	536,144	207,384	743,527	-	1,083,007	94%
2013	531,553	114,706	646,259	-	1,000,601	102%
2014	639,281	231,444	870,725	-	1,262,545	86%
2015	913,921	488,828	1,402,749	-	1,136,917	114%
2016	334,384	33,567	367,951	-	621,818	87%
2017	444,769	36,048	486,418	5,601.40	1,247,786	50%
2018	1,039,031	465,635	1,859,590	243,051.26	1,511,154	100%
2019	938,400	230,274	1,262,222	93,547.95	1,931,262	62%
2020	937,979	218,384	1,304,192	147,828	3,206,368	36%
2021	1,094,565	217,427	1,813,534	446,436	2,932,648	
2022	626,605	146,281	2,387,430	1,031,756	4,020,132	49%
Total	**8,239,028**	**2,401,022**	**13,358,038**	**1,968,221**	**20,980,683**	

GENERAL ACCIDENT — **Table of claims paid excluding large claims (Attritional Table)**

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	150,727	45,046	25,010	21,267	5,632	5,118	1,769	-	150	-	-
2008	78,583	115,978	58,285	88,778	4,000	8,545	3,285	1,573	-	-	-	-
2009	62,974	98,556	47,384	33,570	6,790	2,424	3,005	118	-	-	133	-
2010	80,873	80,915	40,296	23,772	20,746	5,813	1,999	284	107	1,957	1,678	-
2011	99,785	129,214	58,716	18,214	8,526	2,777	3	582	403	53	-	-
2012	116,947	115,763	38,016	11,916	14,145	17	-	-	-	-	-	-
2013	67,883	72,208	26,216	9,508	4,581	-	8	-	54	-	-	-
2014	52,707	113,680	46,197	14,664	1,592	38	500	-	-	-	-	-
2015	79,920	92,493	28,800	20,117	5,218	13,543	1,449	-	-	-	-	-
2016	117,173	123,799	22,693	6,013	564	1,783	26	-	-	-	-	-
2017	64,491	111,364	31,511	5,037	4,689	89	-	-	-	-	-	-
2018	86,842	66,601	23,493	7,304	42	-	-	-	-	-	-	-
2019	76,219	81,857	46,830	5,227	-	-	-	-	-	-	-	-
2020	58,730	147,069	30,404	-	-	-	-	-	-	-	-	-
2021	122,892	116,846	-	-	-	-	-	-	-	-	-	-
2022	141,297	-	-	-	-	-	-	-	-	-	-	-

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

GENERAL ACCIDENT **Table of inflated adjusted claims paid excluding large claims (Attritional Table)**

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	797,003	209,122	103,852	80,064	18,931	15,930	5,083	-	332	-	-
2008	415,528	538,423	242,027	334,222	13,445	26,595	9,441	4,125	-	-	-	-
2009	292,355	409,247	178,386	112,840	21,132	6,967	7,879	262	-	-	205	-
2010	335,820	304,619	135,447	73,986	59,620	15,242	4,425	546	184	3,030	2,259	-
2011	375,658	434,330	182,745	52,344	22,355	6,146	5	1,004	624	71	-	-
2012	393,096	360,292	109,251	31,244	31,305	32	-	-	-	-	-	-
2013	211,274	207,512	68,740	21,043	8,788	-	13	-	63	-	-	-
2014	151,471	298,079	102,240	28,130	2,745	58	673	-	-	-	-	-
2015	209,558	204,697	55,247	34,678	8,076	18,228	1,713	-	-	-	-	-
2016	259,317	237,481	39,118	9,308	759	2,107	26	-	-	-	-	-
2017	123,711	191,971	48,774	6,779	5,542	89	-	-	-	-	-	-
2018	149,701	103,088	31,621	8,634	42	-	-	-	-	-	-	-
2019	117,975	110,175	55,353	5,227	-	-	-	-	-	-	-	-
2020	79,047	173,835	30,404	-	-	-	-	-	-	-	-	-
2021	145,258	116,846	-	-	-	-	-	-	-	-	-	-
2022	141,297	-	-	-	-	-	-	-	-	-	-	-

GENERAL ACCIDENT **Combined results table (Attritional and Large Losses)**

Accident Year	Paid to date	Latest Paid Large Loss	Total Ultimate	Gross claims reserve	Gross Earned Premium	Ultimate Loss ratio
2011	318,273	201,389	519,663	0	2,021,176	64%
2012	296,803	218,812	515,616	0	1,367,701	87%
2013	180,458	138,183	318,641	0	1,196,502	51%
2014	229,379	103,923	334,814	1,513	1,143,149	54%
2015	241,540	356,710	606,822	8,572	1,183,481	70%
2016	272,051	14,773	307,666	20,842	1,175,191	41%
2017	217,179	89,506	329,040	22,354	1,131,193	36%
2018	184,283	33,825	386,473	168,365	1,504,350	31%
2019	210,133	63,850	460,582	186,600	1,654,787	31%
2020	236,202	59,926	469,649	173,521	2,513,306	22%
2021	239,738	273,513	816,745	303,494	2,766,980	38%
2022	141,297	84,959	945,502	719,247	3,460,834	
Total	**2,626,041**	**1,554,409**	**5,065,711**	**885,261**	**17,657,817**	

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

AGRICULTURE Combined results table (Attritional and Large Losses)

Accident Year	Gross Earned Premium (N' 000)	"Claims Paid till date (N' 000)"	"Total O/s as at 31 December 2020(N'000)"	"Current Incurred(N'000)"	Current Loss Ratio	Ultimate Loss Ratio	"Ultimate Losses(N'000)"	"O/s Claim Reserves(N'000)"
2007	-	-	-	-	-	0%	-	-
2008	-	-	-	-	-	0%	-	-
2009	-	-	-	-	-	0%	-	-
2010	-	-	-	-	-	0%	-	-
2011	-	-	-	-	-	0%	-	-
2012	-	-	-	-	-	0%	-	-
2013	-	-	-	-	-	0%	-	-
2014	-	-	-	-	-	0%	-	-
2015	-	-	-	-	-	0%	-	-
2016	-	-	-	-	-	0%	-	-
2017	-	-	530	530	0%	0%	530.00	530.00
2018	-	123,879	-	123,879	0%	0%	123,879.17	-
2019	617,069	489,824	27,979	517,802	84%	84%	517,802.09	27,978.51
2020	1,190,921	715,564	16,820	732,384	61%	62%	738,371.07	22,807.56
2021	1,492,967	903,442	63,347	966,789	65%	66%	977,894	74,451
2022	2,196,407	1,417,921	522,146	1,940,066	88%	93%	2,049,887	631,966
Total	**5,497,364**	**3,650,629**	**630,822**	**4,281,451**	**3**	**3**	**4,408,363**	**757,734**

BOND Table of claims paid excluding large claims (Attritional Table)

Accident Year	1	2	3	4	5	6	7	8	9	19	11	12
2007	-	562.94	547.50	215.00	-	-	-	-	-	-	-	-
2008	75,937.51	81,831.35	-	-	125.00	-	-	-	-	-	-	-
2009	21,338.69	154,217.06	5,827.43	-	-	-	-	-	-	-	-	-
2010	2,686.99	209,669.07	1,657.40	-	-	-	-	-	-	-	-	-
2011	283,845.24	281,557.68	665.00	-	-	-	180.00	50.00	-	-	-	-
2012	89,183.97	408,339.78	-	-	-	-	78.50	80.00	-	-	-	-
2013	307,415.29	50,812.64	-	-	-	290.00	-	-	-	-	-	-
2014	179,904.58	212,813.45	315.00	14,048.79	-	-	-	-	-	-	-	-
2015	93,524.59	110,020.18	737.50	-	2,000.00	-	-	-	-	-	-	-
2016	145,001.40	132,182.10	31,075.80	560.00	26,435.88	-	-	-	-	-	-	-
2017	26,612.08	301,055.89	22,434.25	-	-	-	-	-	-	-	-	-
2018	60,006.68	315,954.39	-	-	-	-	-	-	-	-	-	-
2019	19,475.85	21,881.94	-	-	-	-	-	-	-	-	-	-
2020	174,217.40	104.50	-	-	-	-	-	-	-	-	-	-
2021	19,345.75	-	-	-	-	-	-	-	-	-	-	-
2022	67,405.70	-	-	-	-	-	-	-	-	-	-	-

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

BOND **Table of inflated adjusted claims paid excluding large claims (Attritional Table)**

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	2,977	2,542	893	-	-	-	-	-	-	-	-
2008	401,538	379,897	-	-	420	-	-	-	-	-	-	-
2009	99,064	640,378	21,938	-	-	-	-	-	-	-	-	-
2010	11,158	789,338	5,571	-	-	-	-	-	-	-	-	-
2011	1,068,588	946,407	2,070	-	-	-	345	86	-	-	-	-
2012	299,776	1,270,892	-	-	-	-	135	124	-	-	-	-
2013	956,781	146,026	-	-	-	500	-	-	-	-	-	-
2014	517,012	558,016	697	26,949	-	-	-	-	-	-	-	-
2015	245,230	243,487	1,415	-	3,096	-	-	-	-	-	-	-
2016	320,904	253,561	53,569	867	35,581	-	-	-	-	-	-	-
2017	51,049	518,967	34,725	-	-	-	-	-	-	-	-	-
2018	103,441	489,045	-	-	-	-	-	-	-	-	-	-
2019	30,145	29,452	-	-	-	-	-	-	-	-	-	-
2020	234,487	124	-	-	-	-	-	-	-	-	-	-
2021	22,867	-	-	-	-	-	-	-	-	-	-	-
2022	67,406	-	-	-	-	-	-	-	-	-	-	-

BOND **Combined results table (Attritional and Large Losses)**

Accident Year	Paid to date	Latest Paid Large Loss	Total Ultimate	Gross claims reserve	Gross Earned Premium	Ultimate Loss ratio
2011	566,298	-	654,913	88,615	599,336	285%
2012	497,682	596,523	1,094,205	0	761,353	253%
2013	358,518	-	358,518	0	593,545	157%
2014	407,082	-	410,409	3,328	761,845	123%
2015	206,282	-	206,282	0	728,863	57%
2016	335,255	613,002	995,160	46,903	740,170	166%
2017	350,102	491,414	859,841	18,325	594,131	172%
2018	375,961	-	377,961	2,000	696,329	72%
2019	41,358	-	43,526	2,168	883,810	6%
2020	174,322	-	178,811	4,489	391,451	60%
2021	19,346	-	31,938	12,592	207,035	
2022	67,406	-	144,835	77,430	189,431	41%
Total	**3,399,612**	**1,700,939**	**5,356,400**	**255,850**	**7,147,300**	

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

SPECIAL RISK **Table of claims paid excluding large claims (Attritional Table)**

Accident Year	1	2	3	4	5	6	7	8	9	19	11	12
2007	4,534	9,535	-	11,877	-	-	-	-	-	-	-	
2008	19,199	3,025	1,379	-	-	8,865	-	-	280	2,982	1,327	
2009	3,884	-	2,624	-	22,215	677	6,908	-	662	1,581	-	
2010	23,568	53,773	196,010	9,282	25,490	-	-	-	401	-	1,963	
2011	68,684	165,111	65,533	85,041	3,324	-	2,238	900	-	614	-	
2012	82,728	7,382	277,016	146,549	169,718	669	67,147	-	15,224	-	-	
2013	4,118	372,917	78,512	1,881	1,624	26,143	292	1,044	-	-	-	
2014	72,022	294,280	-	4,626	2,569	8,365	1,541	65,305	-	-	-	
2015	12,651	26,561	6,535	143,008	5,941	9,098	-	-	-	-	-	
2016	48,595	17,398	422,680	309,896	142,329	2,893	94	-	-	-	-	
2017	62,899	75,800	333,134	2,811	145,066	234,259	-	-	-	-	-	
2018	219,267	352,051	4,679	4,859	143,055	-	-	-	-	-	-	
2019	67,272	108,749	5,482	29,049	-	-	-	-	-	-	-	
2020	23,458	12,865	5,231	-	-	-	-	-	-	-	-	
2021	27,556	31,709	-	-	-	-	-	-	-	-	-	
2022	529,582	-	-	-	-	-	-	-	-	-	-	

SPECIAL RISK **Table of inflated adjusted claims paid excluding large claims (Attritional Table)**

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	27,597	50,416	-	49,317	-	-	-	-	-	-	-	-
2008	101,522	14,043	5,727	-	-	27,590	-	-	620	5,721	2,288	-
2009	18,033	-	9,879	-	69,140	1,947	18,113	-	1,270	2,725	-	-
2010	97,865	202,437	658,853	28,888	73,252	-	-	-	691	-	2,642	-
2011	258,573	554,993	203,960	244,393	8,716	-	4,293	1,551	-	826	-	-
2012	278,075	22,975	796,092	384,264	375,604	1,284	115,750	-	20,491	-	-	-
2013	12,815	1,071,694	205,865	4,163	3,116	45,066	452	1,405	-	-	-	-
2014	206,979	771,628	-	8,874	4,429	12,948	2,074	77,190	-	-	-	-
2015	33,172	58,783	12,535	246,521	9,196	12,246	-	-	-	-	-	-
2016	107,546	33,375	728,625	479,668	191,567	3,420	94	-	-	-	-	-
2017	120,657	130,667	515,637	3,784	171,468	234,259	-	-	-	-	-	-
2018	377,977	544,916	6,298	5,743	143,055	-	-	-	-	-	-	-
2019	104,127	146,370	6,480	29,049	-	-	-	-	-	-	-	-
2020	31,573	15,206	5,231	-	-	-	-	-	-	-	-	-
2021	32,572	31,709	-	-	-	-	-	-	-	-	-	-
2022	529,582	-	-	-	-	-	-	-	-	-	-	-

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

SPECIAL RISK — **Combined results table (Attritional and Large Losses)**

Accident Year	Paid to date	Latest Paid Large Loss	Total Ultimate	Gross claims reserve	Gross Earned Premium	Ultimate Loss ratio
2011	391,445	583,844	1,725,535	750,245	6,290,318	39%
2012	766,433	2,500,761	5,624,760	2,357,566	12,863,770	52%
2013	486,531	-	1,875,522	1,388,991	10,615,790	25%
2014	448,708	-	1,034,612	585,904	11,748,608	13%
2015	203,795	367,277	3,108,913	2,537,841	10,975,832	30%
2016	943,885	3,486,963	21,545,477	17,114,629	12,006,726	78%
2017	853,970	27,654,296	29,287,716	779,450	14,528,257	214%
2018	723,910	3,677,622	13,543,523	9,141,990	18,364,393	78%
2019	210,553	1,077,564	4,529,714	3,241,598	21,031,263	25%
2020	41,554	1,660,400	39,553,829	37,851,876	16,095,693	261%
2021	59,266	208,481	23,390,203	23,122,457	16,923,148	
2022	529,582	-	4,203,598	3,674,016	16,373,555	110%
Total	**5,659,631**	**41,217,208**	**149,423,402**	**102,546,564**	**167,817,354**	

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

22 Investment contract liabilities

Movement in investment contract liabilities is as shown below

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Balance, beginning of year	36,161,585	33,970,668	34,288,015	32,067,632
Reclassification from Insurance contract liabilities (note 21.3i)	(42,406)	-	-	-
Deposits received	11,894,552	11,738,824	10,823,612	11,441,481
Withdrawals	(12,542,247)	(11,281,008)	(11,784,486)	(10,668,787)
Guaranteed interest charged during the year	1,948,963	1,489,491	1,889,406	1,447,688
Balance, end of year	**37,420,447**	**35,917,975**	**35,216,547**	**34,288,014**
Current	9,508,468	772,694	9,508,468	772,694
Non Current	27,911,979	35,145,281	25,708,079	33,515,320
	37,420,447	**35,917,975**	**35,216,547**	**34,288,014**

23 Capital and reserves

a Share capital

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Minimum issued share capital:				
Ordinary shares of 50k each:				
20,000,000,000 units	10,000,000	10,000,000	10,000,000	10,000,000
(2021: 20,000,000,000 units)	**10,000,000**	**10,000,000**	**10,000,000**	**10,000,000**

The issued and fully paid up capital of the company which is a composite insurer is N10bn (2021: N10bn). In line with regulations issued by the National Insurance Commission (NAICOM), issued and paid capital of the company is allocated as follows;

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Ordinary shares of 50k each:				
Non-life business 10,000,000,000 units (2021: 10,000,000,000)	5,000,000	5,000,000	5,000,000	5,000,000
Life business 10,000,000,000 units (2021: 10,000,000,000)	5,000,000	5,000,000	5,000,000	5,000,000
	10,000,000	**10,000,000**	**10,000,000**	**10,000,000**

b Share premium

Share premium comprises the amount paid over the nominal value of shares. This reserve is not ordinarily available for distribution.

c Retained earnings

The retained earnings is the carried forward recognised income net of expenses plus current profit attributable to shareholders. It is the amount available for dividend distribution to the equity shareholders of the company. See statement of changes in equities for movement in retained earnings.

d Reserves

Components of reserves are as follows:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Contingency reserve (see note (I) below)	19,132,139	17,667,126	19,130,670	17,665,658
Fair value reserves (see note (ii) below	6,592,830	14,196,939	6,592,830	14,196,940
Other reserves:				
Asset revaluation reserves (see note (iii) below)	1,659,897	1,666,408	1,659,897	1,666,408
Translation reserve (see note (iv) below)	1,121,665	286,463	-	-
	28,506,531	**33,816,937**	**27,383,397**	**33,529,006**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

(I) Contingency reserves

"Included in the contigency reserve is contigency reserve from Leadway assurance company general and lifebusiness in line with Insurance act of 2003.

In compliance with Section 21 (1) of Insurance Act 2003, the contingency reserve for non-life insurance business is credited with the greater of 3% of total premiums or 20% of the net profits (whichever is greater).This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium. While for life business, the contingency reserves is credited with an amount equal to 1% of gross premium or 10% of net profit (whichever is greater) and accumulated until it reaches the amount of minimum paid up capital.

Leadway Vie and IARD maintains a Legal reserve in accordance with the provisions of Article 346 of the OHADA Treaty on Commercial Companies and Economic Interest Groupings, a company is expected to set aside 10% of its profit after tax, after payment of dividends minus carried forward losses as legal reserve. This ceases to be mandatory when the amount so set aside reaches 20% of its stated capital."

The distribution of contigency reserve is shown below:

	Group	
	31-Dec-22	31-Dec-21
Contigency reserves:		
Leadway Assurance company	19,130,670	17,665,658
Leadway Vie	1,470	1,469
IARD	-	-
	19,132,139	17,667,126

(II) Fair value reserves

Fair value reserves includes the net accumulated change in the fair value of available for sale asset until the investment is derecognized or impaired. See statement of changes in equities for movement in fair value reserve.

(III) Asset revaluation reserve

This reserve is the accumulation of revaluation gain on the group's land and buildings. See statement of changes in equities for movement in asset revaluation reserve.

(IV) Translation reserve

The translation reserve comprises foreign exchange differences on the translation to Naira of the results and financial position of the foreign subsidiaries within the Group. See statement of changes in equity for movement in translation reserve.

24 Non controlling interest

Non controlling interest comprises:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Leadway Vie	1,129	399	-	-
	1,129	399	-	-

Analysis of movement in controlling interest

(a) See statement of changes in equities for movement in non controlling interest during the period

(b) The financial information for the subsidiary with non-controlling interest are disclosed in note 15 (investment in subsidiaries) of these financial statements.

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

25 Gross premium written

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Gross premium				
- Non-life business	41,171,003	36,438,708	40,483,204	36,438,708
- Life business	51,358,576	34,185,645	50,367,279	33,668,849
	92,529,579	**70,624,353**	**90,850,483**	**70,107,557**
Decrease /(Increase)				
- Unearned premium (see note (a) I below)	(7,347,088)	(2,582,795)	(7,083,719)	(2,582,795)
Gross premium income	**85,182,491**	**68,041,558**	**83,766,764**	**67,524,762**

(a) Breakdown of changes in unearned premium is analysed as follows:

(i) Non-life business

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Motor	(728,809)	(519,485)	(648,443)	(519,485)
Fire	(198,621)	(655,893)	(189,640)	(655,893)
General Accident	65,751	(304,455)	67,165	(304,455)
Agric	752,693	16,082	770,435	16,082
Bond	(476,400)	(172,045)	(465,194)	(172,045)
Marine	(46,258)	(36,674)	(7,414)	(36,674)
Engineering	102,737	(419,345)	206,255	(419,345)
Special risk	(159,567)	(278,824)	(159,567)	(278,824)
Total for General Business	**(688,474)**	**(2,370,639)**	**(426,403)**	**(2,370,639)**
Group life	(6,658,614)	(212,156)	(6,657,316)	(212,156)
	(7,347,088)	**(2,582,795)**	**(7,083,719)**	**(2,582,795)**

(ii) Life business - Annuity & Ind. Life

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Individual life	(1,841,387)	(1,296,013)	(1,707,961)	(1,127,490)
Annuity	(1,189,310)	79,634,329	(1,189,310)	79,634,329
	(3,030,697)	**78,338,316**	**(2,897,271)**	**78,506,839**

26 Reinsurance expenses

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Reinsurance cost	20,071,948	21,642,151	19,830,827	21,599,786
(Increase)/Decrease in unexpired reinsurance cost	(104,384)	(1,158,643)	(104,384)	(1,158,643)
	19,967,564	**20,483,508**	**19,726,443**	**20,441,143**

	Group 31/Dec/22	Group 31/Dec/21	Company 31/Dec/22	Company 31/Dec/21
Non-life				
Reinsurance cost	18,592,598	19,437,298	18,592,598	19,437,298
(Increase)/Decrease in unexpired reinsurance cost	161,825	(1,017,139)	161,825	(1,017,139)
A	**18,754,423**	**18,420,159**	**18,754,423**	**18,420,159**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Group 31/Dec/22	Group 31/Dec/21	Company 31/Dec/22	Company 31/Dec/21
Life				
Reinsurance cost	1,342,782	2,204,853	1,238,229	2,162,488
(Increase)/Decrease in unexpired reinsurance cost	(266,209)	(141,504)	(266,209)	(141,504)
B	**1,076,573**	**2,063,349**	**972,020**	**2,020,983**
Total Reinsurance expenses A+B	**19,830,996**	**20,483,508**	**19,726,443**	**20,441,143**

27 Commission income

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Commission earned on non-life insurance contracts	2,658,057	2,466,047	2,658,057	2,466,047
Commission earned on group life assurance contracts	415,934	626,598	360,720	618,140
	3,073,991	**3,092,645**	**3,018,777**	**3,084,187**

28 Analysis of Net Claims Expense

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Combined				
Gross benefits & claims paid (see note 22.1c)	22,061,746	17,084,922	21,815,562	17,014,517
Annuity Payments	33,900,226	31,370,835	33,900,226	31,370,835
Change in provision for outstanding claims & IBNR	15,386,882	26,612,730	15,342,085	26,538,316
Gross claims incurred	**71,348,854**	**75,068,487**	**71,057,873**	**74,923,668**
Claims recovered from reinsurers	(6,576,356)	(3,788,356)	(6,573,826)	(3,786,407)
Proceed from salvage and subrogation	-	-	-	-
Change in reinsurance recoverable on outstanding claims & IBNR (see note 8c)	(7,316,475)	(23,453,416)	(7,309,306)	(23,453,416)
Total recoveries	**(13,892,831)**	**(27,241,772)**	**(13,883,132)**	**(27,239,823)**
Net claims incurred	**57,456,024**	**47,826,715**	**57,174,741**	**47,683,845**

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Non-life business				
Gross benefits & claims paid	13,069,662	10,731,949	13,057,049	10,661,544
Change in provision for outstanding claims	14,124,674	23,479,313	14,026,888	23,479,313
Gross claims incurred	**27,194,336**	**34,211,262**	**27,083,937**	**34,140,857**
Claims recovered from reinsurers	(5,748,196)	(3,296,638)	(5,748,196)	(3,296,638)
Recoveries from salvage and subrogation	-	-	-	-
Change in recoverable on outstanding claims (see note 8c.ii)	(7,314,776)	(22,887,635)	(7,307,607)	(22,887,635)
Total recoveries	**(13,062,972)**	**(26,184,273)**	**(13,055,803)**	**(26,184,273)**
Net claims incurred **A**	**14,131,364**	**8,026,989**	**14,028,134**	**7,956,584**
Life business				
Gross benefits & claims paid	8,992,084	6,352,973	8,758,513	6,352,973
Annuity Claims	33,900,226	31,370,835	33,900,226	31,370,835
Change in provision for outstanding claims	1,262,208	3,133,417	1,315,197	3,059,003
Gross claims incurred	**44,154,518**	**40,857,225**	**43,973,936**	**40,782,811**
Claims recovered from reinsurers	(828,159)	(491,717)	(825,630)	(489,769)
Change in recoverable on outstanding claims (see note 8c)	(1,699)	(565,781)	(1,699)	(565,781)
Total recoveries	**(829,858)**	**(1,057,498)**	**(827,329)**	**(1,055,550)**
Net claims incurred **B**	**43,324,660**	**39,799,726**	**43,146,607**	**39,727,261**
(A+B)	**57,456,024**	**47,826,715**	**57,174,741**	**47,683,845**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

29 Underwriting expenses

Underwriting expenses can be sub-divided into acquisition and other maintenance expenses. Acquisition expenses relate to commission expenses incurred in obtaining and renewing insurance contracts. They include commissions or brokerage paid to agents or brokers. Maintenance expenses are those incurred in processing costs and other incidental costs.

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Acquisition expenses	9,348,780	6,441,182	9,173,041	6,356,352
Maintenance expenses	4,086,516	3,079,012	4,086,516	3,079,012
	13,435,296	**9,520,194**	**13,259,557**	**9,435,364**

30 Investment income

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Interest income on debt securities	33,258,360	30,200,296	33,248,190	30,200,296
Rental income	854,403	579,203	842,269	560,382
Interest on loans	(1,083,317)	2,113	(1,088,446)	60
Interest on short term deposits	2,797,183	815,155	2,797,183	811,522
Dividend income on investment securities	971,197	1,476,930	885,860	1,473,160
Profit/(Loss)on sale of investment securities	3,671,448	(6,024,971)	3,671,448	(6,024,971)
Interest income on statutory deposits	45,320	6,966	7,981	6,966
Profit on Sale of Investment Property (see note 13)	94,533	73,278	-	73,278
Total Investment Income (See note c below)	**40,609,127**	**27,128,970**	**40,364,485**	**27,100,693**

		Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
a	Profit/(Loss) from investment contracts (see note i below)	**1,093,669**	**(2,053,173)**	**829,472**	**(2,317,370)**

i The above figure relates to profit or (loss) for the year, see DA revenue in appendix (page 195)

b Analysis of Profit/(Loss) from investment contracts

		Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Investment Income		4,066,381	418,156	4,082,286	434,061
Other Income		151,491	318,372	163,199	330,080
	A	**4,217,872**	**736,527**	**4,245,485**	**764,141**
Maintenance & Acquisition Costs		(581,260)	(822,776)	(628,976)	(870,493)
Interest on Deposit Administration		(1,889,407)	(1,447,689)	(1,889,407)	(1,447,689)
Management Expenses		(771,667)	(519,235)	(1,015,761)	(763,329)
	B	**(3,242,334)**	**(2,789,700)**	**(3,534,145)**	**(3,081,511)**
Profit/(Loss)	A+B	**975,537**	**(2,053,173)**	**711,340**	**(2,317,370)**

c The Investment income N35.20 billion belong to Life business and the balance of N5.16 billion is for General business. The life investment income that belong to policy holders fund is N35.29 billion and the balance of N5.07 billion is for shareholders fund

31 Net fair value gain/ (loss) on assets at fair value

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Financial assets at fair value through profit or loss				
- Fair value gains/(losses) on listed equity securities	(307,561)	522,944	(307,561)	522,944
- Fair value gains/(losses) on listed debt securities	(17,996,455)	(84,808,443)	(17,996,455)	(84,808,443)
- Fair value gains/(losses) on investment property (see note 13)	2,510,227	596,737	2,189,617	596,737
	(15,793,789)	**(83,688,762)**	**(16,114,399)**	**(83,688,762)**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

32 Other operating income

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Fee income on shared locations & services	13,630	12,434	13,630	12,434
Profit/ (Loss) on sale of property and equipment	-	852	-	852
Foreign exchange gain/(loss)				
- Investment securities	4,809,681	4,889,424	4,809,681	4,889,424
- Cash and cash equivalents	(258,016)	3,371,155	(258,016)	3,371,155
Write-back of provision no longer required	291,144	804,077	291,144	804,077
Legacy unallocated inflows	252,862	582,772	252,862	582,772
Other credit balances derecognised	-	239,173		239,173
Legacy accrual no longer required	-	177,949		177,949
Other income	401,536	275,644	128,007	254,830
	5,510,837	**10,353,480**	**5,237,308**	**10,332,666**

i. Other income represents income on current account, surrender fees, policy fees, and other miscellaneous income that does not fall under income head above

ii. The write-back is on the impairment of trade receivable, policy loan and agency loan

iii. Legacy accrual no longer required represents over accrual for audit fees, valuation fees and other expenses in previous years that are no longer required

33 Employee benefit expense

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Wages and salaries - staff and executive directors	5,239,603	4,146,910	4,760,965	4,011,579
Pension cost - Defined contribution plan	135,270	126,723	135,270	126,723
Termination benefits (see note (d) below)	104,303	104,303	104,303	104,303
Profit sharing expense	920,722	608,546	920,722	608,546
	6,399,898	**4,986,482**	**5,921,260**	**4,851,151**

(a) Staff information:
Employees earning more than N100,000 per annum, other than the executive directors, whose duties were wholly or mainly discharged in Nigeria, received emoluments in the following ranges:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Absolute	*Number*	*Number*	*Number*	*Number*
N101,001 - N500,000	-	-	-	-
N500,001 - N750,000	2	2	-	-
N750,000 - N1,000,000	1	1	-	-
N1,000,000 - N2,000,000	11	11	-	-
N2,000,000 - N3,000,000	11	11	1	1
Over N3,000,000	327	327	330	310
	352	**352**	**331**	**311**

(b) The average number of full time persons employed during the year was as follows:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
	Number	*Number*	*Number*	*Number*
Executive directors	2	2	2	2
Management staff	38	38	42	33
Non-management staff	312	312	287	276
	352	**352**	**331**	**311**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

(c) **Directors' remuneration**

(I) Remuneration paid to the directors is as follows:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Salaries and wages	128,217	121,664	128,217	121,664
Directors' fees	294,458	262,923	210,355	231,388
Post-employment benefits	6,225	6,225	6,225	6,225
	428,900	**390,812**	**344,797**	**359,277**

(II) The directors' remuneration shown above includes:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Chairman	53,561	53,561	39,265	39,265
Highest paid director	77,862	77,862	77,862	77,862

(III) The emoluments of all other directors fell within the following range:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
	Number	Number	Number	Number
Above N4,800,000	12	12	9	9
N2,300,000 - N4,800,000	-	-	-	-
N1,500,000 - N2,300,000	-	-	-	-
N750,000 - N1,500,000	-	-	-	-
Below N750,000	-	-	-	-
	12	**12**	**9**	**9**

(d) Termination benefit relates to payments made to disengaged staff during the relevant period.

34 Other operating expenses

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Contract staff cost	108,865	98,987	98,882	89,004
Asset repairs and maintenance	338,895	343,612	338,895	343,612
Corporate expenses and gift items	397,758	321,233	393,502	316,977
Telecommunication	1,129,274	830,172	1,065,432	721,375
Advertisement	1,062,293	759,916	893,513	744,635
Agency related expenses	42,581	25,574	42,581	25,574
Property insurance expense	90,218	41,550	84,235	41,550
Insurance supervisory fund	1,000	6,917	1,000	-
Professional fees	266,346	172,465	210,020	160,238
Travelling, tours and other passage exps.	239,235	161,589	226,750	159,548
Auditor's remuneration	58,000	58,000	58,000	58,000
Consultancy Expenses	27,290	27,669	17,594	27,669
Bank charges	106,502	110,483	98,037	107,157
Offices rates and rent	106,551	35,367	73,363	34,851
Training cost	87,837	87,837	87,837	87,837
Power and Fuel charges	499,021	309,233	493,029	306,109
Donations	50,301	56,022	50,301	56,022
Subscription	26,588	26,588	26,588	26,588
Depreciation of property and equipment	707,122	601,463	535,747	543,443
Amortisation of intangible assets	27,561	56,742	24,543	53,724
Directors' fees and allowances	275,072	219,904	256,358	207,726
Hotel accommodation expenses	26,970	18,309	18,399	13,079
Entertainment	52,044	28,181	33,494	22,976
Investment expenses	100,733	201,356	83,977	197,507
Other statutory & Regulatory Levy	613,909	688,866	613,909	688,866
Penalty & Fine	-	-	-	-
Others	226,918	65,623	64,326	52,904
	6,668,880	**5,353,656**	**5,890,311**	**5,086,970**

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

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i. Investment expenses represents custody and other regulatory fees on investment activities during the year.

ii. Included in Professional fees is a total of N20,935,680 for Non-audit services rendered by Messrs. KPMG Advisory Services. See table below for details

iii. We have splitted and recognised appropriately (the portion) depreciation consumed on Deposit Administration (D/A) as management expenses values at N96,959,787

Name of The Firm	"Nature of Service"	Applicable Fees (Naira)
KPMG Advisory Services	Vulnerability Assessment And Penetration Testing	3,075,000
KPMG Advisory Services	Cyber Ark: License, Implementation, Maintenance and Support fees	17,456,830
KPMG Advisory Services	Training fees on Understanding Derivatives	403,850
Total		**20,935,680**

III. Other expenses are items that cannot be classified under the various expense head in note 34 above

35 Net impairment losses

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Impairment on trade receivable no longer required (see note 6a)	361,360	486,785	361,360	486,785
Impairment loss on other receivables (see note 10b)	99,665	71,765	99,666	71,765
Specific Impairment write back on loans (see note 11)		112		112
Collective impairment write back on loans (see note 11)		(1,371)		(1,371)
	461,025	**557,291**	**461,026**	**557,291**

36 Income tax expense

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Current tax on profits for the year:				
Company income tax	257,081	184,055	258,219	181,953
Under provision in prior year	-	31,930	-	-
Technology levy	117,987	124,873	117,987	124,873
Nigeria Police fund levy	590	618	590	618
Total current tax	**375,658**	**341,476**	**376,796**	**307,444**
Origination and reversal of temporary differences	(274,533)	234,886	(274,533)	234,886
	101,125	**576,362**	**102,263**	**542,330**

(b) The tax on the group and company's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Profit before income tax	11,954,719	11,956,794	11,771,798	12,487,251
Tax calculated at domestic rate applicable in Nigeria at 30% (2021: 30%)	3,531,539	3,587,038	3,531,539	3,746,175
Effect of:	-			
Tax exempt income	27,496,523	(35,541,183)	27,496,523	(35,541,183)
Non-deductible expenses	(123,082,896)	32,942,595	(123,082,896)	32,749,425
Technology levy	117,987	100,816	117,987	100,816
Police trust levy	590	-	590	-
Tax assessment based on minimum tax	258,219	(122,651)	258,219	(122,651)
WHT paid on dividend	-	(43,936)	-	(43,936)
Capital allowance	-	(346,912)	-	(346,912)
DT adjustments	91,772,223	-	91,772,223	-
Total income tax expense in comprehensive income	**94,185**	**575,767**	**94,185**	**541,735**

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(All amounts in thousands of Nigerian Naira unless otherwise stated)

Reconciliation of effective tax rate	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Tax calculated at domestic rate applicable in Nigeria at 30% (2021: 30%)	30.00%	30.00%	30.00%	30.00%
Effect of:				
Tax exempt income	230.01%	-297.25%	233.58%	-284.62%
Non-deductible expenses	-1029.58%	275.51%	-1045.57%	262.26%
Education tax	0.00%	0.00%	0.00%	0.00%
Technology levy	0.99%	0.84%	1.00%	0.81%
Capital gains tax	0.00%	0.00%	0.01%	0.00%
Tax assessment based on minimum tax	2.16%	-1.03%	2.19%	-0.98%
WHT paid on dividend	0.00%	-0.37%	0.00%	-0.35%
Capital allowance	0.00%	-2.90%	0.00%	-2.78%
DT adjustments	777.81%	0.00%	777.81%	0.00%
Effective tax rate	**11.40%**	**4.82%**	**-0.98%**	**4.34%**

Uncertainty over Income tax treatments

"The Company's Non life business keeps a reserve for unexpired risk. Section 16(8)(a) of CITA allows non-life businesses to take as a deduction, a 'reserve for unexpired risks'. This is the risk associated with future financial periods and includes the 'unearned premium' received by the insurer applicable to those periods. Therefore there is uncertainty around whether the deduction as permitted by the tax law is actually a ""tax exemption or a 'deduction' for that year. The Company has treated the reserve for unexpired risks as a tax exemption as the Company believes that the reserve for unexpired risks would will be allowed as an exemption.

The Company believes that its treatment of the reserve for unexpired risk for its non-life business is adequate based on its assessment of factors including interpretations of tax law and prior experience with the tax authorities."

37 Earnings Per Share

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Profit from continuing operations attributable to owners of the parent	**11,853,594**	**11,381,027**	**11,669,535**	**11,945,516**
Total	**11,853,594**	**11,381,027**	**11,669,535**	**11,945,516**
Weighted average number of ordinary shares in issue before deducting bonus shares	10,000,000	10,000,000	10,000,000	10,000,000
Weighted average number of shares in issue	**10,000,000**	**10,000,000**	**10,000,000**	**10,000,000**
Basic and diluted Earnings per share (kobo)				
From continuing operations	119	114	117	119
Total comprehensive income for the year	**119**	**114**	**117**	**119**

"The Company issued bonus shares effective 31 May 2018, the newly issued shares have been included as a part of the weighted average number of shares for the Earnings Per Share (EPS) computation. The EPS computation for prior period has been adjusted to include the newly issued bonus shares as though the bonus shares were issued in prior period in line with the requirements of IAS 33.

38 Dividend

The dividend declared and paid in 2022 was a cash dividend of N3.5bn (2021: N3.5bn) at 17.5 kobo per share (2021: 17.5 kobo per share). A cash dividend of N3.2bn (16 kobo per share) will be proposed at the next annual general meeting in respect of the year ended 31 December 2022. This has been disclosed in the financial statement. The dividend is subject to deduction of witholding tax

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

39 Related parties

Leadway Assurance Company Limited is the ultimate parent/controlling party of the group. Related parties to the Company are as follows:

(I) *Subsidiary*

The Company has two subsidiaries as at 31 December 2022. Transactions between Leadway Assurance Company Limited and the subsidiaries also meet the definition of related party transactions. During the year, there were no balances from transactions with Leadway Vie and Leadway IARD.

(II) *Key management personnel*

"The key management personnel have been identified as the members of the board of directors (executive and non executive members), including their close members of family and any other entity over which they exercise control. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with Leadway Assurance Company Limited.
The compensation paid or payable to key management personnel for employee services is disclosed in note 33c"

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Salaries and other short term employee benefits	198,235	126,855	193,044	121,664
Pension cost - defined contribution	6,225	6,225	6,225	6,225
	204,460	**133,080**	**199,269**	**127,889**

Key management personnel and their immediate relatives engaged in the following transactions with the company during the year:

	Group 31-Dec-22	Group 31-Dec-21	Company 31-Dec-22	Company 31-Dec-21
Loans and advances to key management	-	15,329	-	15,329
Interest income earned by the company during the year	-	2,205	-	2,205
Rent	13,333	13,333	13,333	13,333
Premium paid to Leadway	5,300	2,153	5,300	2,153

40 Contingent liabilities, litigations and claims

"The Group in the ordinary course of business is currently involved in 56 legal cases (2021: 58) valued at N7.63 billion (2021: 7.65 billion). The actions are being contested and the Directors are of the opinion that no significant liability will arise therefrom in excess of the provision that has been made in the financial statements.
In 2018, The National Insurance Commission (NAICOM) fined the Company the sum of N2,674,029,543 ($7,458,730.70) for alleged failure to remit co-insurance premium within 30 days as required by the Market Conduct Guidelines for Insurance Institutions 2015 (the Market Guidelines). Following the Company's objection to and appeal against the imposition of the fine and several engagements with the regulator, NAICOM reduced the fine to the sum of N566,863,533.40 ($1,491,746.14) and directed the company to pay it in four instalments within 2021 financial year and in Naira. The fine was fully settled in 2021."

41 Contravention of laws and regulations

The Company in 2022 paid fines totaling NIL (2021: NIL). See table below for descriptions of the fines and amount paid

Appendix to Financial Statements
(Other National Disclosures)

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Value Added Statement

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Group 2022	%	Group 2021	%	Company 2022	%	Company 2021	%
Gross premium income (Local)	92,529,579		70,624,353		90,850,483		70,107,557	
Investment income								
- Local	40,609,127		27,128,970		40,364,485		27,100,693	
Other income								
- Local	5,510,837		10,353,480		5,237,308		10,332,666	
Reinsurance, claims, commission & operating expenses								
- Local	(109,968,955)		(79,840,028)		(108,607,636)		(78,940,112)	
- Foreign	(9,591,289)		(10,665,238)		(9,591,289)		(10,665,238)	
Value added	**19,089,300**	**100**	**17,601,537**	**100**	**18,253,348**	**100**	**17,935,566**	**100**
Applied to pay:								
Employee benefit expense	6,399,898	34%	4,986,482	28%	5,921,260	31%	4,851,151	27%
Government as tax	101,125	0%	575,767	3%	102,263	1%	541,735	3%
Retained in the business								
Depreciation of Property and equipment	707,122	4%	601,463	3%	535,747	3%	543,443	3%
Amortisation of intangible assets	27,561	0%	56,742	0%	24,543	1%	53,724	0%
To augment reserve	11,853,594	62%	11,381,083	65%	11,669,538	64%	11,945,513	67%
Value added	**19,089,300**	**100%**	**17,601,537**	**100%**	**18,253,348**	**100%**	**17,935,566**	**100%**

Five Year Financial Summary

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

STATEMENT OF FINANCIAL POSITION

GROUP	2022	2021	2020	2019	2018
Cash and cash equivalents	61,304,582	42,969,621	58,200,553	27,050,020	33,666,913
Trade receivables	6,299,524	428,033	138,363	102,459	396,614
Investment securities	331,293,904	339,829,969	377,730,371	301,024,802	209,707,239
Reinsurance assets	94,491,192	83,278,314	58,399,894	39,051,024	43,758,359
Deferred acquisition cost	1,492,164	1,302,467	862,676	825,367	851,069
Other receivables and prepayments	5,730,239	6,217,668	3,068,475	1,505,351	1,471,347
Loans and advances	966,556	681,541	577,144	1,402,795	1,395,564
Property and equipment	6,873,442	4,983,106	5,012,375	4,561,664	3,585,224
Investment properties	23,301,882	20,084,060	19,062,755	18,467,449	19,096,447
Investment in associates	-	-	-	-	-
Deferred tax assets	-	-	-	-	-
Intangible assets	2,214,572	1,690,496	1,728,875	1,816,122	1,906,391
Statutory deposits	500,000	500,000	500,000	500,000	500,000
Total assets	**534,468,058**	**501,965,275**	**525,281,481**	**396,307,053**	**316,335,167**
Liabilities					
Trade payables	20,237,177	18,600,653	8,690,090	9,700,624	11,684,883
Current tax liabilities	1,174,624	1,002,282	815,776	884,553	1,141,689
Other liabilities	9,136,251	7,082,636	5,705,025	4,724,877	5,777,507
Borrowings	-	-	-	-	-
Insurance contract liabilities	383,427,864	357,594,400	406,737,188	297,025,538	227,462,674
Investment contract liabilities	37,420,447	35,917,975	33,970,668	28,409,487	21,890,990
Deferred tax liabilities	1,879,880	2,154,413	1,919,527	1,883,284	1,883,284
Total liabilities	**453,276,244**	**422,352,359**	**457,838,274**	**342,628,363**	**269,841,027**
Capital and reserves					
Issued and paid share capital	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Share premium	588,575	588,575	588,575	588,575	588,575
Contingency reserve	19,132,139	17,667,126	15,314,109	13,650,079	11,734,200
Retained earnings	42,095,581	35,207,003	29,678,993	23,655,728	19,380,490
Assets revaluation reserves	1,659,897	1,666,409	1,607,272	1,558,699	1,497,290
Fair value reserves	6,592,830	14,196,940	9,938,279	4,198,892	3,090,660
Translation reserves	1,121,665	286,463	315,582	26,674	202,715
Shareholders funds:	**81,190,687**	**79,612,516**	**67,442,810**	**53,678,647**	46,493,930
Non controlling interest	1,129	399	397	44	210
Total Equity	**81,191,816**	**79,612,915**	**67,443,207**	**53,678,691**	**46,494,140**
Total equity and liabilities	**534,468,058**	**501,965,275**	**525,281,481**	**396,307,053**	**316,335,167**

Five Year Financial Summary (CONT'D)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

COMPANY	2022	2021	2020	2019	2018
Assets					
Cash and cash equivalents	58,723,150	40,683,664	54,328,877	26,210,607	32,978,304
Trade receivables	6,035,620	353,132	97,211	102,459	395,585
Investment securities	328,878,755	339,734,094	377,637,000	300,626,105	209,289,720
Reinsurance assets	94,394,918	83,245,169	58,391,307	39,038,453	43,688,887
Deferred acquisition cost	1,455,897	1,302,467	862,676	825,367	851,069
Other receivables and prepayment	3,792,220	4,484,031	2,557,493	2,132,561	1,417,602
Loans and advances	966,556	681,541	577,144	1,402,795	1,395,564
Property and equipment	6,584,858	4,892,472	4,880,238	4,412,066	3,428,095
Investment properties	21,061,067	18,647,639	17,694,603	17,199,024	16,414,443
Investment in subsidiaries	7,745,304	5,674,730	5,590,448	2,153,425	2,153,425
Investment in associates	-	-	-	-	-
Deferred tax assets	-	-	-	-	-
Intangible assets	14,533	40,613	76,944	162,448	255,339
Statutory deposits	500,000	500,000	500,000	500,000	500,000
Total assets	**530,152,878**	**500,239,553**	**523,193,941**	**394,765,310**	**312,768,033**
Liabilities					
Trade payables	20,017,191	18,569,149	8,681,794	9,690,123	11,573,804
Current tax liabilities	1,124,962	956,651	788,560	859,502	1,083,948
Other liabilities	8,316,493	6,555,502	5,398,189	4,539,823	5,627,973
Insurance contract liabilities	382,385,852	357,062,781	406,448,505	296,704,133	225,437,157
Investment contract liabilities	35,216,547	34,288,014	32,067,632	26,796,212	21,890,990
Deferred tax liabilities	1,879,880	2,154,413	1,919,527	1,883,284	1,883,284
Total liabilities	**448,940,925**	**419,586,510**	**455,304,207**	**340,473,077**	**267,497,156**
Capital and reserves					
Issued and paid share capital	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Share premium	588,575	588,575	588,575	588,575	588,575
Contingency reserve	19,130,670	17,665,658	15,312,636	13,648,609	11,732,730
Retained earnings	43,239,981	36,535,460	30,442,970	24,297,456	18,361,620
Assets revaluation reserves	1,659,897	1,666,409	1,607,274	1,558,701	1,497,292
Fair value reserves	6,592,830	14,196,940	9,938,279	4,198,892	3,090,660
Shareholders funds:	**81,211,953**	**80,653,042**	**67,889,734**	**54,292,233**	**45,270,877**
Total equity and liabilities	**530,152,878**	**500,239,553**	**523,193,941**	**394,765,310**	**312,768,033**

Five Year Financial Summary (CONT'D)

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

STATEMENT OF COMPREHENSIVE INCOME

GROUP	2022	2021	2020	2019	2018
Gross premium written	92,529,579	70,624,353	53,858,944	90,665,609	88,039,621
Premium earned	65,214,927	47,558,050	37,234,965	70,931,286	69,811,623
Profit before taxation	11,954,719	11,956,794	11,413,178	9,627,543	9,533,005
Taxation	(101,125)	(575,767)	(225,902)	(436,592)	(2,269,424)
Profit for the year	**11,853,594**	**11,381,027**	**11,187,276**	**9,190,951**	**7,263,581**
Transfer to contingency reserve	(1,465,013)	(2,353,018)	(1,664,029)	(1,915,879)	(2,233,868)
Basic/diluted earnings per share (kobo)					
From continuing operations	**119**	**114**	**112**	**92**	**39**
From discontinued operations (kobo)	**-**	**-**	**-**		**(8)**

COMPANY	2022	2021	2020	2019	2018
Gross premium written	90,850,483	70,107,557	53,653,676	90,596,192	87,519,720
Premium earned	64,040,321	47,083,619	37,040,412	70,898,107	71,121,875
Profit before taxation	11,771,798	12,487,251	11,533,272	11,286,465	11,412,782
Taxation	(102,263)	(541,735)	(223,737)	(434,750)	(2,229,461)
Profit after taxation	**11,669,535**	**11,945,516**	**11,309,535**	**10,851,715**	**9,183,321**
Transfer to contingency reserve	(1,465,012)	(2,353,022)	(1,664,027)	(1,915,879)	(1,855,522)
Basic/diluted earnings per share (kobo)					
From continuing operations (kobo)	**117**	**119**	**113**	**109**	**59**
From discontinued operations (kobo)	**-**	**-**	**-**	**-**	**-**

Non-Life Business Statement of Financial Position

As at 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	31-Dec-22	31-Dec-21
Assets		
Cash and cash equivalents	34,000,327	31,929,861
Investment securities	53,291,736	48,828,155
Trade receivables	417,885	327,210
Reinsurance assets	92,118,768	81,687,197
Deferred acquisition cost	1,455,897	1,302,467
Loans and other receivables	813,973	2,601,829
Investment properties	3,466,654	5,739,223
Intangible assets	9,872	40,613
Property and equipment	3,541,829	2,629,877
Statutory deposits	300,000	300,000
Total assets	**191,487,515**	**175,386,432**
Liabilities		
Insurance contract liabilities	123,682,214	109,228,925
Trade payables and other liabilities	27,178,958	22,048,218
Current tax liabilities	578,858	438,746
Deferred tax liabilities	1,666,301	1,910,635
Total liabilities	**153,106,331**	**133,626,524**
Capital and reserves		
Share capital	5,000,000	5,000,000
Contingency reserve	14,054,974	13,093,634
Retained earnings	18,678,946	17,180,327
Asset revaluation reserve	1,455,431	1,480,779
Fair value reserves	(808,167)	5,005,168
Shareholders funds:	**38,381,184**	**41,759,908**
Total equity and liabilities	**191,487,515**	**175,386,432**

Non-Life Business Statement of Comprehensive Income

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	31-Dec-22	31-Dec-21
Gross premium written	40,483,203	36,438,708
Add: Increase/(Decrease) in unearned premium	(426,403)	(2,370,639)
Gross insurance premium revenue	40,056,800	34,068,069
Reinsurance expense	(18,754,423)	(18,420,159)
Net insurance premium earned	21,302,377	15,647,910
Commission income	2,656,143	2,454,663
Total revenue	**23,958,520**	**18,102,573**
Claims expenses	(14,028,132)	(7,956,586)
Underwriting expenses	(8,691,576)	(6,394,795)
Net underwriting expenses	**(22,719,708)**	**(14,351,381)**
Total underwriting profit	**1,238,812**	**3,751,192**
Investment income	5,155,293	3,740,462
Net fair value gain/(loss) on assets at fair value	168,537	(442,690)
Other operating income	5,185,701	9,440,505
Gain on non-current assets distributed to owners	-	-
Employee benefit expenses and other operating expenses	(6,979,051)	(5,977,812)
	3,530,480	**6,760,465**
Net impairment gains/(losses)	(231,266)	(430,012)
Profit before tax	**4,538,026**	**10,081,645**
Income taxes	(50,166)	(432,274)
Profit for the year	**4,487,861**	**9,649,372**
Other comprehensive income:		
Fair value changes on available for sale financial assets	(5,813,336)	(1,051,355)
Dividend Payment	(2,027,900)	(1,925,000)
Revaluation gain on land & building	(25,348)	47,837
Other comprehensive income for the year, net of tax	**(7,866,584)**	**(2,928,518)**
Total comprehensive income	**(3,378,723)**	**6,720,854**

Non-Life Business Revenue Account

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	MOTOR	FIRE	GEN. ACC.	AGRIC.	MARINE	BOND	ENGINEERING	SPECIAL RISK	2022 TOTAL	2021 TOTAL
INCOME										
Gross premium written	**6,447,765**	**6,897,339**	**3,393,669**	**2,303,100**	**3,600,345**	**196,845**	**1,111,019**	**16,533,122**	**40,483,203**	**36,438,708**
Less: Increase/ (decrease) in unearned premium	(648,443)	(189,640)	67,165	770,435	(465,194)	(7,414)	206,255	(159,567)	(426,403)	(2,370,639)
Gross premiums earned	**5,799,323**	**6,707,698**	**3,460,834**	**3,073,535**	**3,135,151**	**189,431**	**1,317,273**	**16,373,555**	**40,056,799**	**34,068,069**
Reinsurance cost	(262,172)	(3,018,430)	(1,174,929)	(1,678,867)	(1,585,909)	(76,940)	(936,070)	(10,021,106)	(18,754,423)	(18,420,159)
Net premium earned	**5,537,151**	**3,689,269**	**2,285,905**	**1,394,668**	**1,549,241**	**112,491**	**381,204**	**6,352,449**	**21,302,376**	**15,647,910**
Commissions earned	137,520	682,933	236,951	344,843	537,471	23,349	263,257	429,818	2,656,143	2,454,663
Total underwriting income	**5,674,670**	**4,372,202**	**2,522,856**	**1,739,511**	**2,086,713**	**135,839**	**644,461**	**6,782,267**	**23,958,519**	**18,102,573**
EXPENSES										
Gross claims paid	(3,488,138)	(3,910,663)	(479,359)	(2,075,170)	(1,305,095)	(67,406)	(397,417)	(1,333,801)	(13,057,049)	(10,661,544)
Increase/(decrease) in outstanding claims provision	(157,651)	1,079,355	(180,428)	190,101	(536,581)	11,802	(281,485)	(14,152,001)	(14,026,888)	(23,479,313)
	(3,645,789)	(2,831,308)	(659,787)	(1,885,069)	(1,841,676)	(55,604)	(678,902)	(15,485,802)	(27,083,937)	(34,140,857)
Deduct: reinsurance claims recoveries/recoverable	329,629	873,926	(200,867)	1,326,930	213,032	144,913	261,760	10,106,481	13,055,804	26,184,270
Net claims incurred	**(3,316,161)**	**(1,957,382)**	**(860,654)**	**(558,139)**	**(1,628,644)**	**89,309**	**(417,142)**	**(5,379,321)**	**(14,028,133)**	**(7,956,587)**
Add: Underwriting expenses:										
Commission expenses	(733,854)	(1,275,231)	(584,042)	(277,529)	(743,713)	(33,969)	(246,712)	(2,013,542)	(5,908,591)	(4,075,485)
Acquisition expenses	(633,646)	(677,827)	(333,509)	(226,334)	(353,819)	(19,345)	(109,184)	(429,320)	(2,782,984)	(2,319,310)
Maintenance expenses								-	-	
	(1,367,501)	**(1,953,059)**	**(917,551)**	**(503,863)**	**(1,097,532)**	**(53,314)**	**(355,896)**	**(2,442,861)**	**(8,691,576)**	**(6,394,795)**
Total expenses and claims incurred	**(4,683,662)**	**(3,910,440)**	**(1,778,205)**	**(1,062,002)**	**(2,726,176)**	**35,995**	**(773,038)**	**(7,822,182)**	**(22,719,709)**	**(14,351,382)**
Underwriting profit/(loss)	**991,009**	**461,762**	**744,651**	**677,509**	**(639,463)**	**171,835**	**(128,577)**	**(1,039,915)**	**1,238,810**	**3,751,192**

Financial Performance

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Non Life Business		
	31-Dec-22	31-Dec-21	% Change
Gross Premium	40,483,203	36,438,708	11%
Net Premium	21,302,377	15,647,910	36%
Total Underwriting Income	23,958,520	18,102,573	32%
Investment Income	5,155,293	3,740,462	38%
Claims expenses	(14,028,132)	(7,956,586)	76%
Annuity Claim	-	-	0%
Underwriting expenses	(8,691,576)	(6,394,795)	36%
Underwriting Profit	1,238,812	3,751,192	-67%
Operating expenses	(6,979,051)	(5,977,812)	17%
Profit before tax	4,538,026	10,081,645	-55%
Earnings per share	1Naira	1Naira	

Performance ratios

	Using Gross Written Premium		Using Net Written Premium	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Underwriting expenses ratio	21%	18%	41%	41%
Claims ratio	35%	22%	66%	51%
Operating expenses ratio	17%	16%	33%	38%
Combined ratio	73%	56%	139%	130%
Underwriting profit ratio	3%	10%	6%	24%

Life Business Statement of Financial Position

As at 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	31-Dec-22	31-Dec-21
Assets		
Cash and cash equivalents	24,722,823	8,753,803
Investment securities	275,587,020	290,905,939
Trade receivables	5,617,735	25,922
Reinsurance assets	2,276,151	1,557,972
Loans and other receivables	9,375,483	4,481,655
Investment in subsidiaries	5,674,730	5,674,730
Investment properties	17,594,413	12,908,416
Intangible assets	4,661	-
Property and equipment	3,043,027	2,262,594
Statutory deposits	200,000	200,000
Total assets	**344,096,045**	**326,771,031**
Liabilities		
Insurance contract liabilities	258,703,638	247,833,854
Investment contract liabilities	35,216,547	34,288,014
Trade payables and other liabilities	6,585,408	4,994,347
Current tax liabilities	546,104	517,905
Deferred tax liabilities	213,579	243,778
Total liabilities	**301,265,276**	**287,877,898**
Capital and reserves		
Share capital	5,000,000	5,000,000
Share premium	588,575	588,575
Contingency reserve	5,075,696	4,572,023
Retained earnings	24,561,035	19,355,133
Asset revaluation reserve	204,466	185,629
Fair value reserves	7,400,997	9,191,772
Shareholders funds	**42,830,769**	**38,893,132**
Total equity and liabilities	**344,096,045**	**326,771,031**

Life Business Statement of Comprehensive Income

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	31-Dec-22	31-Dec-21
Gross premium written	50,367,279	33,668,850
Add: Increase/(Decrease) in unearned premium Group life	(6,657,316)	(212,156)
Gross insurance premium revenue	**43,709,963**	**33,456,694**
Reinsurance expense	(972,020)	(2,020,983)
Net insurance premium earned	**42,737,943**	**31,435,711**
Commission income	362,634	629,523
Total revenue	**43,100,577**	**32,065,234**
Gross benefits and claims paid	(42,658,738)	(37,723,809)
Increase in annuity fund	(1,189,310)	79,634,329
Increase in individual life fund	(1,707,961)	(1,127,490)
Claims ceded to reinsurance	827,329	1,055,550
Gross change in contract liabilities	(1,315,197)	(3,059,003)
Underwriting expenses	(4,567,981)	(3,040,569)
Net Underwriting expenses	**(50,611,859)**	**35,739,007**
Total Underwriting (loss)/profit	**(7,511,282)**	**67,804,241**
Investment income	35,209,193	23,361,083
Profit/(Loss) on investment contracts	829,472	(2,317,370)
Net fair value gain/(loss) on assets at fair value	(16,282,937)	(83,246,073)
Other operating income	51,607	892,680
Employee benefit expenses and other operating expenses	(4,832,522)	(3,960,306)
Result of operating activities	**14,974,813**	**(65,269,986)**
Finance cost	-	-
Net impairment gains/(losses)	(229,760)	(128,650)
Profit before tax	**7,233,771**	**2,405,605**
Income taxes	(52,098)	(109,462)
Profit for the year	**7,181,674**	**2,296,143**
Other comprehensive income:		
Fair value changes on available for sale financial assets	(1,790,774)	5,310,017
Revaluation gain on land & building	18,837	11,300
Other comprehensive income for the year, net of tax	**(1,771,937)**	**5,321,317**
Total comprehensive income	**5,409,737**	**7,617,460**

Life Business Revenue Accounts

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Individual Life	Group Life	Annuity	2022 Total	2021 Total
Income					
Gross premium written	5,085,961	18,441,179	26,840,139	50,367,279	33,668,851
Increase/Decrease in unearned income	-	(6,657,316)	-	(6,657,316)	(212,156)
Gross premium income	5,085,961	11,783,863	26,840,139	43,709,963	33,456,695
Reinsurance expenses	(35,833)	(1,378,298)	-	(1,414,132)	(2,015,767)
Premium retained	**5,050,128**	**10,405,565**	**26,840,139**	**42,295,831**	**31,440,928**
Commissions earned	1,914	360,720		362,634	629,523
Investment income	791,103	1,482,337	30,037,967	32,311,407	22,560,729
Fair value gain/ (loss) on bond	(285,897)	(178,956)	(16,366,472)	(16,831,325)	(82,972,798)
Fair Value Gain on Investment property	-	-	-	-	-
Other income	10,601	(4,366)	15,278	21,513	169,703
Total income	**5,567,849**	**12,065,299**	**40,526,911**	**58,160,060**	**(28,171,916)**
Direct claims paid	(1,270,139)	(5,570,759)	(1,917,615)	(8,758,512)	(6,352,974)
Surrenders	-			-	-
Annuity payments	-	-	(33,900,226)	(33,900,226)	(31,370,835)
Gross claims incurred	**(1,270,139)**	**(5,570,759)**	**(35,817,841)**	**(42,658,738)**	**(37,723,809)**
Deduct:					
Reinsurance claims recoveries/recoverables	692	1,141,465		1,142,157	1,009,837
Provision for Outstanding Claims				-	-
	(99,600)	(1,425,650)	(125,670)	(1,650,920)	(3,138,037)
Net claims incurred	**(1,369,046)**	**(5,854,943)**	**(35,943,511)**	**(43,167,501)**	**(39,852,008)**
Provision for unexpired risk	(1,707,961)		(1,189,310)	(2,897,271)	78,506,839
Employee benefit expenses	(618,167)	(746,952)	(592,410)	(1,957,528)	(1,756,298)
Commission expenses	(971,853)	(819,145)	(1,475,961)	(3,266,959)	(2,280,867)
Maintenance expenses	(78,980)	(737,184)	(540,517)	(1,356,681)	(1,096,390)
Operating expenses	(638,659)	(797,236)	(656,069)	(2,091,965)	(1,831,565)
Total expenses	**(5,384,667)**	**(8,955,459)**	**(40,397,779)**	**(54,737,905)**	**31,689,710**
Underwriting result	**183,182**	**3,109,839**	**129,133**	**3,422,155**	**3,517,794**

Revenue Account on Deposit Administration

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Group 31 December 2022	Group 31 December 2021	Company 31 December 2022	Company 31 December 2021
Income				
Investment Income	3,527,402	3,121,976	3,543,307	3,137,881
Profit/Loss from sale of investment	937,886	(689,588)	937,886	(689,588)
Valuation gain on property	-	-	-	-
Unrealised gains/(losses) from investment	(280,775)	(2,014,232)	(280,775)	(2,014,232)
Other income	151,491	318,372	163,199	330,080
	4,336,003	**736,527**	**4,363,617**	**764,141**
Expenses				
Acquisition expenses	(248,200)	(338,929)	(295,916)	(386,646)
Maintenance cost	(333,060)	(483,847)	(333,060)	(483,847)
Interest on Deposit Administration	(1,889,407)	(1,447,689)	(1,889,407)	(1,447,689)
Management Expenses	(771,667)	(519,235)	(1,015,761)	(763,329)
	(3,242,334)	**(2,789,700)**	**(3,534,145)**	**(3,081,511)**
PROFIT/(LOSS) FROM DEPOSIT ADMINISTRATION	**1,093,669**	**(2,053,173)**	**829,472**	**(2,317,370)**

Financial Performance

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Life Business		
	31-Dec-22	31-Dec-21	% Change
Gross Premium	50,367,279	33,668,850	50%
Net Premium	42,737,943	31,435,711	36%
Total Underwriting Income	43,100,577	32,065,234	34%
Investment Income	35,209,193	23,361,083	51%
Claims expenses	(8,758,512)	(6,352,974)	38%
Annuity Claim	(33,900,226)	(31,370,835)	8%
Underwriting expenses	(4,567,981)	(3,040,569)	50%
Underwriting Profit	(7,511,282)	67,804,241	-111%
Operating expenses	(4,832,522)	(3,960,306)	22%
Profit before tax	7,233,771	2,405,605	201%
Earnings per share	19kobo	19kobo	

Performance ratios

	Using Gross Written Premium		Using Net Written Premium	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Underwriting expenses ratio	9%	9%	11%	10%
Claims ratio	17%	19%	20%	20%
Operating expenses ratio	10%	12%	11%	13%
Combined ratio	36%	40%	42%	42%
Underwriting profit ratio	9%	9%	11%	10%

Life Business Annuity Statement

For The Year Ended 31 December 2022

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Leadway Assurance Company

Annuities' Portfolio at 31st December 2022			
Annuity Business by nature, type and their operation.			
Title	**Number of Policies**	**Classification**	**Operations Procedure**
PRA Regulated Annuities	49,784	Risk	Quotation; Provisional Agreement; NAICOM Approval; Premium Remittance By PFC; Despatch Policy Document; Administration
Annuities Certain	107	Risk	Quotation; Premium Remittance; Despatch Policy Document; Administration

Annuity Liabilities, Investment Income and Pay Out.

Title	**Liability As At 31 December 2022 (N'000)**	**Investment Income (N'000)**	**Pay Out (N'000)**
PRA Regulated Annuities	232,208,728	29,942,497	**35,817,841**
Annuities Certain	671,079	110,748	-

Note The information above corresponds with the report of the Actuarial Valuation as at 31st December 2021

The assets backing Annuity Funds are as follows:

S/N	**ASSET TYPE**	**ANNUITY**		**ANNUITY CERTAIN**	
		(N'000)	%	(N'000)	%
1	Money Market	1,522,416	1	201,282	30
2	Quoted Shares	151,977	0	135,462	20
3	Corporate Bonds	2,989,835	1		-
4	FGN/State Bonds	223,461,386	98	334,335	50
5	Real Estate	-	-	-	-
6	Treasury bills	149,446	0	-	-
7	Unquoted Securities	-	-	-	-
	TOTAL	**228,275,059**	**100**	**671,079**	**100**

Leadway At A Glance

YEAR OF INCORPORATION	1970
COMMENCEMENT OF OPERATIONS	1971
FINANCIAL YEAR END	31st December 2022
SHAREHOLDERS' FUNDS	₦ 81b (as at 31 December 2022)
TOTAL ASSET BASE	₦ 536b (as at 31 December 2022)
CLASSIFICATION	All classes of Insurance, Managed Funds & Trusteeship
NUMBER OF BRANCHES	24 (excluding Registered office & Corporate office)
ASSOCIATE COMPANIES	Leadway Capital & Trusts Limited Leadway Properties & Investments Ltd. Leadway Hotels Limited Leadway Pensure PFA Limited Leadway Asset Management Leadway Health
SUBSIDIARY	Leadway Vie
NUMBER OF EMPLOYEES	331 (as at December 31, 2022)
FOUNDER	Sir Hassan O. Odukale (1926-1999)
DIRECTORS	Gen. (rtd) Martin Luther Agwai – Chairman, Independent Mr. Tunde Hassan-Odukale – Managing Director Ms. Adetola Adegbayi – Executive Director, Technical Services Mr. Odein Ajumogobia – Non-Executive Director, Independent Mr. Martyn Parker – Non-Executive Director Mr. Ire Hassan-Odukale – Non-Executive Director Mr. Seyi Bickersteth – Non-Executive Director, Independent (deceased) Ms. Hadiza Aliko Mohammed – Non-Executive Director, Independent (Appointed wef 1 April, 2021) Mrs. Adebisi Lamikanra – Non-Executive Director, Independent (Appointed wef 19 July, 2021) Dr. Ademola Odeyemi – Non-Executive Director, Independent (Appointed wef 28 September, 2021)
MANAGEMENT STAFF	Mr. Tunde Hassan-Odukale - Managing Director/CEO Ms. Adetola Adegbayi – Executive Director, Technical Services Mr. Sola Ajayi - Head of Sales Mr. Gboyega Lesi – Commercial Director Mr. Allan Olufade Suradj – Regional Director Mrs. Kunbi Adeoti – Human Resources Director Mr. Odalo Aimufia – Chief Information Officer Mr. Ernest Aziagba – General Insurance Actuary Director Mr. Tunde Alao-Olaifa – Strategy & Special Projects Director Mr. Bamidele Lawal – Chief Technical Officer Mrs. Kikelomo Fischer – Enterprise Risk Management Director Mr. Olumide Hanson – Company Secretary Mrs. Yemisi Rotimi - Chief Financial Officer
COMPANY SECRETARY	Mr. Olumide Hanson

Branch Network

Registered office:
NN 28/ 29 Constitution Road, Kaduna.

Corporate office:
Leadway Assurance Company Limited
121/123 Funso Williams Avenue, Iponri Lagos.Branch Network

Branch Offices

ABUJA BRANCH
Leadway House
Plot 1061, Herbert Macaulay Way
Central Business District,
Cadastral Zone, Abuja

ABEOKUTA BRANCH
Seriki Fadare Plaza
Presidential Boulevard
Oke Mosan, Abeokuta

AKURE BRANCH
NACRDB Building
Ado - Owo Road, Alagbaka
Akure

ABUJA AGENCY OFFICE
50, Kumasi Crescent
Off Aminu Kano Crescent

ADO-EKITI AGENCY OFFICE
Plot 5, Bank Road Beside
Mainstreet Bank, Ado Ekiti

APAPA AGENCY OFFICE
Union Bank Building
2,Warehouse Road
Apapa,Lagos.

ABA AGENCY OFFICE
193, Faulks Road beside Stanbic IBTC
Bank. Aba Abia State

ASABA AGENCY OFFICE
No. 1, Stadium road 200 Nnebisi Road
Asaba Delta State

Awka Agency Office
1,Ozoagu Square Albertina Compound
Aroma junction, Awka Anambra State

ASPAMDA Agency office
Zone D, Block 4, ASPAMDA PLAZA
Trade fair Lagos

Benin branch
84 Akpakpava Street
Benin City

Calabar branch
141 Ndidem Usang Iso Road/
Marian Road, Calabar

ENUGU BRANCH
Akalaka House (2nd floor) 127/129
Chime Avenue
New Haven, Enugu

FESTAC BRANCH
Twin Place, Plot 2015, Block 18A,
Amuwo-Odofin Government Scheme
Festac

GBOKO AGENCY OFFICE
NO. 11, J.S Tarka Way
Gboko

GOMBE AGENCY OFFICE
Doma Plaza, 1ST Floor, Room 26
BIU Road, Gombe

IKORODU AGENCY OFFICE
225/227 Ikorodu Road Ogolonto
Ikorodu Lagos

IKOTA BRANCH
Shop H408-409 & H428-429
Ikota Shopping Complex
VGC - Ajah Lagos State
Ikeja Branch
77, Opebi Road
Ikeja Lagos

IGANMU AGENCY OFFICE
10 Abebe Village road
Iganmu, Lagos

IBADAN BRANCH
25, Morgaji Are Rd
Iyaganku GRA
Off Moshood Abiola Way, Ibadan

ILORIN BRANCH
163,Ajase-Ipo Road
Gaa-Akanbi Junction Road
Anu Oluwapo complex
Ilorin, Kwara State

JOS BRANCH
2A Ibrahim Taiwo Rd
GRA, Jos

KADUNA LIFE OFFICE
10, Wushishi Road by
Ahmadu Bello Way, Kaduna.

KATSINA AGENCY OFFICE
Kaita Shopping Complex building
Nagogo Road, Kastina

KANO BRANCH
(Fustan House) 25 Zaria Road,
Gyadi-Gyadi Round About, Kano

LOKOJA AGENCY OFFICE
Suite 24, first floor, Lokongoma Plaza
Okene Road, Lokoja Kogi State

LEKKI BRANCH
Garnet Building
Lekki-Epe Expressway, Lekki

MARINA BRANCH
24, Campbell Street
Lagos Island , Lagos State

MAKURDI BRANCH
Last Floor, 8 Railway bye pass,
Near Zenith bank, Makurdi

OSHOGBO BRANCH
2nd floor, Moye House
Km 2, Gbogan/Ibadan Road
Oshogbo, Osun State

OWERRI AGENCY OFFICE
Plot C11, Onitsha Road lay out
Control Post Owerri Imo state

ONITSHA AGENCY OFFICE
87, Upper New Market road
Onitsha Anambra State

PORT HARCOURT BRANCH
8 Igbodo Street, Old GRA
Port Harcourt

SAGAMU BRANCH
13, Isale Oko road
Sagamu

SOKOTO BRANCH
15A Kano Road
Close to Central Bank of Nigeria
Sokoto

UYO BRANCH
140 Atiku Abubakar Way
Uyo

VICTORIA ISLAND AGENCY OFFICE
No. 10, Adetokunbo Ademola Street
Victoria Island Lagos

WARRI BRANCH
Ecobank Building
60 Effurun/Sapele Road Warri

YOLA AGENCY OFFICE
Sabru House, 30, Mubi Road
Jimeta, Yola

YENAGOA BRANCH
Imgbi Road
Opp. Spring Bank, Amarata

ZARIA BRANCH
Last floor, UBA building by PZ
Kaduna Road Zaria


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