AIICO INSURANCE
AMERICAN INTERNATIONAL

LEGACY OF EXCELLENCE AND SUSTAINED STABILITY

AIICO Turns 60, 2023

Annual Report & Accounts 2022

About Our Report

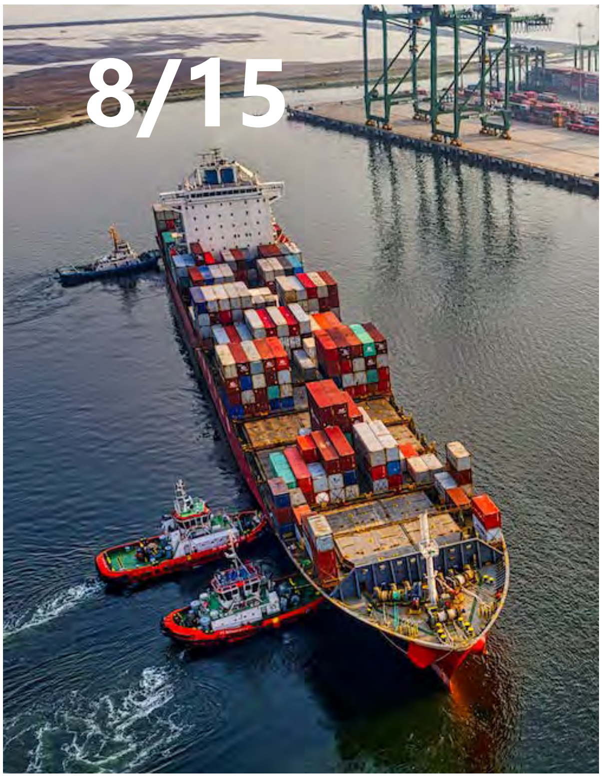
LEGACY OF EXCELLENCE AND SUSTAINED STABILITY

AIICO Insurance Plc. has been a cornerstone of excellence and stability for decades. Since its inception, the company has had a mission to provide the highest quality of service and products to its customers. This commitment is what has kept customers coming back generation after generation.

AIICO has consistently strived to be the leader in its industry, always looking for ways to improve its operations and its products. By focusing on quality and innovation, the company has been able to create a legacy of excellence that has been unrivalled. This excellence has been recognized by customers and peers alike, resulting in numerous awards and accolades.

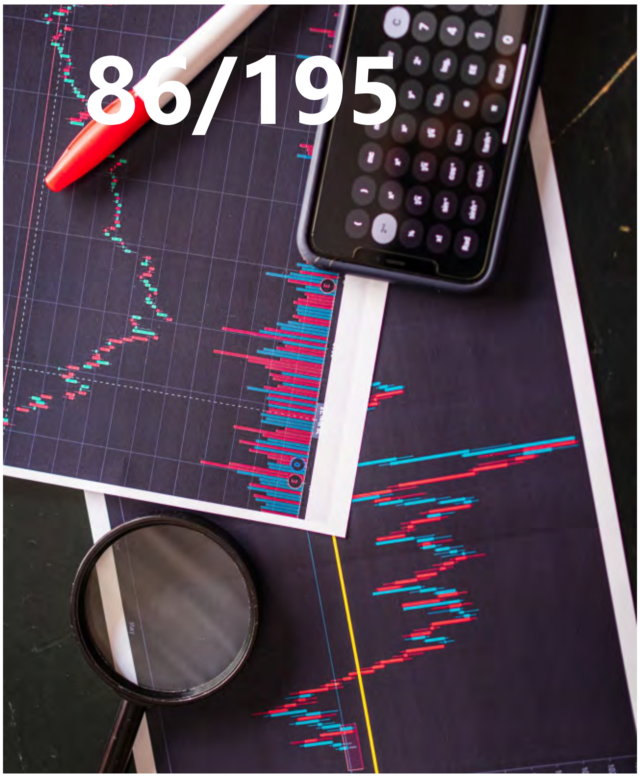
Contents

STRATEGIC REPORT



CORPORATE GOVERNANCE

FINANCIAL STATEMENTS



OTHER NATIONAL DISCLOSURES

Our Performance

AIICO is adequately capitalized to ensure it can comfortably assume the risks its customers want to transfer.

Profit After Tax (PAT)
₦7.552b

Total Equity
₦45.008b

Gross Premium Income
₦86.043b

Total Asset
₦270.329b

Shareholders' Funds
₦44.585b

Net Premium Income
₦70.712b

Profit Before Tax (PBT)
₦5.085b

Gross Premiums Written
₦88.275b

Strategic Report

In this section

Corporate Profile

Established in 1963, AIICO Insurance Plc (NSE Ticker "AIICO") is an Insurance, Pension, Health and Asset Management Group in Nigeria with market-leading positions in its key business lines

AIICO commenced operations in Nigeria in 1963 as an Agency of American Life Insurance Company ("ALICO") - a subsidiary of American International Group (AIG) at that time.

The company was incorporated, registered and licensed in Nigeria as American Life Insurance Company Limited as a wholly-owned subsidiary of ALICO/AIG in 1970 to offer Life, Pension products and Insurance services. It was later renamed American International Insurance Company Limited (AIICO) upon the acquisition of a 60% stake by the Federal Government of Nigeria, and later listed on the Nigerian Stock Exchange in 1990, after which shareholders divested.

Following the consolidation of the insurance industry in 2007, the company acquired NFI Insurance Plc. and Lamda Insurance Company Limited (both cumulatively accounting for less than 30% of AIICO's pre-acquisition gross premiums). The company subsequently recertified as both General Insurance and Life Assurance Company, taking advantage of its legacy, brand, franchise and strong retail distribution network to grow a leading General Insurance business.

To take advantage of the opportunities presented by the Pension Reform Act of 2004, AIICO Pension Managers Limited (APML) was incorporated in February 2005 and licensed in April 2006 as a Pension Fund Administrator (PFA) by the National Pension Commission (PenCom), and commenced operations in May 2006. AIICO also owns valuable financial and strategic assets including a controlling stake in AIICO Multishield Limited and a 19% stake in Healthcare International Limited, both Health Maintenance Organizations (HMOs), and AIICO Capital Limited, an asset management wholly-owned subsidiary.

(1) Insurance Business (Life & General)

(2) Asset Management

(3) HMO

CORPORATE STRUCTURE

1. Life and General Insurance are strategic businesses units/divisions within AIICO

2. AIICO Capital - a 90% owned subsidiary of AIICO providing asset management services for AIICO and 3rd parties

3. AIICO owns ca.76.10% of AIICO Multishield Limited -a Health Maintenance Organisation operating in Nigeria

Notice of 53rd Annual General Meeting

NOTICE IS HEREBY GIVEN that the 53rd Annual General Meeting ("Meeting") of AIICO Insurance Plc (the "Company") will be held on Thursday June 8, 2023, at The Shell Hall, Muson Centre, Marina, Lagos, Lagos State at 12.00pm to transact the following business:

A. Ordinary Business

1. To lay before the Meeting the report of the Directors, Statement of Financial Position as at December 31, 2022 together with the Statement of Profit or Loss and Other Comprehensive Income for the year ended on that date and the reports of the Auditors and the Audit Committee thereon.

2. To declare "a dividend of 3 kobo per share" amounting to N1,098,158,281 (One Billion, Ninety-Eight Million, One Hundred and Fifty-Eight Thousand, Two Hundred and Eighty-One Naira) only [subject to withholding tax] in respect of and out of the profit after taxation for the year ended 31st December 2022, payable to those shareholders whose names appear on the Register of members at the close of business on May 31, 2023.

3. To elect Mr. Rotimi Okpaise as a director of the Company

4. To re-elect the following directors retiring by rotation:

a. Mrs. Folakemi Edun
b. Mr. Ademola Adebise

5. To re-appoint Ernst and Young as External Auditors

6. To authorize the directors to fix the remuneration of the auditors.

7. To disclose the remuneration of Managers

8. To elect members of the Statutory Audit Committee.

B. Special Business

That the Articles of Association be and is hereby amended to read as follows:

1. The Company shall in each calendar year hold a general meeting as its Annual General Meeting in addition to any other meetings in that year and shall specify the meeting as such in the notice calling it; and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. The General Meetings of the Company shall be held either in person or electronic means at such time and place as the directors shall appoint. ***"Any Director or Shareholder shall be entitled to participate in any general meeting at which he or she is not physically present, by telephone or video conference or similar electronic means or communication facilities that ensure that all persons participating in the meeting are able to hear and talk to one another and the chairman of such meeting shall ensure that such Director's observations are duly recorded in the minutes of such general meeting".***

2. That the Board be and is hereby authorized to take all necessary steps to give effect to the resolution.

Dated this 17th day of April, 2023

BY ORDER OF THE BOARD

Donald Kanu, PhD
Company Secretary

Notice of 53rd Annual General Meeting

Notes:

1. Proxy

i. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his or her place. A proxy need not be a member of the Company. A form of proxy is attached at the last page of this report.

ii. If the proxy form is to be valid for the purpose of this meeting, it must be completed, detached and deposited at the Office of the Registrar, Coronation Registrars Limited, 9 Amodu Ojikutu Street, Off Bishop Oluwole Street, Victoria Island, P.M.B. 12753, Lagos, not later than 48 hours before the time for holding the meeting.

2. Closure of Register of Members

Notice is hereby given that the register of members and transfer books of the Company will be closed from June 1, 2023, to June 5th, 2023 (both dates inclusive) for updating the register.

3. Dividend Warrants

On June 15, 2023, dividends will be paid electronically to shareholders whose names appear on the Register of Members as at May 31st, 2023 and who have completed the e-dividend registration and mandated the Registrar to pay their dividends directly into their Bank accounts.

4. Appointment of Members of The Statutory Audit Committee.

In accordance with Section 404(6) of the Companies and Allied Matters Act (CAMA) 2020, any shareholder may nominate another shareholder for appointment to the Audit Committee. Such nomination should be in writing and should reach the Company Secretary not less than twenty-one (21) days before the date of the Annual General Meeting.

Section 404(5) of CAMA 2020 has mandated that all members must be literate and at least a member should be financially literate and able to read and interpret financial statements.

The Corporate Governance guidelines issued by the Securities and Exchange Commission stipulate that members of the Audit Committee should have basic financial literacy and should be able to read financial statements

To comply with the above requirements nominations should have proof of nominee's financial literacy attached.

5. Unclaimed Dividend Warrants and Share Certificates

Some dividend warrants and share certificates remain unclaimed or are yet to be presented for payment or returned to the Company for revalidation. A list of such members is circulated with the Annual Report and Financial Statements. Members affected are advised to write to or call at the office of the Company's Registrar, Coronation Registrars Limited, 9 Amodu Ojikutu Street, Off Bishop Oluwole Street, Victoria Island, P.M.B. 12753, Lagos.

6. Biographical Details Of Directors

Biographical details of Directors standing election/re-election are contained in the Annual Report and Accounts

7. Website

A copy of this Notice and other information relating to the meeting can be found at http://www.aiicoplc.com.

8. Right of Security Holders to Ask Questions

Securities' Holders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such questions must be submitted to the Company on or before close of business on Tuesday June 6, 2023.

Corporate Information

Directors

Mr. Kundan Sainani	Chairman
Mr. Babatunde Fajemirokun	MD/CEO
Mr. Olusola Ajayi*	Executive Director
Mr. Adewale Kadri	Executive Director
Mr. Samaila Zubairu	Director/Independent
Mr. Ademola Adebise	Director
Mrs. Folakemi Edun	Director
Mr. Olalekan Akinyanmi	Director
Mr. Raimund Snyders	Director
Mr. Rotimi Okpaise**	Director

*Resigned effective 7 January 2022
**Appointed effective 20 October 2022

Company Secretary

Donald Kanu, PhD
AIICO Insurance Plc
AIICO Plaza
Plot PC 12, Churchgate Street,
Victoria Island, Lagos

Registered Office

AIICO Plaza
Plot PC 12, Churchgate Street,
Victoria Island, Lagos

RC. No

7340

TIN

00401332-0001

Corporate Head Office

AIICO Plaza
Plot PC 12, Churchgate Street,
Victoria Island, Lagos
Tel: +234 01 2792930-59
0700AIIContact (0700 2442 6682 28)
Fax: +234 01 2799800
Website: www.aiicoplc.com
Email: aiicontact@aiicoplc.com

Registrars

Coronation Registrars
(Formerly United Securities Limited)
009, Amodu Ojikutu Street,
Off Bishop Oluwole Street Victoria Island
P.M.B. 12753
Lagos

Independent Auditors

Ernst & Young
10th & 13th Floor, UBA House
57, Marina Road,
Lagos Island,
Lagos
website: www.ey.com/ng

Bankers

Access Bank Plc
Ecobank Plc
First Bank of Nigeria Limited
First City Monument Bank Limited
Guaranty Trust Bank Plc
Stanbic IBTC Bank
Standard Chartered Bank Nigeria Limited
Union Bank of Nigeria Plc
United Bank of Africa Plc
Wema Bank Plc

Reinsurers

Africa Reinsurance Corporation
Arig Reinsurance
Aveni Reinsurance
Continental Reinsurance Plc
NCA Reinsurance
Nigerian Reinsurance
Swiss Reinsurance
Trust Reinsurance
WAICA Reinsurance
Zep Reinsurance

Regulatory Authority

National Insurance Commission
(NAICOM)

Estate Valuer

Niyi Fatokun & Co.
FRCN: FRC/2019/00000012894
Partner Niyi Fatokun
(Chartered Surveyors & Valuer)
FRCN FRC/2013/NIESV/70000000/1217

Actuary

Zamara Consulting Actuaries Nigeria Limited
FRC/2017/NAS/00000016912

Corporate Information

Aba
7 Factory Road, Aba, Abia State.
Tel: 08067246002

Abuja
44, Durban Street,
Off Ademola Adetokunbo Crescent,
Wuse II, FCT, Abuja, Nigeria.
Tel: 08169011819, 08028541040,
08035746767

Akure
Tisco House, 3rd Floor,
Opposite Mr. Biggs Outlet,
Ado-Owo Road, Akure, Ondo State.
Tel: 07035649969, 08056065568

Amuwo
Plot 203 Festac Link Road,
Amuwo Odofin, Lagos State.
Tel: 09090218724

Benin
28 Sokponba Road,
Benin City, Edo State.
Tel: 07032733505, 08053305511

Enugu
55/59 Chime Avenue, Gbujas Plaza,
New Haven, Enugu State.
Tel: 0806 371 5549

Ibadan
12 Moshood Abiola Way, beside
FCMB Bank, Challenge Area,
Ibadan, Oyo State.
Tel: 0803 574 1519, 0802 365 8317,
0802 728 9318

Ikeja
AIICO House, Plot 2, Oba Akran
Avenue Opp. Dunlop Ikeja Lagos.
Tel: 08038264806

Ilorin
1 New Yidi Road, Gomola Building,
Ilorin, Kwara State.
Tel: 0817 022 3528

Ilupeju
AIICO House,
36-38 Ilupeju Industrial Avenue,
Ilupeju, Lagos State.
Tel: 08178778564, 08160645587

Isolo
203/205 Oshodi/Apapa Expressway,
Isolo, Lagos State.
Tel:08057176063, 08023054803,
08036803169, 08023090069

Jos
4 Beach Road, Jos, Plateau State.
Tel: 08033282241, 08035951258,
08025474092

Kaduna
Yaman Phone House, 1 Constitution
Road, Opposite MTD, Kaduna,
Kaduna State
Tel: 08033386968

Kano
8, Post Office Road, Kano, Kano State.
Tel: 0806 221 0939

Lekki
Gamet Plaza (Red Oak Furniture
Building), Lekki - Epe Express Way,
Igbo Efon B/stop, Lekki Lagos State

Onitsha
Noclink Plaza, 41 New Market Road,
Opposite UBA Bank, Onitsha,
Anambra State.
Tel: 07032733505

Owerri
46 Wetheral Road, Owerri, Imo State
Tel: 08167559597

Port Harcourt
11 Ezimgbu Link Road (Mummy B
Road), off Stadium Road, GRA Phase
IV, Port Harcourt, Rivers State.
Tel: 08083134875, 08035531989

Uyo
164, Ikot Ekpene Ekpene Road Uyo
Akwa Ibom State

Warri
No 60, Effurun/Sapele Road Warri,
Delta State
Tel: 08187497490

AIICO EXPRESS, Abuja
Plot 1083,
Mohammadu Buhari Way, beside
Sterling Plaza, Central Business Area,
Abuja.
Tel: 08169011819

AIICO EXPRESS, Churchgate,
Victoria Island Opposite Churchgate
Towers, Victoria Island, Lagos.
Tel: 08129123143, 07087955065

AIICO EXPRESS, Lekki
Ikate Community, Opposite Manor
House, Ikate, Lekki, Lagos.
Tel: 08129123143, 07013184117

Brand Platform

Our Vision

To be the dominant insurer in Sub Saharan Africa, built on deep understanding of customer needs and world-class digital experience.

Our Mission

To create the most compelling customer experience by offering best fit products to drive wholesome peace of mind, through a dynamic, highly motivated workforce and innovative technology.

Our Core Values

- Service Excellence
- Trust
- Team Spirit
- Entrepreneurship
- Professionalism

Results at a Glance - The Group Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

In thousands of naira	2022	2021	Increase/ (Decrease) Changes	Increase/ (Decrease) %
Gross premium written	88,275,920	71,625,943	16,649,977	23
Gross premium income	86,043,096	70,655,049	15,388,047	22
Net underwriting income	74,029,510	61,103,577	12,925,933	21
Claim expenses (net)	(44,987,212)	(39,914,664)	(5,072,548)	13
Other underwriting expenses/life fund	(24,257,408)	9,155,941	(33,413,349)	(365)
Underwriting profit	4,784,890	30,344,854	(25,559,964)	(84)
Investment and other income	13,842,885	(16,577,034)	30,419,919	184
Operating income	18,627,775	13,767,820	4,859,955	35
Operating expenses	(13,542,619)	(10,960,820)	(2,581,799)	24
Profit before income tax expense	5,085,156	2,807,000	2,278,156	81
Tax	(405,006)	(257,905)	(147,102)	57
Profit after tax from discontinued operations	2,872,686	2,366,914	505,772	21
Profit for the year	7,552,836	4,916,009	2,636,827	54
Total other comprehensive income/(loss)	(188,002)	(1,332,802)	1,144,800	86
Total comprehensive income for the year	7,364,834	3,583,207	3,781,627	106
Basic and diluted earnings per share (kobo)	20	13		

Consolidated Statement of Financial Position

In thousands of naira	2022	2021	Changes	%
Cash and cash equivalents	15,915,258	25,490,105	(9,574,847)	(38)
Financial assets	225,460,028	172,501,020	52,959,008	31
Trade receivables	866,977	728,518	138,459	19
Reinsurance assets	11,913,776	10,387,924	1,525,852	15
Deferred acquisition costs	858,307	739,223	119,084	16
Other receivables and prepayments	4,685,426	2,411,791	2,273,635	94
Deferred tax assets	21,501	1,252	20,249	1,617
Investment in associate	-	705,629	(705,629)	100
Investment properties	760,000	806,000	(46,000)	(6)
Property and equipment	8,359,520	7,068,787	1,290,733	18
Statutory deposits	500,000	500,000	-	-
Right of use assets	60,055	105,855	(45,800)	
Goodwill and other intangible assets	928,672	934,748	(6,076)	(1)
Total assets	270,329,520	222,380,851	47,948,669	22
Insurance contract liabilities	165,404,474	119,776,331	45,628,143	38
Investment contract liabilities	21,907,727	22,829,871	(922,144)	(4)
Trade payables	6,461,628	3,779,049	2,682,579	71
Other payables and accruals	8,088,876	3,700,219	4,388,657	119
Fixed income liabilities	22,781,598	33,506,178	(10,724,580)	(32)
Current income tax payable	669,543	407,282	262,261	64
Deferred tax liabilities	7,666	7,666	-	-
Total liabilities	225,321,512	184,006,595	41,314,917	22
Issued and paid up share capital	18,302,639	18,302,639	-	-
Share premium	64,745	64,745	-	-
Revaluation reserve	2,764,016	1,812,707	951,309	52
Fair value reserve	(2,796,624)	(1,683,037)	(1,113,587)	66
Foreign exchange reserve	-	175,600	(175,600)	(100)
Contingency reserve	9,710,046	8,304,604	1,405,442	17
Retained earnings	16,540,784	11,051,695	5,489,089	50
Shareholders' funds	44,585,606	38,028,953	6,556,653	85
Non-controlling interests	422,402	345,303	77,099	22
Total equity	45,008,008	38,374,256	6,633,752	17
Total liabilities and equity	270,329,520	222,380,851	47,948,669	22

Results at a Glance - The Company Separate Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

In thousands of naira	2022	2021	Increase/ (Decrease) Changes	Increase/ (Decrease) %
Gross premium written	87,562,251	71,001,519	16,560,732	23
Gross premium income	85,292,276	70,009,673	15,282,603	22
Net underwriting income	72,394,399	60,161,133	12,233,266	20
Claim expenses (net)	(44,206,091)	(39,397,775)	(4,808,316)	12
Other underwriting expenses/life fund	(24,105,861)	9,207,262	(33,313,123)	(362)
Underwriting profit	4,082,447	**29,970,620**	(25,888,173)	(86)
Investment and other income	12,725,577	(18,119,608)	30,845,185	170
Operating income	16,808,024	11,851,012	4,957,012	42
Operating expenses	(12,587,286)	(9,769,234)	(2,818,052)	29
Profit before income tax expense	4,220,738	**2,081,778**	2,138,960	103
Tax	(198,370)	(120,548)	(77,822)	65
Profit after tax from discontinued operations	2,872,686	3,007,434	(134,748)	(4)
Profit for the year	6,895,054	**4,968,664**	1,926,390	39
Total other comprehensive income/(loss)	146,339	(663,750)	810,089	122
Total comprehensive income for the year	7,041,393	**4,304,914**	2,736,479	64
Basic and diluted earnings per share (kobo)	19	14		

Separate Statement of Financial Position

In thousands of naira	2022	2021	Changes	%
Cash and cash equivalents	6,521,824	9,062,962	(2,541,138)	(28)
Financial assets	208,421,569	152,718,223	55,703,346	36
Trade receivables	852,113	689,375	162,738	24
Reinsurance assets	11,913,776	10,387,924	1,525,852	15
Deferred acquisition costs	858,307	739,223	119,084	16
Other receivables and prepayments	4,141,826	2,140,480	2,001,346	93
Investment in subsidiaries	1,087,317	1,087,317	-	-
Investments in associate	-	705,691	(705,691)	100
Investment properties	760,000	806,000	(46,000)	(6)
Property and equipment	8,064,528	6,847,439	1,217,089	18
Statutory deposits	500,000	500,000	-	-
Right of use assets	60,055	105,855	(45,800)	(43)
Goodwill and other intangible assets	846,825	838,252	8,573	1
Total assets	244,028,140	**186,628,741**	57,399,399	31
Insurance contract liabilities	165,088,774	119,565,299	(45,523,475)	(38)
Investment contract liabilities	21,907,727	22,829,871	922,144	4
Trade payables	6,461,628	3,748,134	(2,713,494)	(72)
Other payables and accruals	7,054,663	3,394,547	(3,660,116)	(108)
Current income tax payable	422,562	307,392	(115,170)	(37)
Total liabilities	200,935,354	**149,845,243**	(51,090,111)	(34)
Issued share capital	18,302,639	18,302,639	-	-
Share premium	64,745	64,745	-	-
Revaluation reserve	2,764,016	1,812,707	-	-
Fair value reserve	(1,821,697)	(1,016,727)	(804,970)	79
Foreign exchange reserve	-	175,600	(175,600)	(100)
Contingency reserve	9,710,046	8,304,604	1,405,442	17
Retained earnings	14,073,037	9,139,930	4,933,107	54
Shareholders' funds	43,092,786	**36,783,498**	5,357,979	50
Total liabilities and equity	244,028,140	**186,628,741**	57,399,399	31

Corporate Governance

In this section

Chairman's Statement

Mr. Kundan Sainani
Chairman

Chairman's Statement (continued)

To the Shareholders of AIICO Insurance PLC:

When we met last year, the world looked very different. The global economy was slowly recovering following the COVID-induced recessions and there was some cause for optimism despite the uncertainty. I dare say that it is even more uncertain today: with the war in Ukraine hampering supply chains and raising energy prices globally, global inflation rose dramatically in 2022 causing central banks to raise interest rates. This has led to a slowdown in economic activity across the globe.

In Nigeria, the story has been the same - high inflation has led to a rise in the monetary policy rate and consequently a rise in sovereign yields. The country has also been unable to take advantage of high energy prices due to declines in the country's production of crude oil. The resulting scarcity of foreign exchange has exacerbated inflationary conditions locally. In urging pragmatism this time last year, I believe the Company maintained the correct posture.

Despite this, the Company recorded impressive revenues and growth in shareholder's value in 2022. Some of you may have received communications from the Company during the year, so our progress will not be a surprise. This is part of the Company's efforts to improve engagement with Shareholders and the investment community. These activities improve the Company's image in the investment community and encourage fair valuation of the Company's stock.

In these letters, I try to paint a broad picture of the Company's strategy, linking these developments to the ultimate value of your holdings. Our responsibilities as custodians of your trust are taken very seriously.

Group Strategy

As I mentioned last year, the Company's overall corporate strategy determines the markets it chooses to participate in. These decisions are informed by the attractiveness of the markets and an evaluation of its competitive advantage. These two factors determine its ability to generate returns to shareholders above its cost of capital. The Group's insurance business remains its flagship business, generating the bulk of profits for the Group. This year, the Non-Life and HMO businesses increased their contributions to profit, leading to a 81.2% increase in profit before tax at group level to N5.1 billion from ₦2.8 billion in 2021.

In 2022, the Company completed the sale of AIICO Pensions to FCMB Group, a process that began in 2021. This year, the Company recognized an additional gain of about ₦2.9 billion from the sale of this subsidiary, leading to total profits after discontinued operations rising 53.6% to ₦7.6 billion from ₦4.9 billion in 2021. In total, the gain on sale of this

The Company is happy to announce that it is proposing a dividend of 3 kobo per share to shareholders...

Chairman's Statement (continued)

subsidiary across the two years 2021 and 2022 was ca. ₦5.2 billion.

The benefit of sound capital allocation cannot be overestimated - the Directors understand the fiduciary duty they have to Shareholders and must use the capital provided judiciously. This informed the Company's divestment from the pensions industry and a renewed focus on its insurance and non-pension asset management businesses, where the market opportunity/competitive advantage mix provides a better opportunity to make value-accretive returns.

The Company has continued to invest in these businesses, allocating capital to improve its distribution and technology capabilities. The additional capital also allows the Company to take more risk. For instance, during the year, the Company acquired ca. ₦30 billion in annuity liabilities from Tangerine Life Insurance Limited and collected ca. ₦26 billion in Non-Life premiums, another record for the Company.

The stability in the Company's financial position today is a testament to improved investment and asset-liability management capabilities, especially in its life business. The overall improvement in the Company's operations is also reflected in the underwriting profitability of the Non-Life insurance business; at ₦3.7 billion, underwriting profit for the

> **The Company's increased ability to underwrite large risks and the improvements in operations are bearing fruit.**

business is the highest in its history. The Company's increased ability to underwrite large risks and the improvements in operations are bearing fruit.

Distributions to Shareholders

The Company's approach to capital allocation has not changed. It still has to manage the tension between reinvesting in its businesses and returning cash to shareholders while keeping regulatory and economic capital constraints in view. To manage these tensions, and in recognition of the importance of returning cash to Shareholders, the Company has a dividend policy that stipulates a percentage of profits to be returned to shareholders, whenever possible.

In the 2021 fiscal year, the Company returned a dividend per share of 2 kobo to shareholders, considering our constraints. This year, the Company is happy to announce that it is proposing a dividend of 3 kobo per share to shareholders, same as what it proposed last year. The Company's management has determined that, subject to economic capital targets, this sum represents the optimal cash transfer to shareholders, based on the 2022 full year performance.

Changes to the Board and Management

In our job as members of the Board of your Company and custodians of the capital you provided, our most important function is usually about the choice of managers who generate the returns on capital. You may remember that the Company bid farewell to Sola Ajayi, who led our retail business, in 2021. In 2022, the Company hired Gbenga Ilori to assume the role as the Head of the Retail business across the Group. Prior to joining the management team, Gbenga was an Executive Director at Coronation Insurance PLC and had been with AIICO Insurance in various capacities before his departure to Coronation. Gbenga is a known quantity, and the Board had no reservations about his return to the Company. Building upon the work that had been done prior to his arrival, Gbenga integrated seamlessly into the team and led the Retail business to record revenues in 2022.

The Board also welcomed Rotimi Okpaise to the Board as a Director, representing Leapfrog Investments. Rotimi brings with him a wealth of industry experience. Until very recently, he was a partner in Ernst & Young's actuarial practice and was a pioneer actuary in the insurance industry in Nigeria. Rotimi brings technical expertise, which can only improve the quality of our work as members of the Board.

In November 2022, NAICOM

Chairman's Statement (continued)

> **The Company recognized an additional gain of about ₦2.9 billion from the sale of this subsidiary, leading to total profits after discontinued operations rising 39.5% to ₦6.9 billion from ₦4.9 billion in 2021.**

released new guidelines concerning the tenure of executive directors at insurance firms. Executive Directors will be required to spend no more than 10 years in their positions while Executive Directors who transition to CEOs have a cumulative tenure of no more than 15 years in a Company. The Company does not foresee any material changes to leadership as a result of these new regulations in the short to medium term.

Our responsibility to society

The Company's ESG focus has expanded over the last few years. Prior to 2022, our focus had been on diversity and representation. Nigeria2Equal, a program sponsored by the International Finance Corporation, in conjunction with other corporate organizations in the country, aims to improve the participation of women in entrepreneurship and organizational leadership. AIICO continues to partner with IFC to make the program a success.

Ultimately however, the Company understands that finding mutually beneficial solutions that further stakeholder and community interests are more likely to be sustainable in the long run. The Company has therefore invested in several infrastructure projects and funds that aim to reduce the country's significant infrastructure gaps. In addition to reducing these gaps, these investments create jobs which have multiplier effects on the community and the country at large. AIICO Insurance will continue to seek opportunities to partner with organizations that are working to improve the quality of Nigerian Infrastructure and put the country on the path to growth.

AIICO Insurance at 60

When I look back on 60 years of AIICO's existence, the word that comes to mind is stability. For 60 years, AIICO has helped its clients save and plan, giving them the opportunity to tackle life's challenges head on. From its time as an agency of AIG to today, the Company has always put its customers first. It has done this through a commitment to excellence across all areas of its operations. From the types of products the Company offers, to the people that it employs, the Company has always invested and presented its best to customers. Today, AIICO Insurance provides solutions to its customers that helps them plan for decades in advance, assuming risks that its customers want to transfer.

As economic conditions have ebbed and flowed, the Company has remained steadfast in the promises it has made to its customers over the years. In turbulence and in prosperity, the Company has persisted, providing relevant solutions that help customers protect themselves from current and emerging risks. As I reflect on the past 10 years on the Board of this great Company, I am filled with a sense of awe at having the opportunity to follow the footsteps of the other custodians of this Company's heritage. The best compliment that I can give, one that reflects the faith that I have in the quality of its people, is that I am certain that the Company will celebrate another 60 years of excellence and stability.

What the future holds

We continue to experience volatile, uncertain, complex and ambiguous conditions locally and globally. The global economy is still reeling from the impact of the Russian/Ukraine war and growth is expected to slow to about 1.7% in 2023 from about 3% in 2022. These estimates will depend largely on the performance of the Chinese and American economies. While most estimates expect growth in the US, European estimates remain in bearish territory, due in large part to the effect of the war on the surrounding economies.

In Nigeria, 2023 promises to be a very interesting year. By the time you read this, elections should

Chairman's Statement (continued)

have been conducted and the country should have a new president-elect. This candidate will be tasked with getting the country back to double digit economic growth. Because of the uncertainty around the results, economic activity often declines in the run-up to the elections and we can expect to see some slowdown in the first half of the year until the new administration takes shape and policy direction is clearer. This very likely informs Nigerian economic growth estimates of about 3% in 2023, down from 3.2% last year.

The Company's managers expect the high inflationary environment to be sustained in 2023, especially with the anticipated removal of the petroleum subsidy. This all points to a reduction in per capita income and a reduction in savings and consequently, appetite for insurance. Conversely, high inflation is usually accompanied with higher interest rates to compensate for the erosion of purchasing power. As a result, the Company can offer more favorable terms to customers and invest at favorable yields. The Company is organized to take advantage of these opportunities when they arise.

IFRS 17, the standard governing the recognition of insurance contracts goes into effect in 2023 and it brings with it a host of changes in the way companies report. This new standard, unlike the previous IFRS 4 standard, recognizes profits from long-term

> **"The Company can offer more favorable terms to customers and invest at favorable yields. The Company is organized to take advantage of these opportunities when they arise.**

contracts and thus provides a more holistic view of the Company's performance.

Overall, I am pleased with the company's trajectory, especially over the last few years. There is a clearer understanding of the risks the company faces and it has weathered difficult moments to remain the premier insurance institution in the country. This gives me a lot of confidence that the company is on the right trajectory. The people and processes the management of the Company have put in place, with the oversight of the Board, leads me to believe that the future can only be brighter. I am grateful for the opportunity and the trust you have placed in me and I would like to formally thank you for your support. To the management team, thank you for your forthrightness and your candor. I have every faith that you will continue to deliver value to Shareholders.

With this, I formally welcome you to AIICO Insurance's 53rd Annual General Meeting.

Thank you very much & God bless.

Mr. Kundan Sainani
Chairman
FRC/2013/IODN/00000003622

Corporate Responsibility & Sustainability Policy

1.0 Policy Purpose

Our Corporate Responsibility & Sustainability (CR&S) initiatives shall be based on creating awareness for our insurance products by taking key steps to entrench the AIICO brand in the minds of the generality of our target populace. This will be achieved by promoting our brand through initiatives in education, sports, health, volunteering, and community events.

We exist to help our customers protect what is important to them; therefore, we must continuously improve our processes for their benefit.

Our company's social responsibility falls under two categories -Proactiveness and Compliance. We shall drive compliance through the company's commitment to legality and willingness to observe the values of the community (shareholders, employees, clients, partners, neighbours, and community). On the other hand, we shall ensure proactiveness by deploying every initiative that will aid or enhance our communities and protect our social environment.

Our company's sustainability agenda covers the areas of community, employees, environment and governance. We aim to positively impact the areas mentioned above through some of the activities and initiatives mentioned in this policy.

2.0 Policy Statement

Our Corporate Responsibility & Sustainability (CR&S) policy is centred on the principle that our company is part of a bigger system of people, values, the economy, our partners, other organisations and the environment. We are committed to ensuring that we never lose track of our responsibility as an organisation to all our stakeholders and the public as we strive to continually be that responsible business that meets the highest standards of ethics and professionalism - this is at the core of our approach to corporate responsibility and sustainability.

Our approach is founded on four pillars, where we believe we can make a di?erence for our customers, communities, and our employees and e?ect good governance practices throughout the organisation.

We understand that we operate in a global village, and as such, we must conform to global best practices and international standards to address world issues. We are therefore focused on playing our role in contributing to the UN's Sustainable Development Goals (SDGs), The UNEP-FI Principles for Sustainable Insurance (PSI) and The Nigerian Stock Exchange (NSE) Sustainability Disclosure Guidelines. Accordingly, we ensured that all our Sustainability programmes, initiatives and activities align with these goals. We are therefore partnering and looking to partner with various organisations, sustainability professionals and NGOs to support our e?orts in contributing to global development by making impactful change and worthwhile contributions to developing our communities.

3.0 Policy Scope

This policy covers all CR&S activities within AIICO Insurance Plc.

3.1 Our Commitments

At AIICO, we aim to make positive impacts on society, the environment and our business through the following:

Corporate Responsibility & Sustainability Policy (continued)

3.1.1 Meeting Commitments:

In regard to legality our company will:

1) Respect the law
2) Honour our policies and keep our word
3) Ensure that all business operations are legitimate
4) Keep every partnership and collaboration open and transparent
5) Ensure responsible and ethical business practices across our operations

3.1.2 The Community:

Our company shall preserve a budget for initiatives aimed at connecting with stakeholders to make positive contributions, primarily towards public health matters and education. We will work with various groups dedicated to these causes and produce reports showcasing some of the work we are doing around the country. Some initiatives will include:

1) Advancing excellence in education, health, sports and community events
2) Alleviating the challenges of members of our community that are in need
3) Encourage employee volunteering to improve infrastructure in schools and the communities of the less-privileged

As a company focused on giving back to society through the promotion of ethical behaviour and excellence; our company shall initiate and support community investment and educational programmes geared towards:

1) Promoting insurance awareness especially to the younger generation
2) Partnering to reward excellence in tertiary institutions covering courses in Insurance and Actuarial Sciences
3) Encouraging and sponsoring sporting events

3.1.3 The Workplace:

We aim to be a place where people will love to work. Our people play a vital role in our success as a business. We promote a positive working environment that engages a diverse group of intellects while empowering them with the right tools to excel, and this is done through empowerment, training, recognition and rewards. We aim for our people to be happier and healthier despite any odds because they work for AIICO. This is being achieved through the introduction of various programs such as the Wellness Programme, the newly revamped Rewards & Recognition Initiatives, Learning Management System (LMS) - a platform that provides various training and development opportunities, allowing for our people to take charge of their personal development, Teleworking Policy, amongst others.

We shall look to embed positive behaviours across our business by:

1) Conducting our business with integrity and respect
2) Building a culture of respect and fair dealing towards the customer
3) Encouraging anti-corruption practices
4) Protecting the environment

To our internal stakeholders, our valued employees; we shall:

Corporate Responsibility & Sustainability Policy (continued)

5) Dedicate ourselves to protecting our people
6) Promote healthy living and safe practices
7) Support diversity and inclusion
8) Develop and upskill human capital
9) Recognize and protect their human & employee rights

3.1.4 The Environment:

Climate change is a health concern for everyone, and we are dedicated to playing a more active part in promoting positive environmental practices. We will be proactive in protecting and reducing the environmental impact of the company's operations through relevant activities like:

1) Introducing appropriate waste management processes
2) Monitoring and managing paper consumption
3) Energy and water conservation
4) Reducing waste and pollution
5) Reducing resource consumption through efficient use and prudent practices
6) Protecting and improving the natural environment through recycling
7) Incorporating environment-friendly technologies
8) Community clean up exercises

3.1.5 Governance

Good corporate governance is key to our Sustainability agenda. Company-wide, we aim to promote best corporate governance practices amongst all stakeholders and ensure a culture that emphasises serving our customers' interests while enforcing strict compliance with internal controls, including regulations and policies. The Board of Directors sets the right tone at the top and promotes the right corporate culture. The Board and Executive Management is committed to the effective implementation and coordination of this CR&S Policy and, via the CR&S Unit and the Environmental and Social Committee which reports to it, will direct initiatives to:

1) Develop and implement a sustainable strategy
2) Ensure compliance with all relevant laws and regulations
3) Continuously improve environmental, social and economic performance and go beyond compliance to maximize social good and minimize adverse environmental impacts.
4) Promote, facilitate and integrate principles of sustainability within the different business units in the organisation
5) Lead by example in addressing the organisation's impacts on the community and the environment
6) Raise awareness and encourage action for sustainability through training and general education of employees and the wider AIICO community
7) Monitor and evaluate performance on a regular basis, using agree targets and indicators

The Environmental and Social Committee comprises members from key organisational units who are key stakeholders in driving sustainability at AIICO. In addition, to ensure that sustainability is embedded and fully integrated within our operations, we have nominated sustainability champions who understand and will drive this cause within the various units of the organisation.

4.0 Corporate Responsibility & Sustainability Management Framework

The CR&S management framework consists of this policy, a strategy and annual action plans as required.

Corporate Social Responsibility 2022

Making Our Mark, One Step at a Time

Making a difference is not just by setting examples but by adopting good values and taking up the important role of a responsible corporate citizen. This is why, as leading insurers in Nigeria, we are responsible for promoting the culture of being a responsible corporate citizen. At AIICO, we continue to align our CSR and sustainability initiatives with our overall business strategy while also adapting them to the needs that constantly arise, as it is of utmost importance and essential for our continued long-term success in the market.

A major part of our responsibility as a corporate citizen is to contribute to achieving the SDGs and their implementation in Nigeria.

At AIICO, the SEMs (Social, Environmental Management Systems), which were established in 2016, remain an integral part of our risk assessment process and will continue to be in the years to come. The Corporate Responsibility & Sustainability unit will continue to improve efficiencies around our environmental and social impacts on our business processes, focusing on the complete integration of ESG practices in every area of our business operations. The team is dedicated to ensuring that the business is ahead of any ESG challenges that could potentially affect our ability to operate sustainably. The already established Social and Environmental Management Systems (SEMs) would be managed through this unit to ensure compliance and adherence in mitigating all risk factors associated with the businesses we deal with.

The UN Sustainable Development Goals (SDGs)

The Sustainable Development Goals are a universal call to action to end poverty, protect the planet and improve the lives and prospects of everyone everywhere. They recognise that ending poverty and other deprivations must go together with strategies that improve health and education, reduce inequality, and spur economic growth - all while tackling climate change and working to preserve our oceans and forests.

Progress is steadily being made in many places; however, action to meet the Goals is not yet advancing at the speed or scale required. Ambitious action must be taken for the goals to be delivered by the target deadline, 2030.

The SDGs continue to be the lighthouse that guides the path we take in handling our responsibilities as a corporate citizen effectively and with intent. We will continue to endeavour to play our role in contributing to the achievement of the SDGs and their implementation in Nigeria.

These SDG icons show the goals where AIICO Insurance most had an impact and contributed with its CSR activities this past year.

Corporate Social Responsibility 2022 (continued)

2022 CSR initiatives implemented are represented under social, environmental, and economic impacts.

Social

As a responsible insurer, investor, and employer, we contribute to positive social and economic development in the market and communities we operate. Having the support and approval of our employees, stakeholders, and the community is of great importance to us. Our CSR initiatives have involved financial contributions to various entities and sharing our expertise with different groups.

Health

World Malaria Day - In partnership with HACEY, the organisation commemorated World Malaria Day by distributing treated mosquito nets to 500 households at Primary Healthcare Centres in Lagos State (Epe, Ikorodu, Akowonjo), Rivers State (Rumuigbo, Rumuokwurushi) & Oyo State (Moniya, Odinjo). Over 500 women were reached with accurate information on malaria prevention, diagnosis, and treatment across the project state, and 3,000 people were reached with information on malaria prevention, diagnosis, and treatment through online engagement.

World Blood Donor Day - The AIICO Blood Drive is an annual activity in partnership with the Lagos State Blood Transfusion Service. The transfusion exercise successfully retrieved blood from 50 employees.

Breast Cancer Awareness - The partnership with CancerAware Nigeria was reconsolidated through our support efforts toward women diagnosed with triple-negative breast cancer. As a result, AIICO was able to sponsor the cancer treatment of 30 women diagnosed with that particular type of breast cancer and had no way of affording treatment.

The organisation also sponsored its employees, spouses, and AIICO agents for Breast Cancer scans and mammograms.

To further expand sensitisation on Breast cancer, AIICO, with CancerAware Nigeria, organised a public enlightenment programme virtually , with seasoned professionals targeting a younger demographic through Twitter Spaces.

Employee Wellness & Well-Being

Through our Wellness & Well-being program, a 5-day event tagged 'AIICO Revive, ' employees got the chance to participate and compete in a fitness and wellness contest. Participants are scored on various parameters that check fruit and beg intake, number of sleep hours, exercises, and water intake. Information on adopting healthy lifestyle choices is shared throughout the period.

During the event, a cycle-for-your-smoothie event is hosted, where employees blend their smoothies by riding a stationary bicycle with a blender attached.

This activity encourages employees to engage in light exercises with a healthy intake of fruits at the end.

The Wellness week ended with a fitness morning in partnership with i-fitness, where employees were given demonstrations on simple yet effective exercises that they can do while working from home or in offices.

Diversity & Inclusion

At AIICO, the management is passionate about the diversity of its workforce and ensuring inclusion at all levels. There is a focus on increasing the number of women attaining leadership roles within the organisation and ensuring that more women entrepreneurs are given equal access to opportunities and resources.

We have committed to the IFC through the Nigeria2Equal (N2E) programme to ensure that we are steady in our quest to achieve the above.

Actively Promoting Women's Leadership and Employment

As part of the N2E Programme, AIICO is committed to promoting women's leadership within its organisation. The first capacity-building session was held in August 2022, titled 'The Productive Career Woman Program', which covered various topics on how females within the organisation can begin to become more visible and productive at work.

Corporate Social Responsibility 2022 (continued)

This move is to ensure that the organisation is actively taking steps to bridge gender gaps that may exist within the system.

Goodwill

Children's Day - Various provisions were distributed to students of three institutions, including Pacelli School of the Blind, the motherless babies home at the Nigerian Red Cross, and children of the Heart of Gold Hospice.

School Excursion - Students and teachers from 20 schools in district VI of Lagos State were sponsored with an excursion to the Nigeria Conservation Foundation. The focus was to educate the students on wildlife and its importance to the environment and our future.

ActionAid Nigeria - AIICO continues to support ActionAid Nigeria's MATAI project to end infanticide in Nigeria. The organisation built and commissioned an ultra-modern care home in Abuja in 2022 with funds from various donor organisations, including AIICO. In addition, AIICO donates N100 from every retail Automobile and Travel insurance policy sold each year to this cause.

Environment

To achieve positive economic outcomes, we now look internally at the environmental impact of our business practices, ensuring minimal harm is being done in the short and long term.
The waste management process at AIICO will focus on processing general and e-waste through the concept of reducing (reducing paper consumption), re-using (repurposing existing waste), and recycling (sorting various materials to reduce waste that ends up in landfills).

Lagos State Tree Planting Day 2022

AIICO, as a company, has excellent interest in environmental preservation. Our everyday activity depends greatly on the benefits we gain from nature, from the air we breathe in (oxygen) to the paper we use in our business activities and so much more. As our daily consumption also has a large effect on nature, we continue to find ways to offset some of these impacts. For example, to commemorate Lagos State Tree Planting Day, AIICO, in partnership with The Lagos State Parks and Gardens Agency (LASPARK), donated tree seedlings to be planted in the state.

Donations also went towards a 'Paint and Plant' activity for kids organised by LASPARK. Children were taught the importance of planting trees and shown how to do so.

Economic

Women Empowerment

International Women's Day 2022 focused on the empowerment of our female workforce, which was commemorated with a Visibility Masterclass that focused on equipping female employees with the tools necessary to move up the career ladder effectively

Youth Development

The AIICO Skill Acquisition Program (AIISAP) - a program organised annually for higher institution students that are required to complete an internship year during the course of their education. These individuals are placed in various departments within the organisation to acquire skills and knowledge. The internship provides real-world experience that enables these youths to put everything learned so far into action, allowing them to apply skills gained in future jobs. In 2022, 40 students graduated from the program.

Future Outlook

We continue to re-adapt and work with a sustainability strategy to guide the development of initiatives, implementation, and monitoring of all our corporate responsibility and sustainability programs and initiatives. This will enable us to be more proactive in our bid to be responsible corporate citizens.

2020 saw the pilot exercise of plastic recycling at AIICO, and we partnered with an NGO on a scheme that allowed us to use our recycled plastic waste in exchange for coverage of fees for parents with children in schools in underprivileged communities. As a result of the Covid pandemic and subsequent adaptation of the work-from-home policy, minimum plastic waste is currently being generated. The pilot will resume in 2023 at locations with the most employees.

Corporate Social Responsibility 2022 (continued)

The UN Sustainable Development Goals (SDGs)

At AIICO, we are committed to the United Nations' mission to achieve a better and more sustainable future for all. Global challenges faced relating to poverty, inequality, climate change, and environmental degradation are among some of the challenges we intend to make an impact in the years to come. In the next year, our focus will continue to be on making an impact with Goal 1 - **No Poverty,** Goal 2 - **Zero Hunger,** Goal 3 - **Good Health & Well-being,** Goal 4 - **Quality Education,** and Goal 8 - **Decent Work & Economic Growth;** while including Goal 5 - **Gender Equality,** Goal 12 - **Responsible Consumption & Production** and Goal 13 - **Climate Action** over the next few years.

Blood Donation Project

Employee Wellness Programme

Corporate Social Responsibility 2022 (continued)

Malaria Sensitization and Donations to Local Communities

Tree Planting Programme

Visit to Care Home on Children's Day

Board of Directors

Kundan Sainani
Chairman

Babatunde Fajemirokun
Managing Director/
Chief Executive Officer

Adewale Kadri
Executive Director,
Technical

Ademola Adebise
Non-Executive Director

Samaila Dalhat Zubairu
Non-Executive Director
(Independent)

Folakemi Edun
Non-Executive Director

Olalekan Akinyanmi
Non-Executive Director

Raimund Snyders
Non-Executive Director

Rotimi Okpaise
Non-Executive Director

Directors' Report

For the year ended 31 December 2022

The Directors present their annual report on the affairs of AIICO Insurance Plc ("the Company") and the subsidiary companies ("the Group"), together with the audited 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 established in 1963 by the American Life Insurance Company and was incorporated as a limited liability company on 14 July 1970. It was converted to a Public Liability Company in 1989 and quoted on the Nigerian Exchange (NGX) Group with effect from December 3, 1990. The Company was registered by the Federal Government of Nigeria to provide Insurance services in Life Insurance Business, Non-Life Insurance Business, Deposit Administration and Financial Services to organizations and private individuals.

The Company is registered by the National Insurance Commission ("NAICOM"). It has two subsidiaries namely:

AIICO Multishield Limited

AIICO Multishield Limited was incorporated in 1997 as a Health Management Organization. It commenced operations in the same year with prepaid health plans to cater for the health needs of individuals and corporate organizations. The Company became a full subsidiary of AIICO Insurance Plc on July 1, 2012.

AIICO Capital Limited

AIICO Capital Limited was registered and licensed by the Securities & Exchange Commission in 2012, to carry out portfolio/fund management services. AIICO Capital Limited commenced full operations in 2014 through the provision of bespoke wealth solutions for clients, by adopting a research based approach for every investment decision. AIICO Capital Limited offers portfolio management services, structured investments and mutual funds to suit the investment needs of corporate and individual clients.

Operating results:

The following is a summary of the Group's operating results.

Consolidated Profit or loss and other comprehensive income

In thousands of naira	2022	2021	Change	Change (%)
Gross premium written	**88,275,920**	71,625,943	16,649,977	23%
Gross premium income	**86,043,096**	70,655,049	15,388,047	22%
Net premium income	**70,712,118**	58,521,828	12,190,290	21%
Claim expenses (net)	**(44,987,212)**	(39,914,664)	(5,072,548)	13%
Underwriting profit	**4,784,890**	30,344,854	(25,559,964)	-84%
Profit before tax	**5,085,156**	2,807,000	2,278,156	81%
Profit from discontinued operations (net of tax)	**2,872,686**	2,366,914	505,772	21%
Profit for the year	**7,552,836**	4,916,009	2,636,827	54%
Other comprehensive income, net of tax	**(188,002)**	(1,332,802)	1,144,800	86%
Total comprehensive income for the year	**7,364,834**	3,583,207	3,781,627	106%
Basic and diluted earnings per share (kobo)	**20**	13	7	

Dividends/Bonus

Dividend/Bonus Paid

At the Company's AGM held on 27 May 2022, the Shareholders declared a dividend of 2 kobo per share (2021: bonus issue of 12 shares for every 9 shares in issue) on the year ended 31 December 2021, which was paid subsequently.

Dividend Recommended

The Board of Directors, pursuant to the powers vested in it by the provisions of Sections 426 of the Companies and Allied Matters Act (CAMA) of Nigeria 2020, recommended a dividend of 3 kobo per share (2021: 2 kobo per share) for the financial year ended 31 December 2022.

Directors' Report (continued)

For the year ended 31 December 2022

Directors that served during the year and their shareholding

The direct and indirect interest of Directors in the Issued Share Capital of the Company as recorded in the Register of Directors' Shareholding and/or as notified by the Directors for the purposes of sections 301 and 302 of the Companies and Allied Matters Act 2020 and the listing requirements of the Nigerian Stock Exchange are disclosed as follows:

Directors	Director shares held	Indirect Holding	31 December 2022 Total Holding	31 December 2021 Total Holding
Mr. Kundan Sainani	-	-	-	-
Mr. Babatunde Fajemirokun	117,119,739	-	117,119,739	117,119,739
Mr. Adewale Kadri	-	-	-	-
Mr Ademola Adebise	49,070	-	49,070	49,070
Mr Samaila Zubairu	-	-	-	-
Mrs. Oluwafolakemi Edun	-	-	-	-
Mr. Olalekan Akinyanmi	-	-	-	-
Mr. Raimund Synders	-	-	-	-

Directors' interest in contracts

None of the Directors has notified the Company for the purpose of Section 302 of the Company and Allied Matters Act, 2020 of any disclosable interest in contracts in which the Company was involved during the year ended 31 December 2022.

Substantial interest in shares

According to the Register of Members at 31 December 2022, no shareholder held more than 5% of the issued share capital of the Company except as disclosed as follows:

	31 December 2022		31 December 2021	
	Number of Shares held	%	Number of Shares held	%
AIICO Investment Inc.	-	-	3,126,876,790	8.54
AIICO Bahamas Limited	4,385,166,986	11.98	4,130,740,189	11.28
DF Holdings Limited	10,419,275,441	28.46	7,292,398,651	19.92
LeapFrog III Nigeria Insurance Holdings LTD	11,173,946,135	30.53	11,173,946,135	30.53
	25,978,388,562	70.97	25,723,961,765	70.27

Shareholding Analysis

The shareholding pattern of AIICO Insurance PLC as at 31 December 2022 is as stated below:

Holding pattern (range) as at 31 December 2022

		No of Holders	% of Shareholders	No of shares	% of Shareholdings
1	1,000	2,164	2.39	895,184	0.00%
1,001	10,000	19,201	21.20	93,185,405	0.25%
10,001	100,000	59,896	66.13	1,894,762,508	5.18%
100,001	500,000	7,728	8.53	1,403,326,928	3.83%
500,001	1,000,000	776	0.86	539,245,617	1.47%
1,000,001	5,000,000	649	0.72	1,356,681,049	3.71%
5,000,001	10,000,000	75	0.08	514,711,694	1.41%
10,000,001	100,000,000	70	0.08	1,968,110,727	5.38%
100,000,001	500,000,000	12	0.01	3,110,395,136	8.50%
1,000,000,001	5,000,000,000	3	0.00	7,245,775,310	19.79%
5,000,000,001	Above	2	0.00	18,478,186,455	50.48%
		90,576	100	36,605,276,013	100.00%

Directors' Report (continued)

For the year ended 31 December 2022

Holding pattern (range) as at 31 December 2021

		No of Holders	% of Shareholders	No of shares	% of Shareholdings
1	1,000	1,978	2.18	825,905	0.00%
1,001	10,000	19,071	21.06	92,400,258	0.25%
10,001	100,000	60,099	66.35	1,902,341,408	5.20%
100,001	500,000	7,703	8.50	1,395,691,573	3.81%
500,001	1,000,000	759	0.84	522,079,349	1.43%
1,000,001	5,000,000	636	0.70	1,340,320,462	3.66%
5,000,001	10,000,000	61	0.07	424,315,426	1.16%
10,000,001	100,000,000	70	0.08	1,841,074,568	5.03%
100,000,001	1,000,000,000	13	0.01	3,362,265,299	9.19%
1,000,000,001	10,000,000,000	5	0.01	14,550,015,630	39.75%
10,000,000,001	Above	1	0.00	11,173,946,118	30.53%
		90,396	100	36,605,275,996	100.00%

Company's distributors

The Company's products are marketed by insurance brokers and agents throughout the country. The Company also employs the direct marketing method to source for insurance business.

Events after reporting date

There were no significant events after the reporting date that would have affected the true and fair view of the Company's state of affairs and disclosures in the financial statements as at that date.

Property and equipment

Changes in property and equipment during the year is shown in Note 16 the financial statements. In the opinion of the directors, the market value of property and equipment is not less than the value indicated in the financial statements.

Acquisition of own shares

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

Employment and Employees:

Employees' health, safety and environment

The Company strictly observes all health and safety regulations. 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. Financial provision is also made for all employees in respect of transportation, housing, medical expenses and meals.

Employment of disabled persons

It is the policy of the Company that there is no discrimination in considering applications for employment including those of physically challenged persons. All employees whether physically challenged or not are given equal opportunities to develop their knowledge and to qualify for promotion in furtherance of their careers.

Employees' Involvement and Training

The Company is committed to keeping employees fully informed as much as possible regarding the Company's performance and progress. Views of employees are sought, where practicable, on matters which particularly affect them as employees. The Company runs an open door management policy. Management, professional and technical expertise are the Company's major assets and investment in developing such skills is continuous. The Company's expanding skills base is being brought about by a wide range of in-house and external training. Opportunities for career development within the Company have also been broadened. Incentive schemes designed to meet the circumstances of each individual are implemented wherever appropriate and some of these schemes include staff retirement benefit, productivity bonus, promotion and salary review.

Donations

Donations and corporate social responsibility during the year ended 31 December 2022 amounted to ₦17,937,150 (2021: ₦32,984,589) as follows:

Directors' Report (continued)

For the year ended 31 December 2022

Donations

Donations and corporate social responsibility during the year ended 31 December 2022 amounted to N17,912,150 (2021: N32,984,589) as follows:

2022

Description	*In thousands of naira* **Amount**
Breast Cancer Awareness Support	**4,845**
Sponsorship of Global Fund for Widows- 14th Annual Gala	**2,475**
12 Days of AIIxmas	**2,000**
World Malaria Day Partnership with HACEY	**1,945**
Donation to LASPARK for Tree Planting	**1,500**
Action Aid Nigeria	**2,499**
AIICO Revive - A Wellness & Wellbeing Program	**750**
Donation to JCI Nigeria	**500**
Annual AIICO Blood Drive	**500**
Donation for IWD 2022 Visibility Masterclass	**323**
Sponsorship of Lagos State School Students Excursion to Nigeria Conservation Foundation	**315**
2022 International Women Day Video production	**161**
Donation to Oromeruzimgbu Youth Organisation Port Harcourt	**100**
	17,912

2021

Description	*In thousands of naira* Amount
Skills acquisition programme for 48 Undergraduate interns from Nigeria higher institutions	22,967
Donation to WE Stand Foundation towards Back-To-School Initiative	3,853
Donation of Car to Ilupeju Police Station	2,800
ActionAid donation	1,625
Donation to Commonwealth Businesswomen's Network	600
Book Swap Initiative	500
AIICO Blood drive 2021	400
Furniture refurbishment at Ajumoni secondary school	240
	32,985

No donations were given to any political parties (2021:Nil).

Auditors

Ernst & Young have expressed their willingness to continue in office as the Company's auditor in accordance with Section 401(2) of the Companies and Allied Matters Act 2020.

BY THE ORDER OF THE BOARD OF DIRECTORS

Donald Kanu, PhD
Company Secretary
FRC/2013/NBA/00000002884
Plot PC 12, Churchgate Street
Victoria Island
Lagos, Nigeria
28 February 2023

Corporate Governance Report
For the year ended 31 December 2022

The Board of AIICO Insurance PLC recognizes that it has the primary responsibility for ensuring good corporate governance. Accordingly the Company, through the Board, maintains corporate policies and standards designed to encourage good and transparent corporate governance, avoid potential conflicts of interest and promote ethical business practices. The business of the Company is conducted with integrity which pays due regard to the legitimate interests of stakeholders.

The Board is accountable to the Shareholders and does this through pro-actively evaluating the socio-economic, environmental and ethical matters that may impact on stakeholders' interest.

The Board also oversees the performance of Management in order to protect and enhance shareholder value and meet the Company's obligations to its employees and all other stakeholders.

To guarantee the highest level of legal and ethical requirements, internal control measures and processes have been put in place to ensure that Board, Management and staff conduct the affairs of the Company in compliance with all legislations, regulations standards and codes that will positively impact on the performance of the Company.

Roles & Responsibilities of The Board

The Board of Directors provides entrepreneurial leadership for the Company within a framework of prudent and effective controls, sets the Company's strategic direction, objectives, values and standards and ensures that the necessary financial, material and human resources are in place for the Company to meet its objectives, review Management performance and ensures that its obligations to shareholders and other stakeholders are understood and met. The Board Charter sets out the role, responsibilities, structure and processes of the Board of AIICO Insurance PLC (AIICO).

Roles And Responsibilities

The Group Board is the main decision making body at the Group level and it:

(a) Works as a team and meets on a regular basis.

(b) Considers and approves strategic direction of AIICO Group and corporate strategic initiatives.

(c) Approves expenditures over certain limits in respect of its principal businesses.

(d) Has overall responsibility for management of the business and the affairs of the Group, the establishment of Group strategy, capital raising and allocation.

(e) Monitors and oversees the Group's operations, ensures competent and prudent management, sound planning and proper procedures for the maintenance of adequate accounting policies and systems of internal control, and for compliance with statutory and regulatory obligations.

(f) Determines and reviews the Group's strategic direction including, as appropriate, the strategies for each of the principal business units.

(g) Determines the Group's key financial objectives including target rates of return on capital and assets.

(h) Considers emerging issues which may be material to the business and affairs of the Group.

(i) Keeps under review and maintains the Group's capital and liquidity positions.

(j) Reviews and approves proposals for the allocation of capital and other resources within the Group.

(k) Approves material acquisitions and disposals of assets and share acquisitions and disposals which are significant in terms of the business of the Group.

(l) Approves material joint ventures, strategic partnerships and alliances which are significant in terms of the business of the Group.

Corporate Governance Report (continued)

For the year ended 31 December 2022

(m) Reviews and approves the Group's annual capital and revenue budgets (and any material changes thereto).

(n) Receives monthly Business and Financial Reports from the principal business units and consolidated reports for the Group and reviews actual performance in the light of the Group's strategy, objectives, corporate and business plans and budgets.

(o) Considers and approves the Group's procedures for reviewing and monitoring risk, and receives regular reports thereon.

(p) Approves the Group's annual targets and financial statements and monitoring financial performance against forecast and prior years.

(q) Approves the Group's Annual Report and Accounts and its other published financial statements and other material and significant statements issued to shareholders or the Nigerian Stock Exchange.

(r) Determines dividend policy and the amount, nature and timing of dividends to be paid.

(s) Approves arrangements for Annual and Extraordinary General Meetings.

(t) Receives and considers high level reports on matters material to the Group, in particular:
(i) Relations with Regulatory Authorities;
(ii) Human Resources matters;
(iii) Information systems and Technology;
(iv) Insurance cover;
(v) Disaster recovery;
(vi) Litigation and claims;
(vii) Investor and public relations;
(viii) Environmental Policy; and
(ix) Socially Responsible Investment Policy

(u) Establishes and maintains appropriate accounting policies, implement and monitor the maintenance of adequate accounting policies and other records and systems of planning and internal control.

(v) Considers and approves appointments to the Board, the Group Executive Management and approves remuneration arrangements for Executive Directors.

(w) Receives the minutes of and/or reports from the Boards of subsidiary companies and the Committees of the Group Board.

(x) Approves delegated authorities for expenditure and for lending, and for other risk exposures.

(y) Reviews and, as appropriate, agrees changes in the terms of reference of Committees established by the Board.

(z) Approves the appointment of Reporting Accountants.

(aa) Maintains a satisfactory dialogue with shareholders and use the AGM to communicate with investors and encourage their participation.

(bb) Presents a balanced and understandable assessment of the Company's position and prospects.

Board Composition

The Board of Directors is currently made up of Nine (9) directors comprising the Managing Director, Two (2) Executive Directors and Six (6) Non-executive directors, including one (1) Independent Director. Each of the directors being qualified and outstanding individuals in their various fields of endeavours are knowledgeable on Board and Corporate matters. The Board members are provided with full, timely and adequate information to enable them carry out their duties from a very well informed position.

Corporate Governance Report (continued)

For the year ended 31 December 2022

There are clear separation of responsibilities between the Chairman, CEO, Board and Management thus ensuring non-interference of the Board in Management functions.

Directors' Independence and Terms of Office

In line with the provisions of the Company's Articles of Association, a third of the directors or a number closest to a third, excluding non-executive directors and those appointed by the Board during the year, retire by rotation at each Annual general Meeting of the Company and being eligible, present themselves for re-election. Directors retiring are those longest in office since their last election or re-election.

Directors also make unfettered judgments and bring in views that are independent of Management and devoid of any business or other relationships that could interfere with their independent judgment.

Directors' Orientation and Induction

New Directors are expected to give in their best as much as other directors on the Board. To assist them become effective, these new directors are given an orientation regarding the Group's business, Directors duties, code of conduct, policies and procedures applicable to Board and Board committees. A training plan has also been approved by the Board in relevant areas of the Company's core business.

Directors' Access to Management and Right to seek Independent Professional Advice

Directors receive financial reports of the Company and may invite members of senior management at Board or Committee meetings. Access to senior Management is unhindered and is calculated to ensure adequate clarification and information flow leading up to Management decisions. All the Directors are free to seek independent professional advice in the course of their duties at the Company's expense. Directors also have access to the advice and services of the Company Secretary on rules and regulations applicable to the operations of the Board and in particular corporate governance.

Profile of Directors

Kundan Sainani, FCA

Chairman

Mr. Kundan Sainani was nominated as a substantive Director on the Board of AIICO Insurance Plc in 2015. He is currently the Chairman of the Board of Directors of AIICO Insurance Plc. Mr. Sainani brings to the Board over 30 years of experience spanning various industries within and outside of Nigeria. He started his career with Birla Group of Companies, a Multi-Billion Multi-Product conglomerate in India as Head of Management Audit and Internal Control department where he worked for over four years. He spent over five years with Kentz Corporation, Ireland, an Industrial Design and Construction Company and was based in Saudi Arabia. He worked with Tolaram Group of companies in Nigeria for over 18 years as Director (Finance) and was a board member of Viva Methanol Limited, Lekki Deep Sea Port and Lagos Free Trade Zone ; all parts of the Tolaram Group.

Mr. Kundan Sainani holds a Bachelor of Commerce (Honours) Degree from India, and he is a fellow of the Institute of Chartered Accountants of India, New Delhi, India. He is also a certified Chartered Secretary from the Institute of Company Secretaries of India, New Delhi, India

Babatunde Fajemirokun, FCII

Managing Director/CEO

Mr. Babatunde Fajemirokun is the Managing Director and CEO at AIICO Insurance PLC, a position he has held since August 14th, 2019. With decades of professional experience cutting across management consulting, insurance, and asset management, he joined AIICO Insurance PLC, Life Insurance Division in May 2009, and was responsible for value-enhancing projects in its maiden growth strategy, business process and technology transformation projects. Prior to his appointment as Chief Executive Officer and Group Managing Director, he held roles that were responsible for key strategic and operational functions across the business. He was Divisional Head Operations & Technology (2009-2013), Chief Operating Officer (2013-2017) and Group Chief Business Officer (2017-2019).

Babatunde started his career in academia in 2001, as a visiting lecturer in the Department of Economics & Enterprise at Glasgow Caledonian University, Scotland. He worked with Accenture, Lagos (2003 - 2007), and then Capgemini Consulting, UK (2008 - 2009). In his management consulting roles, Babatunde provided consulting/advisory services to Financial Services

Corporate Governance Report (continued)

For the year ended 31 December 2022

(banking and insurance) and Government Clients, predominantly in mergers and acquisitions, and then United Kingdom Government transformation programs. He also has external appointments as a Non-Executive Director in Food Concepts Plc and Xerox Corporation Nigeria (XHS).

Babatunde is a Fellow of the Society of Underwriting Professionals (FCII), Chartered Insurance Institute UK, and a Chartered Insurer, and has an MBA from the University of Chicago Booth School of Business, a Business Information Strategy Master's degree (dist.) from the University of Strathclyde, and a Bachelor's Degree in Business Economics from Glasgow, UK

Adewale Kadri, FCIIN, FCCA

Executive Director, Technical

Adewale Kadri is the Executive Director-Technical of AIICO Insurance Plc. He is a versatile Insurance practitioner and a seasoned salesperson. He began his Insurance career with Worldwide Insurance Company Limited in 1994 as a Life Marketer and later moved to ELMAC Assurance Nigeria Limited in 1997 where he joined the Team that was saddled with the responsibility of Marketing the Company's various special packaged products. He also worked as an Insurance Officer of Modandola Group of Companies where he was exposed to the rudiment of Insurance broking and technical operations.

He later joined the Marketing team of Newline Insurance Company Limited and Sun Insurance Plc. where he worked in various managerial capacities before joining the pioneer team of UBA Insurance in 2004 as Group Head, Brokers' Management Division. While at UBA Insurance, he served in various committees which ensured the successful take off of the first Banc Assurance Business Model in Nigeria.

He had a brief stay at NICON Insurance Plc as Senior Manager/Head, Strategic Business Unit before joining Oceanic Insurance Company Limited as Group Head, Brokers Management Unit in 2007.

Adewale Kadri was the Acting Managing Director of Oceanic Insurance Company Limited/Old Mutual Nigeria General Insurance between July 2012 and April 2014. He left the services Old Mutual Nigeria as Business Development Executive in April 2017 and joined AIICO Insurance Plc as General Manager, Head of Non-Life Business. His appointment as Executive Director was confirmed by NAICOM on the 5th February, 2018.

He is a Fellow of Chartered Insurance Institute of Nigeria and a Chartered Certified Accountant. He holds a B.sc in Applied Accounting from Oxford Brookes University, United Kingdom and Master's Degree in Business Administration with specialization in Marketing from Lagos State University, Ojo. He is also an Alumnus of the Polytechnic Ibadan where he obtained Higher National Diploma in Insurance and graduated with Upper Credit Division. He equally obtained Certificate of competence in Management Advancement Program from University of the Witwatersrand, Johannesburg, South Africa. By virtue of his position as the Executive Director- Technical Operations, he attends all meetings of the Finance & General Purpose committee, ERM & Investment committee, and Statutory Audit. He joined the board on October 30, 2017.

Ademola Adebise, FCA

Non-Executive Director

Ademola Adebise has over 33 years' experience in the banking industry including four years in management consulting serving banking and financial services clients. He has worked in various capacities in Information Technology, Financial Control & Strategic Planning, Treasury, Corporate Banking, Risk Management and Performance Management.

Before joining Wema Bank, Ademola was the Head of the Finance & Performance Management Practice at Accenture (Lagos Office) where he led various projects for banks in business Process Re-engineering, Information Technology and Risk Management.

He is an alumnus of the Advanced Management Program (AMP) of the Harvard Business School and the Advanced Leadership Programme of Judge Business School, University of Cambridge. He obtained a master's degree in Business Administration (MBA) from the Lagos Business School and holds a bachelor's degree in Computer Science from the University of Lagos.

A fellow of the Institute of Chartered Accountants of Nigeria (ICAN), Ademola is also an Associate of the Chartered Institute of Taxation and Computer Professionals (Registration Council of Nigeria), a Fellow of the Chartered Institute of Bankers of Nigeria (FCIB) and a member of the Institute of Directors of Nigeria.

Corporate Governance Report (continued)

For the year ended 31 December 2022

Ademola serves on the board of Nigeria Inter-Bank Settlement System Plc (NIBSS), AIICO Insurance Management Limited, AIICO Capital Limited and a member of the board of trustees of an NGO, International Foundation of Infectious Diseases in Nigeria (IFAIN). Prior to his appointment as Managing Director, he served as the Deputy Managing Director of Wema Bank.

Samaila Zubairu, FCA

Non-Executive Director

Mr. Zubairu until recently was the Vice Chairman of Africapital-Gem Development Partners Limited, a project development firm focused on providing pragmatic infrastructure solutions to the significantly underserved Nigerian market. He is also a Director of West Africa Infrastructure Investment Managers – JV with Old Mutual to raise and manage the Nigerian Infrastructure Investment Fund. Over the last 26 years, Samaila has worked in various capacities—he was Chief Financial Officer at Dangote Cement Plc, as well as CFO for Obajana Cement Plc.

At Obajana he was a key member of the team that spearheaded the development of Africa’s largest green-field cement project. Prior to that, he was the Treasurer for the Dangote Group during its transformation from a trading company to an industrial conglomerate. Samaila also spent time at Liberty Bank Plc. where he was the Head of Investment Banking and subsequently Group Head of Risk Management. Prior to his post at Liberty Bank, he was the Head of Project Finance at FSB Bank (Fidelity Bank).

Samaila is a Fellow of the Institute of Chartered Accountants of Nigeria and the Eisenhower Fellowships International Leader Exchange Philadelphia USA. He also holds a B.Sc Hons. Accounting from Ahmadu Bello University. Zaria.

Africa Finance Corporation (AFC), the leading infrastructure development finance institution in Africa, announced the appointment of Samaila Zubairu as the Corporation’s third President and Chief Executive Officer, The appointment took effect from 3rd July, 2018.

Folakemi Edun

Non-Executive Director

Folakemi Fajemirokun commenced her work experience as Risk Intern at the AFRISK Management Consultants Ltd, Lagos Nigeria during her service year in 2011. She was instrumental in the development of a risk management framework checklist with 50+ controls to aid Insurance companies in assessing against industry standards.

In September 2012, she joined DELOITTE LLP, London England as a Manager, Risk Advisory. During this period, she developed Business Continuity Plan, Process Mapping, was engaged in Risk Management Frameworks reviews for several companies and also advised on risk management frameworks to be adopted. She was recently appointed as a Non-Executive Director on the Board of AIICO Insurance Plc.

Folakemi Fajemirokun obtained her first degree in Economics (BSc. Economics) at the University College London (UCL). She obtained her Master's degree (MSc. Decision Sciences in 2011 at the London School of Economics & Political Science (LSE). In 2014, she was awarded A Diploma in Management Accounting at the Chartered Institute of Management Accountants (CIMA). In same year, she obtained a certification in Risk Management (Financial Services) at the Institute of Risk Management (IRM) She is a member of Finance & General Purpose and Investment committees of the board. She joined the board on October 25, 2018.

Olalekan Akinyanmi

Non-Executive Director

Olalekan ("Lekan") is the founder and Chief Executive Officer of LEKOIL Nigeria Limited, an Africa focused Oil exploration and production company. Since inception, he has led the company through fundraises of over $300 million from public and private institutions to fund the acquisition and development of the company's assets. These include the farm-in to OPL 310 and the subsequent discovery of the Ogo field - one of the world's largest in 2013 with estimated gross resources of 774mmboe.

In September 2015 LEKOIL achieved "first oil" on its Otakikpo Marginal Field, just 9 months after commencing operations and currently producing 11,000 barrels per day (bpd). In October 2015 the Company announced its acquisition of a controlling interest in OPL 325 and in August 2019, the company announced its acquisition of interest in OPL 276.

Corporate Governance Report (continued)

For the year ended 31 December 2022

Lekan has over 20 years' experience in the oil and gas industry and was the International Energy Sector Head at Alliance Bernstein L.P. in New York (Global asset manager with over $400 Billion under management) with direct responsibility for a $1Billion Energy and Natural Resource Portfolio. Prior to that he was a member of the #1 institutional investor-ranked team of analysts covering the oilfield services industry as an Associate Director at UBS Investment Research. Lekan has held Engineering and operational roles within Schlumberger in a career that spanned Nigeria, Egypt, Pakistan, Oman and Scotland.

Lekan graduated from the Obafemi Awolowo University in Nigeria with a Bachelor of Science Degree in Electronic and Electrical Engineering and also holds an MBA from Massachusetts Institute of Technology (MIT) Sloan School of Management.

He was appointed Non-Executive Director to the board of AIICO Insurance Plc on July 25, 2019. He is a member of Finance & General Purpose, Nomination, Remuneration & Governance; Investment Committees and chairs the latter.

Raimund Snyders

Non-Executive Director

Raimund is a Partner of Leapfrog Investment who was recently appointed as a Non-Executive Director on the Board of AIICO Insurance Plc having been recommended by Leapfrog Investment to represent its interest in AIICO Insurance Plc. Raimund brings to bear his experience as one of the most seasoned insurance leaders on the African continent, to the benefit of the LeapFrog team and partner companies.

He joined LeapFrog from Old Mutual Group where as CEO of Mutual & Federal, the 185 year old insurer, he led a turnaround of the company as part of the Old Mutual Group's strategy to establish itself as a leading financial services group across the African continent. Under his leadership, Mutual & Federal was rebranded to become Old Mutual Insure.

Prior to this Raimund served in executive leadership positions in the Old Mutual Group, leading large multi-disciplinary teams in areas of business such as distribution, bancassurance, investments and wealth management. Key positions included: COO and Head of Distribution for Old Mutual's African operations; Executive General Manager, Old Mutual Life Assurance Co (South Africa); CEO, Old Mutual Life Assurance Co (Namibia); Managing Director, Old Mutual Investment Services.

His experience in the insurance industry in Africa is both vast and deep. Over his career, Raimund has led organic and inorganic expansion, sales, marketing, product development, distribution, bancassurance, investment and wealth management - with responsibilities across retail, institutional and enterprise functions cultivated during a 27+ year career with Old Mutual.

Raimund holds a Bachelor of Commerce, Bachelor of Laws from Stellenbosch University, as well as Executive Leadership qualifications from the Graduate School of Business, University of Cape Town, and Harvard Business School. He is a member of Finance & General Purpose, & Statutory Audit Committees of the board of AIICO. He joined the board on January 30, 2020.

Rotimi Okpaise, FIA

Non-Executive Director

Rotimi Okpaise is an Actuary with over 30 years consulting experience. He has been the Statutory Actuary to many leading Insurers across West Africa. He has also been the Reporting Actuary to four CPFA's and the Pension Schemes of both NNPC and PenCom.

Rotimi recently retired from Ernst and Young (EY) where he was the Partner leading both the Insurance Sector and Actuarial Services across West Africa. Rotimi is a Statistics graduate of the University of Ibadan where he was a University Scholar. He is a Fellow of the Institute of Actuaries UK, an Associate of the Society of Actuaries USA and an Alumni of the Lagos Business School (Chief Executive Programme). He was recently appointed as a Non-Executive Director on the board of AIICO Insurance Plc.

Corporate Governance Report (continued)

For the year ended 31 December 2022

Board/Committees and Meetings

The Board functions through these committees, whose terms of reference are as hereinafter set forth:

Finance & General Purpose and Establishment Committee

This Committee's responsibilities include considering and advising the Board on transactions, including the Company's finances, financial policies, financial controls and financial strategies; giving consideration to, and recommending to, the Board the annual budget for revenue income and expenditure and any associated capital expenditure; reviewing the periodic management accounts of the Company and recommending to the Board, any in-year budget adjustments; reviewing the annual financial statements of the Company and recommending same to the Board for approval; monitoring the financial liquidity and solvency of the Company and ensuring that action is taken to maintain this at an acceptable level. The Committee also monitors the planning, implementation and progress against plan of approved major capital expenditure projects and major procurements within the Committee's approval limits as stated in the Expense Control and Procurement Policies of the Company; Considering the Financial Regulations periodically and approving any amendments that become necessary from time to time; Considering the annual review of the effectiveness of Internal Audit.

Nomination, Remuneration & Governance Committee

This Committee's main responsibility is to assist the Board in developing Policies to fill any vacancy on the Board and Board Committees, and to ensure at all times that competence gaps are closed so that the Company is not short of the required skills. It also recommends a competitive remuneration package for the Executive Management and the Board. The Committee considers the need to maintain both internal and external competitiveness. It also reviews the Company's interface with the Regulators, advises the Board thereon, and oversees the administration and effectiveness of the Company's polices through the review of processes and management feedback, etc.

Statutory Audit Committee

The purpose of the Committee is to assist the Board of Directors of the Company in fulfilling its responsibilities in respect of:

- Overseeing the company's financial reporting process, including the internal control and auditing structure and procedures for financial reporting; and monitoring the integrity and appropriateness of the company's financial statements;
- The selection, compensation, independence and performance of the company's external auditors
- The independence and performance of the company's internal auditors.
- Examine the auditors' report and make recommendations to the Annual General Meeting;
- Ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and ethical practices.
- Review the scope and planning of audit requirements
- Review the findings on management matters in conjunction with the external auditor and departmental responses;
- Keep under review the effectiveness of the Company's system of accounting and internal control

Investment and Enterprise Risk Management Committee

This Committee is charged with the responsibility of assisting in the Board's oversight of the risk profile, risk management framework and the risk reward strategy determined by the Board. Its functions include:

a. Formulation of strategy for complying with investment guidelines issued by the Commission;
b. Determination of an optimal investment mix consistent with risk profile agreed by the Board of Directors;
c. Evaluating the value of the daily market-to-market portfolios and make proposals to the Board of Directors;
d. Periodically reviewing performance of the major securities of the investment portfolio of the Company; Other responsibilities of the Committee include: review of the adequacy and effectiveness of risk management controls, internal controls, corporate governance, drawing-up programmes of adjustment in the case of deviation, oversight of Management's process for the identification of significant risk across the Company and the adequacy of prevention, detection and reporting mechanisms; and review of the Company's compliance level with applicable laws and regulatory requirements that may impact the Company's risk profile etc.

Corporate Governance Report (continued)
For the year ended 31 December 2022

Meetings of the Committees

Finance & General Purpose Committee

	Position	No. of Meeting	Attendance
Ademola Adebise	Chairman	4	4
Babatunde Fajemirokun	Member	4	4
Adewale Kadri	Member	4	4
Folakemi Edun	Member	4	4
Olalekan Akinyanmi	Member	4	4
Raimund Snyders	Member	4	4

These meetings were held on January 18, April 19, July19, October 18, 2022

Investment & Enterprise Risk Management Committee

	Position	No. of Meeting	Attendance
Olalekan Akinyanmi	Chairman	4	4
Ademola Adebise	Member	4	4
Babatunde Fajemirokun	Member	4	4
Folakemi Edun	Member	4	4
Adewale Kadri	Member	4	4
Raimund Snyders	Member	4	2

These meetings were held on January 18, April 19, July 19, October 18, 2022

Statutory Audit Committee

	Position	No. of Meeting	Attendance
Mr. Samaila Zubairu	Independent Director/Chairman	5	4
Sir Edmund U. Njoku	Shareholder/Member	5	5
Mrs. Funke Augustine	Shareholder/Member	5	5
Chief Robert I. Igwe	Shareholder/Member	5	5
Raimund Snyders	Member	5	5

These meetings were held on January 18, February 25, April 19, July 19, October 18, 2022

Corporate Governance Report (continued)

For the year ended 31 December 2022

Nomination, Remuneration and Governance Committee

	Position	No. of Meeting	Attendance
Samaila Zubairu	Chairman	2	2
Olalekan Akinyanmi	Member	2	1
Raimund Snyders	Member	2	2

This meeting was held on April 20, October 17, 2022

All the committees endeavoured to perform their duties competently during the year under review.

Meeting of the Board

Board Members	Position	No. of Meeting	Attendance
Mr. Kundan Sainani	Chairman	6	6
Mrs. Folakemi Edun	Non Executive Director	6	6
Mr. Ademola Adebise	Non Executive Director	6	6
Samaila Zubairu	Non Executive Director/Independent	6	5
Mr. Olalekan Akinyanmi	Non Executive Director	6	5
Mr. Raimund Synders	Non Executive Director	6	6
Mr. Babatunde Fajemirokun	MD/CEO	6	6
Mr. Adewale Kadri	Executive Director	6	6

These meetings were held on January 22, February 25, April 21, July 21, October 20, December 8, 2022.

Statement of Corporate Governance

SIAO

Lagos: 18b Olu Holloway Road, Ikoyi, Lagos.
Tel: 01 463 0871-2 Fax: 01-463 0870

Abuja: 1st Floor, Bank of Industry Building
Central District Area, FCT, Abuja.
Tel: 09-291 2462-3
E-mail: enquiries@siao-ng.com
Website: www.siao-ng.com

SIAO/HRC/TG/017/023

March 2023

The Chairman
Board of Directors,
AIICO Insurance Plc.
AIICO Plaza
Plot PC 12, Churchgate Street, Victoria Island, Lagos.

Dear Sir,

STATEMENT BY THE EXTERNAL CONSULTANT ON THE BOARD PERFORMANCE AND CORPORATE GOVERNANCE ASSESSMENT OF AIICO INSURANCE PLC. FOR THE YEAR ENDED 31st DECEMBER 2022

In line with the provisions of **Principle 14.1** of the National Code of Corporate Governance, **Section 15.1** of the SEC Code of Corporate Governance, and **Section 4.0** of the NAICOM Guidelines, as well as global best practice standards on Corporate Governance, SIAO was engaged by AIICO Insurance Plc. to carry out an evaluation of the performance of the Board of Directors, and an assessment of the Company's corporate governance structure for the year ended 31 December 2022.

This assessment comprised of a review of both the corporate and statutory documents of the Company, as well as an assessment of members of the Board and key members of the Executive Management. The Board's performance and the Company's corporate governance structure were benchmarked against the provisions of the NCCG Code, the SEC Code, and the NAICOM Guidelines, as well as global best practice requirements. The key point indicators include but are not limited to:

- The Board of Directors (Composition, Terms of Service, Separation of Role of Chairman and Managing Director, Board Mandate, Appointment of Board Members, etc)
- Meetings (Regularity of Board Meetings, Attendance, Board Communication)
- Strategy and Planning
- Training
- Transparency and Disclosure
- Board Committees (Committee Mandate, Qualification of Members, etc)

Based on the concluded exercise and the Report prepared, we hereby confirm that AIICO Insurance Plc. has complied significantly with the corporate governance requirements of the NCCG and SEC Codes, the NAICOM Guidelines, and recognized standards of best practice.

We trust that the Board will adopt and implement the recommendations articulated in the Board and Corporate Governance Report for further improvement of AIICO Insurance Plc's corporate governance practice.

Yours faithfully,
For: SIAO

Ituah Ighodalo
Partner
FRC/2013/ICAN/00000003919

SIAO - Accomplish More
Audit & Accounting | Financial Advisory | Taxation | Human Resources

Board Evaluation Report

SIAO

Lagos: 18b. Olu Holloway Road, Ikoyi, Lagos.
Tel: 01-463 0871-2, 08021810043
Fax: 01-463 0870

Abuja: 1st Floor, Bank of Industry Building
Central District Area, FCT, Abuja.
Tel: 09-291 2462-3
Email: enquiries@siao.ng.com
Website: www.siao-ng.com

SIAO/HRC/TG/017/023

March 2023
The Chairman
Board of Directors,
AIICO Insurance Plc.
AIICO Plaza
Plot PC 12, Churchgate Street, Victoria Island, Lagos.

Dear Sir,

STATEMENT BY THE EXTERNAL CONSULTANT ON THE BOARD PERFORMANCE AND CORPORATE GOVERNANCE ASSESSMENT OF AIICO INSURANCE PLC. FOR THE YEAR ENDED 31st DECEMBER 2022

In line with the provisions of **Principle 14.1** of the National Code of Corporate Governance, **Section 15.1** of the SEC Code of Corporate Governance, and **Section 4.0** of the NAICOM Guidelines, as well as global best practice standards on Corporate Governance, SIAO was engaged by AIICO Insurance Plc. to carry out an evaluation of the performance of the Board of Directors, and an assessment of the Company's corporate governance structure for the year ended 31 December 2022.

This assessment comprised of a review of both the corporate and statutory documents of the Company, as well as an assessment of members of the Board and key members of the Executive Management. The Board's performance and the Company's corporate governance structure were benchmarked against the provisions of the NCCG Code, the SEC Code, and the NAICOM Guidelines, as well as global best practice requirements. The key point indicators include but are not limited to:

- The Board of Directors (Composition, Terms of Service, Separation of Role of Chairman and Managing Director, Board Mandate, Appointment of Board Members, etc)
- The Internal Structure
- Code of Conduct and Ethics
- Transparency and Disclosure
- Company Policies

Based on the concluded exercise and the Report prepared, we hereby confirm that AIICO Insurance Plc. has complied significantly with the corporate governance requirements of the NCCG and SEC Codes, the NAICOM Guidelines, and recognized standards of best practice.

We trust that the Board will adopt and implement the recommendations articulated in the Board and Corporate Governance Report for further improvement of AIICO Insurance Plc's corporate governance practice.

Yours faithfully,
For: SIAO

Ituah Ighodalo
Partner
FRC/2013/ICAN/00000003919

SIAO - Accomplish More
Audit & Accounting | Financial Advisory | Taxation | Human Resources

Report of the Statutory Audit Committee

To the members of **AIICO Insurance PLC**

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act 2020, we, the members of the Audit Committee of AIICO Insurance PLC, having carried out our statutory functions under the Act, hereby report as follows:

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

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

SIGNED ON BEHALF OF THE COMMITTEE BY:

Mr. Samaila Zubairu
Chairman of the Statutory Audit Committee
FRC/2014/ICAN/00000007663
28 February 2023

Members of the Statutory Audit Committee are:

Mr. Samaila Zubairu	(Independent Directors' Representative)	Chairman
Sir Edmond. U. Njoku Mr.	(Shareholders' Representative)	Vice-Chairman
Mrs. Funke Augustine	(Shareholders' Representative)	Member
Chief Robert I. Igwe	(Shareholders' Representative)	Member
Mr. Raimund Snyders	(Directors' Representative)Leapfrog	Member

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

Statement of Directors Responsibility for the preparation of the Consolidated and Separate Financial Statements per the provisions of section 405 of the Companies and Allied Matters Act 2020

The Directors accept responsibility for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria 2020, the Financial Reporting Council of Nigeria Act, 2011, Investment Securities Act 2007, the Insurance Act of Nigeria 2003 and relevant National Insurance Commission (NAICOM) guidelines and circulars.

The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2020 and for such internal control as the directors determine is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement whether due to fraud or error.

The Directors have made an assessment of the ability of AIICO Insurance Plc ("the company") and the subsidiary companies ("the Group") 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.

The responsibilities include ensuring that:

- Appropriate and adequate internal controls are established to safeguard the assets of the Group and to prevent and detect fraud and other irregularities;
- The Group keeps proper accounting records which disclose with reasonable accuracy the financial position and which ensure that the financial statements comply with the requirements of the Companies and Allied Matters Act, 2004, International Financial Reporting Standards (IFRS), Insurance Act 2003, Financial Reporting Council of Nigeria and the Operational Guidelines issued by NAICOM;
- The Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed; and
- The financial statements are prepared on a going concern basis unless it is presumed that the Group will not continue in business.

The Directors accept responsibility for the year's consolidated and separate financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in conformity with:

Insurance Act 2003 as amended:
Financial Reporting Council Act 2011;
Companies and Allied Matters Act 2020;
NAICOM guidelines and circulars; and
International Financial Reporting Standards (IFRS)
Investment Securities Act 2007

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the consolidated and separate financial statements, as well as adequate systems of financial control.
The Directors have made an assessment on the Company's ability to continue as a going concern and have no reason to believe that the Company will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Mr. Babatunde Fajemirokun
MD/CEO
FRC /2015/MULTI/00000019973
28 February 2023

Mr. Oladeji Oluwatola
Chief Financial Officer
FRC/2013/ICAN/0000004910
28 February 2023

Shareholding Structure And Freefloat Status

Company name	AIICO Insurance Plc
Year end	December
Reporting Period	31 December 2022
Share Price at end of reporting period	N0.59 (31 December 2021: N0.70)

Shareholding Structure/Free Float Status

Description	31 December 2022		31 December 2021	
	Unit	Percentage	Unit	Percentage
Issued and paid up Share Capital	36,605,276,013	100%	36,605,275,996	100%
Substantial Shareholdings (5% and above)				
AIICO Investment Inc.	-	-	3,126,876,790	8.54%
AIICO Bahamas Limited	4,385,166,986	11.98%	4,130,740,189	11.28%
DF Holdings Limited	7,292,398,651	28.46%	7,292,398,651	19.92%
LeapFrog III Nigeria Insurance Holdings LTD	11,173,946,135	30.53%	11,173,946,135	30.53%
Total Substantial Shareholdings	22,851,511,772	70.97%	25,723,961,765	70.27%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
Babatunde Fajemirokun	117,119,739	0.32%	117,119,739	0.32%
Ademola Adebise	49,070	-	49,070	-
Total Directors' Shareholdings	117,168,809	0.32%	117,168,809	-
Free Float in Units and Percentage	13,636,595,432	28.71%	10,764,145,422	29.41%
Free Float in Value	**₦8,045,591,304.88**		**₦ 7,534,901,795.40**	

Declaration:
AIICO Insurance Plc with a free float percentage of 28.71% as at 31 December 2022, is compliant with The Nigeria Stock Exchange's free float requirements for companies listed on the Main Board.

Donald Kanu, PhD
Company Secretary

FRC/2013/NBA/00000002884
Plot PC 12, Churchgate Street
Victoria Island
Lagos, Nigeria
28 February 2023

Certification Pursuant to Section 60(2) of Investment and Securities Act No. 29 of 2007 and Statement of Corporate Responsibility for the Consolidated and Separate Financial Statements per the provisions of section 405 of the Companies and Allied Matters Act 2020

We the undersigned, hereby certify the following with regards to our audited financial statements for the year ended 31 December 2022:

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

- Any untrue statement of a material fact, or
- Omission to state a material fact, which would make the statements, misleading in the light of circumstances under which such statements were made;
- To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Group as of, and for the year presented in the report.

(ii) "We:"

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

(iii) We have disclosed to the auditors of the Group and the Audit Committee:

- All significant deficiencies in the design or operation of internal controls which would adversely affect the Group's ability to record, process, summarize and report financial data and have identified for the Group's auditors any material weakness in internal controls, and
- Any fraud, whether or not material, that involves management or other employees who have significant roles in the

Group's internal controls;

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

Mr. Babatunde Fajemirokun
MD/CEO
FRC /2015/MULTI/00000019973
28 February 2023

Mr. Oladeji Oluwatola
Chief Financial Officer
FRC/2013/ICAN/0000004910
28 February 2023

Internal Control Report

Introduction

AIICO is committed to creating and maintaining an excellent internal control environment capable of sustaining its leadership position in the industry. The Board and Management of AIICO Insurance Plc. place a high premium on the effectiveness of the internal control system and consider it fundamental to the successful operation of the business. As such, it embraces all controls incorporated in the strategic, governance, and management processes, covering AIICO's entire range of activities and operations, not just those directly related to financial operations and reporting. It also includes non-financial activities associated with achieving the overall business objectives.

In AIICO, the internal control system encompasses the control framework guided by organisational structures, statutory requirements, international best practices, management philosophy, codes of conduct, policies, and standard operating procedures. It is designed to ensure key business objectives are met and maintain the confidence of its stakeholders and the public.

Specifically, the objectives of the AIICO Internal control system are to:

- Ensure effective and efficient operations;
- Safeguard AIICO's assets against losses and make adequate provision for liability;
- Ensure the reliability of financial reporting and compliance with Generally Accepted Accounting Principles;
- Ensure compliance with applicable laws and regulations, including internal policies;
- Ensure systematic and orderly recording of transactions; and
- Provide reasonable assurance that undesired events will be prevented or detected and corrected.

Most importantly, the AIICO's internal control system helps strengthen the effectiveness and ensure the adequacy of the company's control environment, with a resultant effect on boosting the company's capacity to proactively manage the impact of external and internal threats and uncover possible flaws, gaps, and deficiencies in processes and structures. It is fully operationalised to achieve its intended result as an integrated part of the business's daily operations to produce the desired result.

Strategy Business Unit (SBU) Managers, as the first line of defence, play key roles in ensuring that high standards of business processes and ethical practices are observed to achieve AIICO's corporate objectives. At the same time, employees perform internal control roles, which vary depending on their respective functions. All this ensures effective and efficient management of the organisation's resources, aids internal control over financial reporting, and ensures adherence to all extant regulatory laws and guidelines within the operating environment.

Internal Control Framework

The company has established and fully implemented an internal control framework to guide the internal control functions under international best practices. In addition, the framework engenders the support and commitment of all AIICO Insurance Plc. stakeholders to a controlled environment, thus creating an enabling platform that ensures the company's growth and stability.

The prerequisites (Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities) were set and continuously improved to ensure that the company consistently and effectively achieves its corporate objectives. These are explained below:

- Control Environment - The foundation of AIICO Internal Control System is the control environment, which determines the individual and collective behaviour within the Group. AIICOs' leadership sets the tone at the top that positively influences its people's control culture and consciousness. Authority and responsibility are assigned with due consideration for risk management that enhances integrity, ethical values, and competence of the entity's people, the management's philosophy, and the operating model.

- Risk Assessment - The Board and Senior Management, through the Enterprise Risk Management function, regularly assess the

Internal Control Report (continued)

company's risk exposure. Risk assessment includes identifying risks of not fulfilling the fundamental criteria, i.e., completeness, accuracy, valuation, and reporting, for significant accounts in the financial statements. Risks assessed also include operational risk, underwriting risk, reserving and solvency risk, business and strategic risk, market and liquidity, compliance risk, legal risk, and reputational risks. Also, senior management regularly considers whether the existing internal controls measures are effective concerning the risks identified in the financial reporting process.

- Controls Activity - Control activities mitigate the risks identified and ensure accurate and reliable financial reporting as well as process efficiency. The company has established policies, procedures, and mechanisms that help ensure that management's responses to risks identified during the risk assessment process are fully executed. Control activities occurred throughout the organisation, at all levels and in all functions. These activities include establishing standard operating procedures for all functions within the company to guide the company operations, such as bank and general reconciliation review, budgetary and reporting system review, Network access control, pre-disbursement review, etc.

- Information and Communication - The Group recognises that information is necessary for the entity to carry out internal control responsibilities to achieve its objectives; It ensures that the right business decisions are made. Consequently, AIICO has established effective processes and systems that identify, capture, and report operational, financial, and compliance-related information in a form and within a timeframe that aids staff in executing their responsibilities. In addition, all personnel receive clear messages from top management to ensure that control responsibilities are taken seriously. Consequently, business units understand their roles in the internal control process and how individual and business unit activities are interrelated and supportive of achieving the corporate objectives.

- Generally, communication in AIICO is continual, iteratively shared across the entity to convey the information needed to carry out day-to-day internal control responsibilities and their importance to achieving corporate objectives.

- Monitoring Activities - The Board and Executive Management established assurance functions that assess the adequacy and quality of the internal control system's performance. These assessments are conducted through ongoing monitoring activities, separate evaluations, or a combination. Continuous monitoring occurs during operations, while independent evaluations depend on risk assessment and the effectiveness of constant monitoring within the organisation.

  Identified deficiencies in internal controls are reported to those in charge of governance.

Therefore, the Board has instituted internal control systems that provide reasonable assurance that assets are properly safeguarded, and unauthorised use or disposal are fully prevented. More so, proper accounting records are maintained to provide reasonable assurance on the reliability of financial information generated from the financial system.

Internal Control Function

To this end, the Internal Control Department ensures compliance with all internal policies, implementation of the company's policies and standard operating procedures, and prevention and correction of all systematic errors and omissions in the operations. Control function effects far-reaching improvement and development of process advancements to aid the achievement of the organisation's corporate objectives.

- As a process, internal controls are developed and implemented throughout the company to provide reasonable assurance that corporate objectives are achieved, most importantly in the following areas:
- Operational objective - effectiveness and efficiency of operations;
- Information objective - reliability of reporting;

Compliance objective - Compliance with all extant Laws and regulatory guidelines, and internal policies and procedures

Internal Control Report (continued)

For the achievement of the above-stated objectives, the internal control system emphasizes on:

- A process consisting of ongoing tasks and activities that is a continuing process rather than a periodic review. It is not merely about establishing policy manuals, systems, and forms; but are effected by all staff at all levels;
- Ability to provide reasonable assurance rather than absolute assurance;
- Achievement of the organisation's objectives and operational improvement;
- Adaptability to the entity structure.

2022 Internal Control Improvements

The Internal Control function reviewed all significant transactions throughout the financial year, reported control lapses identified, and executed recommended remediation and improvement initiatives. As a result, ensuring compliance with the internal policies and procedures contributed significantly to the sustainability of the business and reduced leakages and operational inefficiencies.

Other internal control initiatives and improvement measures undertaken during the year are:

- The function was able to sustain the Control Self-Assessment (CSA) principle to aid various coverage of routine review, assess the effectiveness of risk management and control processes, and reduce or eliminate the risk of error. The technique also ensures full compliance with extant regulations and internal policies and assures that established controls work effectively as designed.

- The Internal Control function introduced company-wide cyber security simulation to create awareness and teach cyber security consciousness among staff at all levels. For example, vulnerability assessments and phishing mail simulations were conducted during the year to assess the reaction of staff to cyber security threats.

- Monitoring: Monitoring and reviewing activities of the company's transactions were strengthened in line with company policy and procedures to assure adherence to internal policies, statutory regulations/requirements, and international best practices. This was aimed at reducing the company's exposure to operational and compliance risk.

- Report Rendition: Improved and sustained the preparation and presentation of monthly activities and special reports to Senior Management on control failures. Key exceptions and the actions are taken or remediation to address such shortcomings.

During the year, the Control function commenced the development of a policy and procedure development framework. The framework would ensure the standardisation of company-wide policies and procedures, communication, and access/storage systems to support the achievement of the corporate objective.

Enterprise Risk Management Report

1.0 Introduction

We have an efficient risk management system, which is important for growing our company and achieving our goals, it is also fundamental and central to our operations. This system forms an integral part of our corporate governance, processes, and procedures and is fused to our culture across the Group. We seek to achieve an appropriate balance between risk and reward in our operations and continue to build and enhance the risk management capabilities that assist in delivering our growth plans in a controlled environment. We remain committed to increasing shareholder value while being mindful of achieving this objective in line with the interests of all stakeholders.

The system has evolved, over time, from assurances provided by both internal and external auditors as well as certification bodies on continuous improvement. We consistently build the system, and we periodically review for adequacy, effectiveness, and efficiency.

By effectively managing our risks, we maintain our resilience and make sure we are there when our customers need us. Our risk management describes our major risks and how we proactively manage them.

The Group has a sound Enterprise Risk Management Framework that provides the foundations and arrangements, which lays the foundation for effective risk management and controls throughout the organization at all levels. This is continually upgraded to conform with global best practices through innovation, automation, consultations, training, and awareness. The Enterprise Risk Management Framework (ERMF) also provides appropriate guidance to the Group to ensure that its actions and activities regarding risk management are consistent with the need to meet competitive challenges and position the company to comply with Internal thresholds and regulatory requirements.

The overall aim of the Group's enterprise risk management (ERM) process is to support better decision-making through a thorough understanding of risks and likely impact on business objectives. As uncertainties in the marketplace are part of the Firm's business management, the Group monitors and manages its exposure to various risks in a structured and proactive way. Information on risk derived from the risk management process are reported appropriately and used for decision-making.

The Board of Directors and Management, provided, among other things, independent and objective oversight of risk and capital management across the group. Specifically, they:

- Reviewed the activities and effectiveness of the organisation's risk management and control system relative to its strategies and objectives.
- Reviewed and recommended for the board's approval the risk management framework, policies, and procedures as well as assisted the board in its oversight of risk management strategy.
- Exercise oversight over the maintenance of the company's Business Continuity Management System and ISO 22301:2019 Certification.
- Provided support and oversight throughout process of the information security management system implementation and ISO 27001:2013 certification.
- Reviewed the adequacy and effectiveness of the company's risk management and control, which includes the assessment of the asset and liability management, the own risk and solvency assessment(ORSA), risk appetite framework, management's responses to pandemics and ensure business continuity and stakeholders safety, amongst others.
- Reviewed the level of the company's compliance with applicable laws and regulatory requirements which may impact the company's risk profile.
- Reviewed changes in economic and business environment relevant to the company's risk profile and trends which may threaten the business model, strategies, performance, solvency and liquidity.
- Approved and monitored the group's risk profile and risk tendency against risk appetite for each risk type under normal and potential stress conditions.
- Assessed the effectiveness of the Risk Management of emerging risks.

The Management and Board held monthly and quarterly meetings respectively, to review the risk management system and assess the adequacy and effectiveness of the risk management process.

2.0 Risk Management Governance Framework

The Group's approach to risk management is supported by a best-in-class enterprise risk management framework, backed by a risk-aware culture across the group. The Group is committed to continually improving this framework, as well as its risk management capabilities and culture, to ensure the long-term growth and sustainability of its business.

The Board of Directors is ultimately responsible for the governance of the Group's risk management and is committed to ensuring that appropriate and effective risk management and control systems are established across the group. It periodically reviews the system for adequacy, effectiveness, and continuous improvement.

Enterprise Risk Management Report (continued)

Executive management recognises the critical importance of having an efficient and effective risk management system in place. The Group has established a risk management function with clear terms of reference from the Board of Directors, its committees and the associated executive management committee. This is supplemented with a clear organisational structure and outlined responsibilities from the Board of Directors to the executive management committee, and senior managers.

To demonstrate commitment to a robust ERM and control system, the Investment and ERM Board Committee met quarterly in 2022, while the ERM Management Committee met monthly during the period. ERM and control reports and related issues were the focus of meetings.

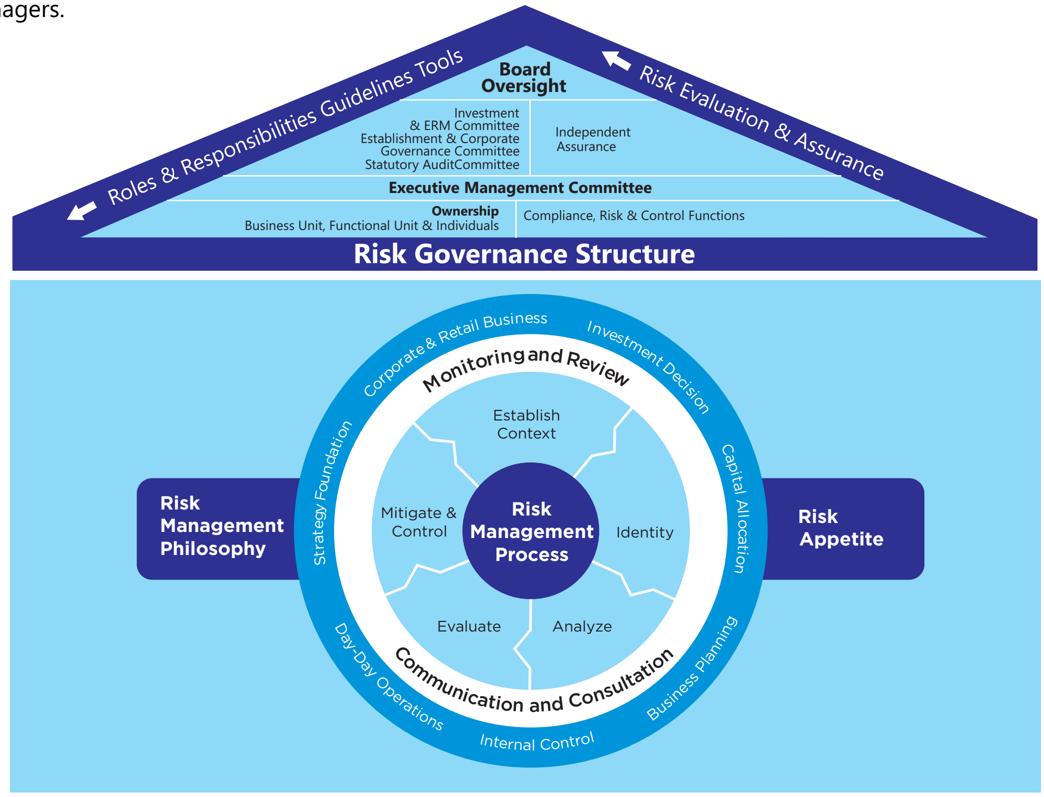


Figure 1: Risk Management Governance Framework in AIICO Insurance PLC.

Role of Board of Directors

The ERM framework provides detailed responsibilities of the Board, its Committees and Management for managing the Group's risks. Below are the responsibilities of the Board in the management of risk:

- Reviewing risk management strategy and policies and providing oversight of the adequacy and effectiveness of the group's risk management control framework;
- Approving and monitoring the group's risk profile and risk tendency against risk appetite for each risk type under normal and potential stress conditions; Providing independent and objective oversight of risk and capital management across the group; Periodically reviewing changes in the economic and business environment, along with trends that may threaten the Group's business model, key strategies, future performance, solvency and liquidity.
- Reviewing and approving changes/amendments to the risk management framework and risk appetite framework.
- Defining AIICO's overall risk appetite in relation to operational risk, business and strategic risk, underwriting risk, reserving and solvency risk, market and liquidity risk, credit risk, reputational risk, compliance risk, and legal risk and ensuring AIICO's risk strategy reflects its tolerance for risk.
- Approving AIICO's overall strategic direction and risk tolerance, in relation to operational risk, underwriting risk, reserving and solvency risk, business and strategic risk, market and liquidity risk, credit risk, reputational risk, compliance risk and legal risk, based on the recommendation of the Board Investment and Enterprise Risk Management Committee.
- Ensuring that Senior Management as well as individuals responsible for operational, underwriting,

Enterprise Risk Management Report (continued)

reserving and solvency, business and strategic, market and liquidity, credit, reputational, compliance, and legal risk management, possess sound expertise and knowledge to accomplish the risk management functions.

- Ensuring that AIICO's ERM Framework is subject to effective and comprehensive internal audit by independent, appropriately trained and competent personnel and/or Professional Body.
- Ensuring that the Group's Senior Management has the required authority and ability to manage risks.
- Setting appropriate guidelines to Management, including an explicit statement of a zero tolerance policy for all unethical behaviour and breach of internal policies and procedures.
- Ensuring the Group complies with all statutory responsibilities and regulatory guidelines.

Role of Board Committees

The above responsibilities of the Board of Directors are discharged primarily through four committees of the Board, namely:

The ERM Framework being the main risk governance document, sets standards for effective risk management. It describes the principal risk types and defines the appetite for risks at all levels. The Risk Management procedure provides guidelines to implement the principles in our Framework.

- Board Investment and Enterprise Risk Management Committee.
- Board Audit Committee and
- Remuneration, Nomination & Governance Committee
- Finance and General Purpose Committee

Without prejudice to the roles of these committees, the Board retains the ultimate responsibility for the management of risks and control of the organisation. The committees meet at least once per quarter and present their reports to the Board.

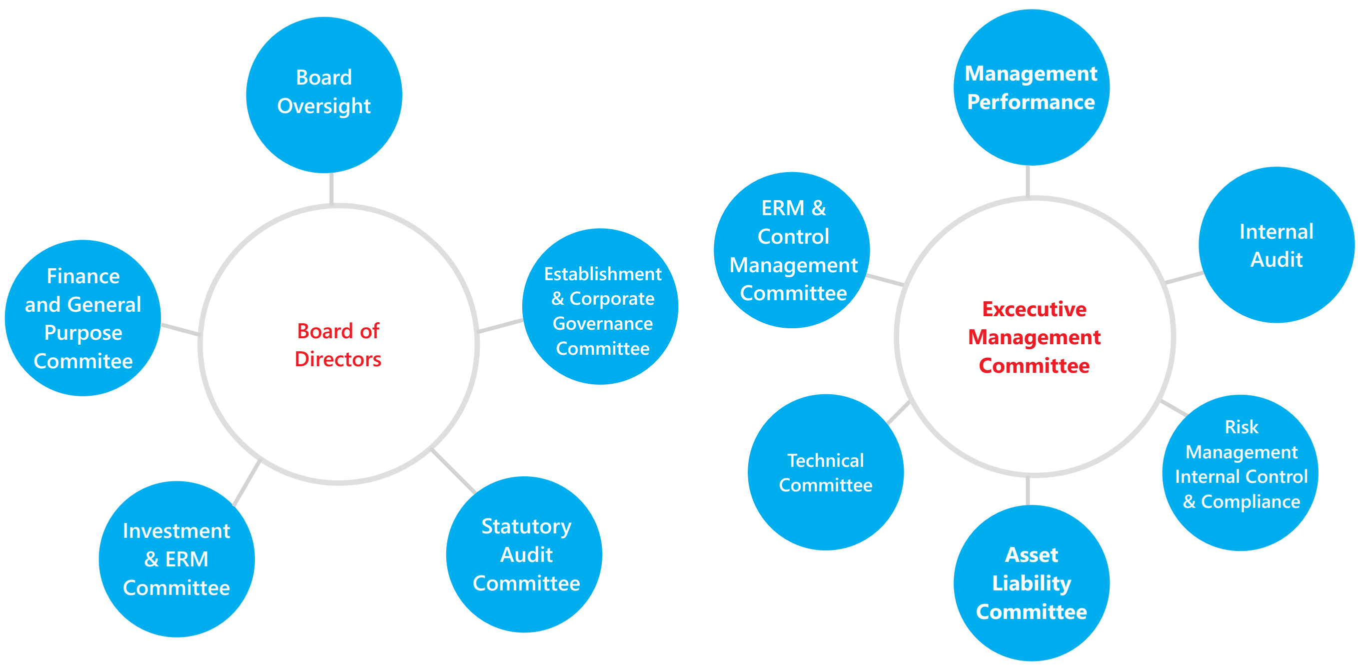


Figure 2: Risk Management Governance

Enterprise Risk Management Report (continued)

3.0 Capital Risk Management

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

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

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

4.0 Financial Risk Management

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

- Credit risk
- Liquidity risk
- Market risk

Each of these risks are discussed below:

1. Credit risk

Credit Risk is the risk to earnings or capital from the possibility that a borrower or counterparty will fail to perform on an obligation applicable to:

- Inability of policyholders to pay renewal premium as at when due
- Counterparties default on the payment of investment obligations upon maturity.
  Transaction with other clients and (re/co)-insurers

What is the Group's Risk Appetite to Credit Risk?
We have a low appetite for credit risk as it has no upside, however we do recognise that it is unavoidable in the pursuit of strategic/business objectives and it is not outside our risk management expertise.

How is the Group Exposed to Credit Risk for its Life and Non-Life Businesses?
The Group is exposed to credit risk on several fronts, which include investments held by issuing authorities other than the Federal and/or Local / State Governments of Nigeria, deposits held with banking institutions and exposure from co-insurers, as well as exposure from reinsurance contracts. All these require that AIICO engages with a counterparty, which is required to fulfil its obligations to the contract.

How is the Group managing the risk?
To manage its exposure, the Group has put in place certain measures listed below:

- Assessments of the credit rating of borrowers, issuers of investment securities and/or other counterparties, before entering into contractual obligations.
- Counterparty limits are set below regulatory limit under asset allocation to avoid significant exposure to a single issuer, ensure exposures are in line with the counterparty credit quality, and monitoring to ensure compliance with internal and regulatory thresholds.
- Requiring provision of collateral for transactions.
- Regular rebalancing of investment and reinsurance portfolios.
- Reporting defaulters to the credit reference bureau for blacklisting.
- Diversification of investments in banking institutions.
- Securing credit insurance to mitigate the severity of defaults should they materialise.
- Prompt processing and follow up of reinsurance and third-party recoveries, to ensure they are received on time, to avoid/reduce the risk of default.
- Coordinate Credit Risk Management with the management of other risks inherent in AIICO's business activities.

How significant is our exposure i.e. what could go wrong?
The Group's Life business exposure to credit risk is not material, as the bulk of its assets are financial assets with the Federal Government of Nigeria. Non-financial assets such as land, buildings and investment property are company-owned, hence not subject to default.

Exposure to reinsurers for the life business is not material, relative to the Non-life business.

Enterprise Risk Management Report (continued)

The Group's Non-life business has significant exposure to credit risk from its coinsurance and reinsurance counterparties. Reinsurance assets (recoverable from paid claims, outstanding claims reserves, reinsurance share of incurred-but-not-reported reserves, unearned premium reserves, etc.) constituted over 4.5% and 4.7% of total assets as at December 2022 and December 2021 respectively.

This is however not a material risk, as a key management approach to this risk is engaging reinsurers with a global footprint, acceptable rating, excellent reputation and good financial standing. Additionally, regular interaction with key contacts at reinsurers for technical support and to obtain updates on the health/status of the reinsurer.

2. Liquidity risk

Liquidity risk is the risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimise a loss, or the risk of deviation in the actual cash flow requirements from the expected cash flow requirements. This risk could have a significant impact on the ability of the Company to honour its commitments clients and creditors.

The key components of liquidity risk are:

i. Funding risk - the risk that the actual cash flow requirements deviate from the expected cash flow requirements.
ii. Trading Liquidity risk - the risk that assets cannot be realised at reasonable prices because of unfortunate timing and/or stressed market conditions.
iii. Intra-Group risk - the risk that the Company may be exposed to calls on its own liquid resources from other entities in the AIICO Group.

What is AIICO's Risk Appetite to Liquidity Risk?

AIICO has a low-to-moderate liquidity risk appetite for the Non-Life business and moderate-to-high for the Life business, due to the short-term and long-term nature of the contracts under Life.

How is AIICO exposed to Liquidity Risk?

AIICO is exposed to funding risk in the sense that actual cash flow requirements quickly change from expectations for the following reasons:

i. Large/catastrophe claims under Non-Life and Group life short-term insurance contracts that create significant demands to liquid resources before reinsurance recoveries are received.
ii. Significant and sustained increase in attrition claims under the same contract under (i) above.
iii. Significant and sustained increase in surrenders and lapses that create significant demands to liquid resources and/or require disinvestments.

AIICO is exposed to marketable asset risk when the change in the actual cash flow requirements due to the aforementioned, requires liquidation of assets at short noticeto meet the obligations and/or in distressed market circumstances, even in the absence of such liquidity demands.

AIICO is exposed to intra-group risk, as it is the ultimate parent of the AIICO subsidiaries, which effectively places AIICO under an implicit guarantee to support its subsidiaries under distressed circumstances, which may otherwise lead to significant reputational risk for the company and the Group as a whole.

How is AIICO managing its Liquidity risk?

Managing liquidity risk within AIICO is well-developed as the Company experiences sizeable demands on its liquid assets from time to time. The key way this risk is being managed is an explicit strategic allocation of a percentage of the liquid assets of the Life and Non-Life businesses, to smooth out occasional short-term liquidity demands.

Additionally, AIICO has cash call provisions in its reinsurance arrangements and putting in place a range of measures outlined below:

i. Monitoring and reporting its liquidity risk profile through: multi-year cash flow projections under normal and stressed market conditions.
ii. Limits framework as outlined above, by way of holding a certain percentage of assets in liquid and readily realisable assets.
iii. Liquidity contingency plan: The Group will, in the future, put in place a liquidity contingency plan to reduce the likelihood and/or impact of not being able to meet its financial obligations under severe distressed circumstances affecting a large proportion of the insurance industry i.e. under stressed market conditions.
iv. The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments, at an amount in excess of expected cash outflows on financial liabilities over the next 60 days.

3. Market risk

Market Risk is the risk that the Company's earnings or capital, or its ability to meet business objectives, will be adversely affected by changes in the level or volatility of market rates or prices such as interest rates, or equity prices.

Enterprise Risk Management Report (continued)

What is AIICO's Risk Appetite to Market Risk?

We have a moderate-to-high appetite for market risk, as it is in line with our core business objectives and within our risk management expertise.

The organization's risk appetite framework has stated clearly the limits of its tolerance as regards market risk. It stipulates that:

- The duration mean term of the residual insurance investment assets, must be matched to insurance liabilities at an 85% confidence level.

- The financial/insurance obligations must match at a minimum 95% confidence level with an appropriate choice of assets. These liabilities include, but are not limited to:

  - Insurance Contract Liabilities.
  - Investment Contract Liabilities.

  The risk appetite for investment loss is set at not more than 15% of market value of equity investment as at the beginning of each year and this is closely monitored to ensure compliance.

Life Insurance

How is the Life Business exposed to Market Risk?

AIICO sells Retail Life products that expose the company, through investment of the assets backing the policyholder reserves, to changes in the prices of financial assets, mainly interest rates driven by government bond yields, interests on money market instruments, equities and property prices, and currency. Adverse price movements in the various markets, pose risks to the company's earnings and capital.

How is the Life Business managing this risk?

Market risk is managed according to several measures including:

i. Asset-liability matching policy, which requires regular monitoring of assets and liabilities by nature, term, currency and modified duration.
ii. A strict investment mandate, as defined by our Risk Appetite and enforced by our Investment Policy.
iii. Fundamental analysis of investment positions, diversification across asset classes, stop loss limits for all investments, frequent portfolio rebalancing, active portfolio and market performance monitoring.

The Life business' assets mix as at December 2022 relative to December 2021, is shown below:

Life Portfolio Asset Mix				
Assets (N'000)	2022 YE	%	2021 YE	%
Cash and Cash equivalent	4,846,593.00	2.36%	4,808,095.83	3.10%
Reinsurance Asset	2,938,056	1.43%	1,838,225	1.20%
Financial Asset	**186,032,592**	**90.67%**	**136,717,648**	**88.90%**
Investment in subsidiary	837,317	0.41%	837,317	0.50%
Investment in property	420,000	0.20%	459,000	0.30%
Plant, Property & Equipment	5,942,919	2.90%	4,980,813	3.20%
Other receivables and prepayment	3,910,385	1.91%	3,887,861	2.50%
Statutory deposit	200,000	0.10%	200,000	0.10%
Goodwill and other intangible asset	45,962	0.02%	37,390	0.00%
Total Assets	**205,173,824**	**100%**	**153,766,350**	**100%**

From the above, the assets of the business are predominantly in financial assets (which mainly include federal government bonds and bills), land and investment property, money market instruments (cash and cash equivalents), quoted equities, prepayments and other receivables.

In isolation, the exposure to market risk from the financial assets may seem significant, but the movements in the bulk of the assets are linked to the corresponding movements in policyholder reserves/liabilities through the valuation interest rates used in the reserving for retail Life SBU as AIICO practice a liability-driven investment portfolio.

Assets are chosen such that they aim to match the price movement of the liabilities to the extent practical. This is achieved through matching the modified duration of the assets to the modified duration of the liabilities to the extent practical.

Enterprise Risk Management Report (continued)

It is standard practice to target differences between duration of assets and liabilities to be less than one.

Taking the aforementioned into account, the balance of the market risk is not significant to the Life business.

Non-Life Insurance

How is the Non-Life Business exposed to Market Risk?

AIICO backs its Non-life reserves and part of excess assets, with investment assets that expose the Group to changes in the prices of the assets, mainly Federal Government Treasury bills and bonds, money market instruments and equities. Adverse price movements in the various markets, pose risks to the Group's earnings and capital.

How is the Non-Life Business managing the risk?

Market risk is managed according to several measures including:

i. Asset-liability matching policy, which requires regular monitoring of assets and liabilities by nature, term, currency and modified duration.
ii. A strict investment mandate, as defined by our Risk Appetite and enforced by our Investment Policy.
iii. Fundamental analysis of investment positions, diversification across asset classes, stop loss limits for all investments, frequent portfolio rebalancing, active portfolio and market performance monitoring.

How significant is our exposure i.e. what could go wrong?

The market risk exposure to Non-Life business is not material, as most of the financial assets are invested in short-term and liquid investments. Liquid investments are encouraged or required due to the nature of short-term insurance business, where large claims may need to be paid at short notice and before recoveries are received from reinsurers.

The table below summarises the Non-life portfolio of which market risk exposure and financial assets listing account for over 56% of the total risk exposure as at YE 2022.

Non-Life Portfolio Asset Mix

Assets (N'000)	2022 YE	%	2021 YE	%
Cash and Cash equivalent	1,675,231.00	4.29%	4,778,837.22	14.30%
Trade Receivable	852,114	2.18%	226,218	0.70%
Reinsurance Asset	8,975,720	23.00%	8,217,471	24.60%
Deferred Acquisition Cost	858,307	2.20%	739,223	2.20%
Financial Asset	**22,388,973**	**57.38%**	**15,432,743**	**46.30%**
Investment in subsidiary	250,000	0.64%	250,000	0.70%
Investment in property	340,000	0.87%	299,000	0.90%
PP7	2,121,609	5.44%	1,860,584	5.60%
Other receivables and prepayment	455,505	1.17%	453,440	1.40%
Statutory deposit	300,000	0.77%	300,000	0.90%
Goodwill and other intangible asset	800,863	2.05%	800,863	2.40%
Total Assets	**39,018,322**	**100.00%**	**33,358,379**	**100%**

Currency risk exposure

The Gross liabilities in foreign-denominated currency for AIICO as at 31st December 2021 was estimated to be $9.7m. This reduced to approximately $4.8M. (largely Insurance liabilities) as at 31st December 2022, consisting of total outstanding claims amount of $4.9m and insurance contract liabilities of $4.8m (with a significant portion of it coming from the Non-Life business).

However, AIICO's total foreign currency denominated asset was about $12.9M as at 31 December 2022, which are held in cash, fixed deposit, and reinsurance assets. Thus, we have a surplus foreign currency denominated amount of$8.1M.

5.0 Insurance Risk Management

Insurance risks are inherent uncertainty regarding the pricing, adverse selection, product design, net retention, reserving, occurrence, amount or timing of insurance liabilities. It also covers future risk claims and expenses exceeding the value placed on insurance liabilities. The timing is specifically influenced by persistency and expenses about which assumptions are made in order to place a value on the risk.

These risks are capable of exposing the insurer to unexpected losses which may threaten the capital adequacy of the insurer.

Enterprise Risk Management Report (continued)

The Group assesses and monitors insurance risks through factors such as thorough data analysis and stress-testing, performance monitoring of toxic account etc. The group manages and monitor consistently within acceptable limits those exposures assumed in the course of providing insurance cover to insured risks.

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

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

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

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements.

The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

6.0 Cybersecurity Risk Management

The Group understands that cybersecurity risk and cyber-attacks may have a significant impact on its financial statements and therefore continuously pays attention on managing this risk to ensure that the likelihood and impact of threats and vulnerabilities are minimized.

A combination of strategies, technologies and user education has been established by Management to protect the Group against cybersecurity attacks that can compromise systems, steal data and other valuable Group information, and damage an enterprise's reputation. This system focuses on the protection of the Group and Clients' information, data, associated information system and assets. The Group completed the implementation of the Information Security Management System (ISMS) and successfully completed the continuous assessment visit (CAV) audit and retained the ISO27001 certification issued by the British Standard Institution in October, 2022, which further assures the security of the Group's information assets and mitigate the impact of any security breach.

The Group conducts regular cybersecurity training and education for its leadership, managers and users, including training on all aspects of the Risk Management Framework and policies. This is to protect them and the group against **cyber-attacks** and threats, empowering users with the technical proficiency, mastery and knowledge to recognize and mitigate a cyberthreat.

7.0 Operational Risk Management

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, or systems, or from external events. Operational risk is inherent in the Group's business activities and, as with other risk types, is managed through an overall framework designed to balance strong corporate oversight with well-defined independent risk management.

The Group’s operational risk strategy seeks to minimize the impact that operational risk can have on shareholders' value. The Group's strategy is to:

- Reduce the likelihood of occurrence of expected events and related cost by managing the risk factors and implementing loss prevention or reduction techniques to reduce variation to earnings.
- Minimize the impact of unexpected and catastrophic events and related costs
- Eliminate bureaucracy, improve productivity, reduce capital requirements and improve overall performance through the institution of well-designed and implemented internal controls

In a bid to ensure that the group continues to manage its operational risk effectively, the group during the year successfully completed the continuous assessment visit (CAV) audit and retained the ISO-27001 certification which is internationally recognized for information and security management systems.

Enterprise Risk Management Report (continued)

The group successfully completed the recertification and transition of ISO 22301-2012 to the most recent standard issued IS0-22301- 2019 which is an international recognizable standard for business continuity and management systems.

8.0 The Three Lines of Defence

AIICO adopts the 'three lines of defence' risk management framework, which allows for input and effective participation across all levels of the business to manage current risks and keep abreast of emerging risks. This is embedded in the Group's enterprise risk management structure, which includes management's approach to risks inherent in the business and its appetite for these risk exposures.

The Group operates and sustains the 'three lines of defence model' to establish a risk management capability and promote a risk culture across the Group.

Under this approach, AIICO continuously assesses and monitors its risk profile against the set standard which emphasises strict adherence to controls and best practices. The model provides the business with an effective approach to clarifying key roles and functions, and helps to ensure the effectiveness of the Group's risk management initiatives.

First Line of Defence

This is implemented by the units or business functions that perform daily operational activities, especially those that are at the Group's front lines. They own and manage the inherent risk exposures of the business in accordance with approved risk appetites, mandates, and limits set by the Board and ensure full compliance with the framework, policies, and approval requirements among others.

The Group's line managers are responsible for ensuring a conducive risk and control environment, as part of their day-to-day functions and operations. They implement risk management policies and create awareness of risk factors that are considered responsible for tactical decisions and actions and as well deter the Group's corporate growth.

Employees in the first line of defence identify risks, implement controls and provide business initiatives that are value adding and improve the risk management process.

Second Line of Defence

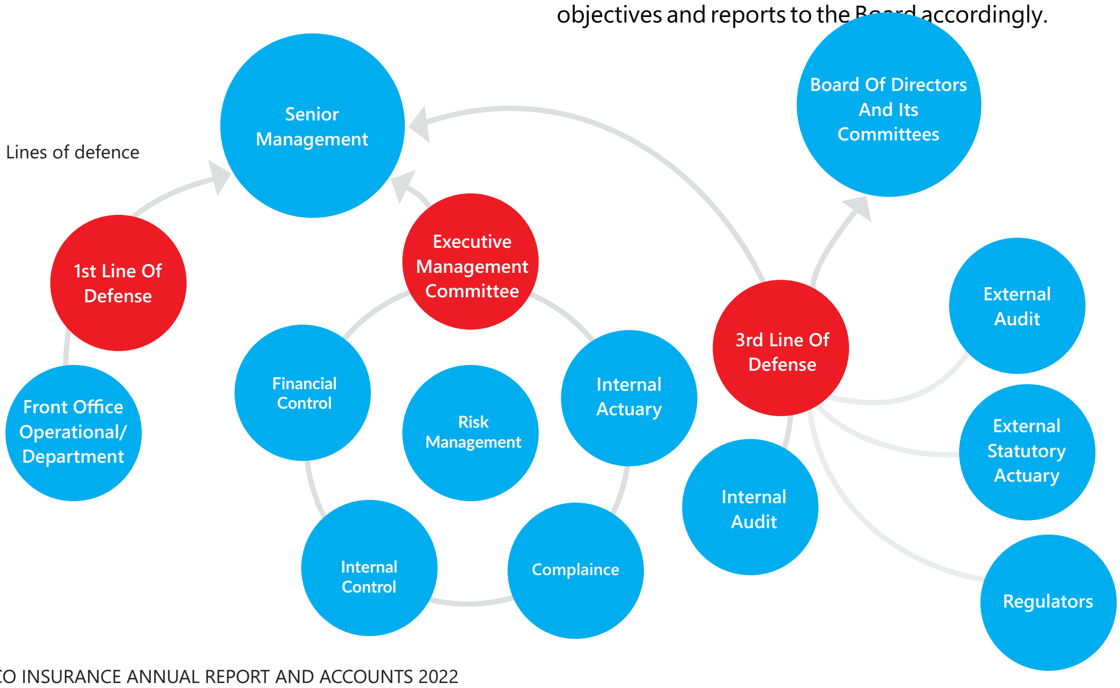
Risk management, compliance and control functions execute the second line of defence. These roles provide oversight and submit reports to the Executive Management over business processes and risks, as well as the assurance that business functions are implemented in accordance with the established risk management framework, policies and standard operating procedures. They guide and provide direction for implementing and monitoring the Group's overall risk management strategy.

The second line of defence reviews and assesses the risk-taking activities of the first line of defence and the actions being taken to manage and control risks, and reports to the Executive Management and Board of Directors appropriately.

Third Line of Defence

This line of defence comprises the Internal Audit and other independent assurance providers that provide an independent and objective assurance over the risk management process, controls and objectives, as established by AIICO Insurance. More importantly, this role evaluates how the first and the second lines of defence achieve their risk management, governance and control objectives and reports to the Board accordingly.

Figure 3: AIICO's Lines of defence



Enterprise Risk Management Report (continued)

9.0 Risk Culture

Strong risk culture is promoted throughout the Group, with a continuous process that is rooted and reflected in its corporate values, leadership styles and operations. It is the definition of sustainable growth and the glue that binds all elements of the risk management infrastructure together.

The Group recognises the importance of effective risk management to achieve its corporate objectives. Hence, it has established a risk culture throughout the Group as a fundamental tool for effective risk management. The risk culture significantly affects the Group's capability to take competitive and effective strategic risk decisions and deliver promises to stakeholders. In addition, AIICO extends its risk culture to third-party suppliers and partners, to help ensure third parties are managing risks within guidelines or meeting their internal risk standards.

The Board, on its part, sets the tone by the establishment of a risk appetite, an ERM framework, and a functional ERM and Control department. The Board holds a quarterly review of risk management reports and risk-related activities for oversight and continuous improvement. There is a formal process to consider risks at each decision-making circle, along with a consistent and repeatable approach that allows for an understanding of the various impacts.

The Management conducts periodic risk assessments; risk owners are identified and reports are communicated and continuously monitored by the second line of defence to provide reasonable assurance. In addition to internal audit periodic inspections, the British Standard Institution (BSI) and KPMG, conduct periodic independent audit exercises in areas of operations and activities with critical risks.

Risk Management awareness week is conducted yearly to sensitise staff across the strategic business units and divisions, of the need and importance of prompt identification and effective management of both internal and external risks in the operating environment. The one-week programme is to ensure a common understanding, awareness and, effective management of risks across the organisation. Furthermore, awareness modules for both ISOs 22301 and 27001 have been automated and performance of participants are constantly reviewed. Other risk management processes are being considered for automation through the company's digitalization project.

The board, management, and staff are committed to continuous improvement of the Group's risk culture. AIICO ensures a visible and substantive change in its risk culture, to guarantee its stakeholders that its business can be trusted. The Group will continue to experience, across board, changes in its culture and when required, refocus its attitude and behaviour in meeting the needs of its stakeholders.

Board Appointment Process

PREAMBLE

AIICO Insurance Plc has put in place a transparent process for the selection and appointment of executive and non-executive directors to its Board. The Governance, Nomination and Remuneration Committee (GNRC) retains the responsibility as mandated by the Board to commence and conclude the appointment process, viz:

- The board evaluates the balance of skills, knowledge and experience on the board along with its succession plan as part of the decision-making process.
- The GNRC collates the requirements for suitable candidates based on various criteria set by the board and may appoint an external consultant to conduct a search for candidates that meet the identified criteria.
- The external consultant presents a shortlist of suitable candidates to the GNRC for further screening.
- Potential candidates are then screened in line with fit and proper tests of the regulator to ensure that there are no adverse financial or reputational issues that would make them unsuitable for appointment as director.
- Members of the GNRC further consider the qualifications of the candidates and decide on the most suitable candidates for presentation to the board.
- The committee makes recommendations of qualified candidates to the board of directors for approval.
- Any successful candidates are presented to the board for approval in a convened meeting where the majority of the members of the board are present.
- Board seeks regulatory approval through the Chairman of the Board.
- Upon approval by the National Insurance Commission, the Director is presented to the Shareholders at a duly convened Annual General meeting for Election.
- The Director, following an election by the Shareholders id duly updated on the Company's Corporate Affairs Commission (CAC 7) and
- The Nigerian Stock Exchange is notified.

Prepared by:

....

Donald KANU, PhD
Date: January 20, 2022
Group Company Secretary, AIICO Ins. Plc.

Approved and Accepted:

....

Kundan SAINANI
Date: January 20, 2022
Chairman of the Board

Remuneration Policy

The remuneration of the Company's Directors is hereby disclosed pursuant to Section 34(5) of the Code of Corporate Governance for public companies.

The remuneration policy of AIICO Group is designed to support key business strategies, create a strong, performance-oriented environment and at the same time attract, motivate and retain talent. The remuneration policy will take cognizance of the relevant Codes of Corporate Governance in Nigeria as well as leading governance practices with a view to ensuring adherence to the highest standards of Corporate Governance.

This policy reflects the Group's desire to sustain long-term value creation for shareholders. The policy aims to:

The key principles underpinning the remuneration policy are as follows:

a) Remuneration and reward strategies shall be set at levels that enable the company attract, motivate and retain the right skills required to efficiently manage the operations and growth of the business;

b) Performance goals of Directors shall be aligned to shareholders interest and ensure that Directors make prudent decisions in deploying the company's sources to generate sustainable growth;

c) The company's performance based incentive program for the executive management shall be aligned to individual performance and the overall performance of the Company. This approach drives a high performance culture that rewards individual contributions and the achievement of business results that enhance shareholder value;

d) The Company shall regularly benchmark its remuneration practices against peer organizations whose business profiles are broadly similar to that of the Company, using remuneration surveys, peer reviews etc.; and

e) The Company shall maintain a transparent remuneration process.

S/N	Remuneration	Description	Timing
1	Basic Salary	This forms part of gross salary paid to Executive Directors only	This is paid monthly during the financial year
2	13th Month	This is part of gross salary paid to Executive Directors only	This is typically paid in the last month of the financial year
3	Directors' Fees	This is Allowance paid to Non-Executive Directors only	This is paid in the last quarter of the year
4	Sitting Allowance	This is Allowance paid to Non-Executive Directors only	This is paid only after each Board meeting duly attended by a Director

Complaints Management Policy

For the year ended 31 December 2022

1.0 Policy Purpose

We believe that the needs of our customers are our top priority and we are committed to providing our customers with quality services in the most effective and efficient way possible. AIICO Insurance Plc values feedback about its services and recognizes the right of all its customers to complain, compliment or make a suggestion. The policy is committed to ensuring that it uses customer feedback to help improve services and to focus on the needs of all our customers. The policy will endeavour to resolve complaints at the time they are brought to its attention to the customer's satisfaction.

2.0 Objectives

The objectives of the Complaints Management Policy are to:

I. Lay down the guidelines, procedures, best practices and minimum criteria for handling and redress of complaints received by AIICO from various sources in an effective, efficient, fair and impartial manner;
II. Provide guidance to the individuals who are responsible for handling and resolving complaints within AIICO;
III. Incorporate the knowledge gained through resolution of the customer complaints in the form of reengineering of the process;
IV. Adhere to SEC Rules Relating to the Complaints Management Framework of the Nigerian Capital Market, which requires every listed company to establish a clearly defined Complaints Management Policy, endorsed by Senior Management, to handle and resolve complaints.

AIICO shall deal properly with any reasonable complaint provided that it relates to a service or product provided.

3.0 Scope

This document sets out on how AIICO Insurance Plc manages and responds to complaints, comments and feedbacks from all customers.

4.0 Policy Elaboration:

We believe that the needs of our customers are our top priority and we are committed to providing our customers with quality services in the most effective and efficient way possible. AIICO Insurance Plc values feedback about its services and recognizes the right of all its customers to complain, compliment or make a suggestion. The policy is committed to ensuring that it uses customer feedback to help improve services and to focus on the needs of all our customers. The policy will endeavour to resolve complaints at the time they are brought to its attention to the customer's satisfaction.

5.0 Definitions

Complaints are one of the most direct and effective ways for the customer to relay to the businesses that there is a room for improvement and hence the Complaint Management policy is framed to redress the grievances of customers. For the purposes of this guideline, a complaint shall refer to a matter for which redress is being sought in relation to a product sold or offered for sale or a service offered or failed to be offered as per agreed terms. Any communication that expresses dissatisfaction about an action or lack of action, in the course of business, about the standard or deficiency of service of our company and/or any of our representative of the company shall be deemed to be a complaint.

According to the SEC Complaint Management Framework of the Nigerian Capital Market, the under listed complaints shall NOT be handled under the above context:

- Complaints against private wound up and liquidated companies
- Complaints on matters that are subjudice or in arbitration
- Complaints falling outside the purview of the Securities and Exchange Commission

6.0 Types of Complaints

Complaints shall be classified into the following categories:

I. Fraud and Suppression
II. Misrepresentation
III. Forgery
IV. Claims and Benefits Issues
V. Others as may be defined by the Complaints Management Committee

7.0 Commitment and Resources

The Board and Executive Management shall drive and commit to the handling of complaints from inception to conclusion. All

Complaints Management Policy (continued)

For the year ended 31 December 2022

other levels of management shall be committed to the laid down procedures and shall act through the Complaint Management Committee to ensure that these procedures are integrated into the culture of the organization and monitored for compliance purposes.

The Complaint Management Committee, saddled with the responsibility of executing the terms of this policy, shall sit on ad-hoc basis, with membership comprising of representatives of the following offices:

- Head of Ent. Risk Management — Chairman
- Customer Service (Life) — Secretary
- Customer Service (Non-Life) — Alternate Secretary
- Head Internal Audit — Compulsory Member
- Head Legal — Compulsory Member
- Head Sales and Agency Operations — Compulsory Member
- Head Business Unit (Non-Life) — Compulsory Member
- Head Business Unit (Ord. Life) — Compulsory Member
- Head Business Unit (Group Life) — Compulsory Member
- Chief Finance Officer — Compulsory Member

The management shall also ensure that:

I. All members of staff are educated about and familiar with the internal procedures

II. Adequate financial resources are allocated to complaints management and sufficient levels of authority are delegated to handle the process

III. Adequate systems are put in place and reporting procedures implemented to ensure timely, effective and consistent complaints handling and monitoring

IV. Reasonable steps are taken to ensure that customers know about the existence of the complaints handling mechanism and how to lodge complaints

8.0 Where to Lodge Complaints

Complaints may be lodged at/with any of the following touch points:

I. By email to aiicontact@aiicoplc.com

II. By surface mail to the head office.

III. By surface mail to the any of the branch offices.

IV. Call 0700AIICONTACT (0700 2442 6682 28) or 012792947-8.

V. Visit www.aiicoplc.com and follow the Customer Feedback link.

VI. Complaint via Customer Survey Feedback

VII. complaints@aiicoplc.com (Service and Efficiency Unit)

9.0 Resolution Procedure

These steps are to be followed in redressing grievances:

Step 1:

Registration of complaints received through any of our touch points - whether by email, customer feedback web link, in writing, in person or by way of telephone call.

Step 2:

I. Acknowledging complainant's letter/Claims notification within forty-eight (48) working hours of receipt which is usually carried out by 1st Line/Resolution Officers (First Stage).

II. Sending a closure and resolution letter alongside acknowledgement, where the matter is resolved within three (3) days.

III. Involvement of 2nd Level Support Officers/ Senior Management Level if the matter was not resolved at the first stage (Second Stage).

IV. Referring the Complaint to the Internal Complaint Management Committee if not resolved at the second stage (Third Stage).

Step 3:

Responsibilities of the Complaints Management Committee - the Committee shall be responsible for the following:

I. Scrutinizing the complaint communication on its receipt and understanding customers' grievances.

II. Identifying the complaint and classifying it to the correct complaint type or subtype for effective analysis.

Complaints Management Policy (continued)

For the year ended 31 December 2022

III. Investigating the complaint with the relevant team(s) and available information and providing resolution to the customer.
IV. Sending request(s) to complainant for alternate contact details, where the complainant could not be reached and information that would aid investigation still pending or required.
V. Ensuring records of all complaints received are maintained and case facts documented in the complaints register, whether satisfactorily resolved or otherwise.
VI. Closing each complaint after resolutions. A complaint shall normally be settled within 14 working days from the date of the filing.
VII. Informing the customer in writing of the resolution and closure, where he/she is satisfied, by sending AIICO's final response to the complainant within the prescribed time limit.

Step 4:

In cases where the customer is not satisfied, he/she may be advised to further pursue redress with the Office of the Commissioner, National Insurance Commission, Plot 1239, Ladoke Akintola Boulevard, Garki II, Abuja (Fourth Stage).

Step 5:

In the event that the complainant is not satisfied at Step 4, he/she is at liberty to pursue further redress in a court of competent jurisdiction.

10.0 Communication Contents

All complaint letters must be acknowledged within 48 (forty-eight) hours of receipt and shall contain the following information:
I. Details of how complainant could keep abreast of the complaint status.
II. Name, designation and direct contact of the officer assigned for follow up purposes.
III. Complaints management and resolution procedures.
IV. Anticipated closure timeline.

The final response, where possible, shall indicate:

The reasons or circumstances which have been considered for the settlement or non-settlement, as the case may be.

A proposal, as appropriate, any offer or other means of settlement made to the complainant.

11.0 Service and Efficiency Unit

Service and Efficiency Unit has been setup within Customer Service department to address all unsatisfactory services, whether in terms of employee conduct or failure to meet the terms of the contract, shall be reported, considered and/or resolved.

12.0 Conditions for Resolution and Closure

The complaint shall be considered as closed & disposed-of when any of the parameters is met:
I. AIICO has acceded to the request of the complainant fully.
II. Where the complainant has indicated acceptance of AIICO's response.
III. Where the complainant, after two reminders are being sent and has not responded to AIICO within four (4) weeks of receiving the letter of resolution and closure.
IV. Where the Company Secretary/Legal Adviser/Chief Compliance Officer certifies that AIICO has discharged its contractual, statutory and regulatory obligations.
V. Where the customer approaches with a fresh complaint after a letter of resolution and closure has been sent.

13.0 Complaints Record Keeping and Reporting

A written report shall be rendered at the monthly Executive Management meeting following Committee sittings.

All relevant business units shall open, update and maintain e-registers for every complaint handled.

The register shall basically contain the following prescribed components:
I. Name of the complainant
II. Date of the complaint
III. Nature of complaint
IV. Complaints details in brief
V. Remarks/comments.

AIICO shall compile and render electronic copies of this report to the relevant authorities on a quarterly basis at lr@nse.com.ng.

Managing Director/Chief Executive Officer's Statement

"In 2022, the Company completed the sale of its stake in AIICO Pensions, recording a profit from discontinued operations of N2.9 billion. As a result, profit for the year rose by 53.6% to N7.5 billion from N4.9 billion in 2021.

Babatunde Fajemirokun
Managing Director/Chief Executive Officer

Managing Director/Chief Executive Officer's Statement (continued)

CEO's Report to Shareholders
Thank you, Mr. Chairman, for your warm welcome and unwavering support.

To our Shareholders and Partners,

Every year, the Chief Executive has the honor and privilege to provide updates on the progress that your Company is making in executing its strategy and how this affects the value of your holdings. In 2021, AIICO Insurance redefined its mission to reflect our beliefs about what our customers want and how best to serve them to meet the Company's long-term goals.

Over the past three years, I have had the honor of giving this report and it is one that I hold in the highest regard. The period has been challenging to say the least - from COVID to the war in Ukraine and their attendant effects on the global economy, companies have been compelled to rethink their value in the world, to their customers, employees, business partners and shareholders. Our approach to maintaining market leadership has always been through a relentless focus on the customer and a value-driven approach to business. However, we had to redefine the nuts and bolts of this goal and when we thought deeply about this, four main themes continually rose to the surface:

- Digital first,
- A compelling customer experience,
- A highly motivated workforce and,
- Best-fit products.

In our minds, these four themes addressed our core objectives of a customer-centric and value-driven approach - we communicated as much to you last year. Subsequently, I will be providing some updates on the execution of the strategy behind the numbers we have reported, outlining the areas where we have succeeded and areas where we can improve. As we celebrate AIICO's 60th anniversary, it is important that we remember the guiding philosophy: a focus on sustainable growth fueled by a dedication to excellence. If we keep these guiding principles in place, I am certain that we will have an organization that creates generational wealth for you, our shareholders.

2022 In Review

As a Group, premiums written grew 23% year-on-year to N88.3 billion in 2022 from N71.6 billion in 2021. This was due to a 23% increase in company premiums to N87.6 billion from N71 billion in 2021 and 10.7% growth in HMO premiums to N714 million from N645 million in 2021. Operating income in our non-pension asset management business declined by 22% year-on-year to N1.5 billion from N1.9 billion in 2021 as trading income reduced due to the prevailing interest rate environment and economic conditions.
The Company's bottom line also improved year on year: Profit before taxes from continuing operations, increased to N5.1 billion from N2.8 billion in 2021 driven by increased profit in the company and subsidiary businesses. Improved underwriting performance in the non-life and health maintenance businesses supported growth in 2022 compared to 2021. We emphasize the Company's profits from continuing operations to provide a view of the company's businesses and the improvements that we have made that we expect to persist. We will provide more insights into the performance of the company and subsidiaries subsequently.

In 2022, the Company completed the sale of its stake in AIICO Pensions, recording a profit from discontinued operations of N2.9 billion. As a result, profit for the year rose by 53.6% to N7.6 billion from N4.9 billion in 2021.

Our financial position remains robust despite the volatile macroenvironment. The Company increased its total assets by 21.6% to N270 billion in 2022 from N222 billion in 2021. A significant part of this growth came from the acquisition of Tangerine Life's annuity portfolio which added about N30 billion to funds under management. Your Company's investments in its Asset-Liability Management, ALM, capabilities means that it is in an excellent position to assume risks that competitors may not be able to manage; this is the second such acquisition over the last two years.

Managing Director/Chief Executive Officer's Statement (continued)

In our products, the Company will continue to monitor the market for opportunities to grow through acquisitions, always ensuring that these transactions are value accretive to you, our shareholders.

The Company also grew shareholder value on an accounting basis in 2022 with total equity increasing 17.3% to N45 billion from N38 billion in 2021. A major aspect of our ALM activities is the stability of our financial position given the volatile interest rate environment - because of the types of products we sell, the Company is exposed to interest rate risk and must take steps to insulate its balance sheet from the volatility in the markets. In the ensuing sections of the report, I will report on the progress we have made here as well.

Non-life Insurance

I believe that some context is required in our non-life business. In Nigeria, the non-life business is largely dominated by premiums from corporates. As a result, any growth in this segment of the market would have to entail a strategy for growing our share in the corporate space. In 2017, when the current head of the corporate business, Adewale Kadri, joined the team, total non-life premiums were about N8.7 billion. In the 5 years since, AIICO's premiums have tripled to over N26 billion, growing at an average annual rate of 25%. This has been achieved by growing the contribution from all the product lines in the business as well as a focus on leading large special risk accounts. Our strategy has largely succeeded.

This growth was not without its pains - over the period, we grappled with the implications of such rapid growth, especially around risk selection. Over the last year, however, many of the initiatives around improving risk selection have started to bear fruit - between 2017 and 2021, average claims ratio net of reinsurance was 52%. In 2022, it dropped to 34.4% leading to an underwriting profit of N3.7 billion, another Company record for the non-life business.

Insurance is very much dependent on the general economic sentiment. In non-life insurance in particular, inflation can have a detrimental effect to reported

The Company also grew shareholder value on an accounting basis in 2022 with total equity increasing 14.8% to N44 billion from N38 billion in 2021.

performance as replacement costs for partial losses rise and firms are exposed until the risks can be repriced. This highlights the crucial nature of underwriting operations - our decisions must be forward-looking in a volatile economic environment. We however believe that the Company is on the right track.

In December 2022, NAICOM announced new rates for auto insurance policies. We believe that these changes are good for the industry but will take some time to be fully accepted by the market. AIICO Insurance will be working with our partners and customers to navigate these changes.

Life Insurance

Here as well, some context is required. The products that we sell help our customers transfer their risks to us because we are adept at managing them. For our life business, this remains the case. However, the nature of the risks differs compared to the conventional non-life insurance policy. In many cases, customers who purchase our life insurance policies service these policies for decades and want to protect themselves from market risks. This has some implications for how these liabilities are valued and affects how assets are allocated to back these liabilities.

In 2022, the 17.6% growth in our life business was driven by a 24.4% growth in group life premiums to N7.5 billion from N6 billion in 2021, a 7.4% growth in ordinary life premiums to N46.9 billion from N43.7 billion in 2021, and a 198.4% increase in annuity premiums to N6.6 billion from N2.2 billion in 2021. The business achieved this growth despite the high inflation environment that typically discourages savings. Of course, inflation has affected the business in some other ways - because customers tend to dip into savings to deal with higher costs of living, surrenders increased in 2022. We believe that we can work with customers to develop solutions to slow this trend, while recognizing the impact of the current macroenvironment.

Overall, I believe that the life business has taken a significant step forward this year in terms of our operations. For one thing, the business responded exceedingly well to the change in leadership at the beginning of the year. This provides comfort that our business is one that is built for the long haul, and that our operations and relationships are sufficiently robust enough to withstand potentially turbulent periods.

We have made significant progress in building our ALM capabilities over the last two years as well. These capabilities are especially important because of the types of products we sell. Most of the Company's liabilities contain guarantees, hence, they are usually valued using prevailing sovereign yields at valuation dates, and because of the volatility in markets over the last few years, changes in sovereign bond yields significantly impacted the value of our liabilities and assets. These movements are reflected in the change in Ordinary Life and Annuity Funds as well as fair value/realized gains or losses on the income statement. In the Life business, we are typically concerned about whether there is a surplus or deficit of assets over liabilities because of these movements. During 2022, yields were quite stable in the first half of the year but rose in the second half leading to realized and fair value losses on financial assets of N6.7 billion while the change in liabilities due to interest rate movements was N7.4 billion, leading to a surplus of N630 million of assets over liabilities from ALM operations.

Our belief in our ability to manage these risks led to the acquisition of Tangerine Life's annuity portfolio in September 2022. We believe that the investments we have made in building these capabilities means that we can generate more value for all our stakeholders from the management of these risks that customers or competitors want to transfer to us.

Managing Director/Chief Executive Officer's Statement (continued)

AIICO Multishield

Our HMO subsidiary also generated record profits in 2022, contributing more significantly to group performance. Underwriting income, including fees, increased by 73.6% to N1.7 billion in 2022 from N951 million in 2021. This was driven by increased premiums, growing 10.7% to N760 million, and increased fees, which grew over 200% to N935 million. In addition to our regular fee-for-service business in which customers pay premiums, our health business manages certain portfolios in return for fees. In these portfolios, the company usually does not assume any risk.

In addition to the increased revenue, the business also improved its claims and operating efficiency which supported its profitability in 2022. As a result, profit before tax increased eight-fold to N258 million from N28 million in 2021.

The health insurance segment is poised to experience some change given the new National Health Insurance Authority Act passed in 2022. We believe that we are positioned appropriately to serve customers under this new dispensation and are working with the authorities and other industry stakeholders to understand the form that the new regulation will take on a case-by-case basis.

AIICO Capital

The volatility in financial markets in 2022 affected performance in our asset management subsidiary. Net operating income (including investment and other income) in our Wealth Management business declined by 22.1% in 2022 to N1.5 billion from N1.9 billion in 2021. The volatility in the capital markets in 2022 limited opportunities to trade, a major source of income in our business today.

Overheads decreased 26.9% year on year to N826 million. Cost to income ratio however declined in 2022 to 57% from 60% to compensate for the reduced income during the year. This led to a decline in profits before taxes of 19.5% to N584 million.

As I have mentioned previously, high inflation periods tend to reduce savings - in these situations, consumers typically demand a premium as an inducement to save. Therefore, costs of funds tend to increase, and margins reduce, a phenomenon that we have seen across the market. Our view internally is to build a business that is resilient to market volatility, and we believe that we have gone some way to achieving this given the performance of the Company over the last few years.

Group Strategy

Most of my responsibilities as the Chief Executive concern how capital is allocated across the companies in the Group. This is because this capital is not cheap - the discussions that we have at these meetings are a constant reminder of my fiduciary duty to you, our shareholders. The approach with which we take these decisions is the bedrock of our corporate strategy at AIICO Insurance and it informs the decision to enter a new market, invest in our current markets, or divest from a particular market. Our exit from the pensions industry came from a clear-eyed assessment of our capabilities and our assessment of the market opportunity. We believed that the capital could be more effectively deployed to support our existing businesses at the time the decision was made.

At the business unit level, we are more concerned about how we leverage these competitive advantages to generate profits. It is here that our four main themes, outlined earlier, come into focus. These themes guide our approaches in our different markets, and they are indicative of where we want to be, while acknowledging that we are on a journey. We believe that these themes cut across all our businesses, determining how we go to market, even though the drivers of value creation may differ across the various businesses.

In our insurance businesses, the main drivers of shareholder value are underwriting and investment results. Typically, underwriting results exhibit less variability than investment results, which are affected by the state of financial markets, and are usually favored from a cashflow perspective. Generating underwriting results depends largely on decisions about pricing and product mix and we must hold these objectives in tension with what risks consumers typically want to transfer.

In Nigeria today, economic anxiety leads people to seek to transfer market risks to insurers. This explains the popularity of savings and annuity products in our retail life business and means that our profits largely come from our investment results. We are taking steps to rebalance this by significantly increasing the contribution to premiums from our endowment products and risk-based products. Endowment products have both traditional insurance and savings elements which tend to satisfy customers when they learn about them. A key determinant of success here has been the investments in learning and development made over the past few years to upskill the sales force who sell these policies.

Non-life underwriting results also depend on sound pricing and product mix; however, some other factors must be considered. Depending on the risk characteristics, the effectiveness of reinsurance is a significant determinant of underwriting performance. A Company's appetite for risk often determines the limits of its retention - if the risks inherent in its portfolio do not align with its risk appetite, reinsurance operations may be a significant drag on company profitability.

Investment results in both businesses are determined by the choices we make while taking the nature of the liabilities that the company assumes. In our life business, because our liabilities are generally long-term in nature, investing in longer-term assets means that the company is matched from an ALM perspective. The non-life business is the opposite, with short-term liabilities largely backed by short-term assets.

Our subsidiary businesses are more straightforward; given the increasing costs of healthcare in the country, profitability in the segment largely depends on improving relationships with healthcare providers and sharing risks whenever possible, both with providers

Managing Director/Chief Executive Officer's Statement (continued)

and with customers. Health insurers are typically exposed to adverse selection and moral hazard, situations that arise due to the information asymmetry that exists between the insurer and the insured about the insured party's current state and future actions respectively. These conditions make risk sharing quite fundamental to profitability.

In our asset management business, we have built a niche position in the industry, one that entails the Company taking some market risk. We, however, believe that other segments of the industry can be explored, especially using technology to improve the customer experience and reduce the friction that consumers currently have with general financial services today. Reducing the impact of market volatility on our business is a key business objective over the next few years.

People

Nigeria's human capital challenges are familiar to everyone. Over the last few years however, the country has faced even more significant pressure as skilled labor has migrated to more developed economies. Many of these people have cited economic concerns as the primary determinant of their decisions to leave the country and AIICO Insurance has had its fair share of these departures.

Employment market dynamics in the country have changed and companies have had to adapt. At AIICO insurance today, we have had to look at our offerings to staff holistically. This entailed reviewing compensation, monetary and otherwise, as well as the other aspects of work that matter to employees.

We have found that a key element of employee well-being is flexibility in working conditions and the company has moved to implement initiatives here that recognize this insight. Today, AIICO Insurance operates a hybrid work environment that is carefully maintained by our human capital department. We have found that the increased trust that we have placed in our employees has resulted in improved productivity across the board and while there are still some challenges, the approach has largely been successful.

As the industry transitions to IFRS 17, the importance of our people will increase. Navigating this period will involve the support of all members of staff, with increased collaboration between the finance and actuarial teams, supported by technology that considers the nuances of the new standard. It is important that our human capital efforts be flexible, keeping our overall objective in view while accounting for changes in our environment and having these inform our proposition to employees.

What Lies Ahead for Us?

2022 was a turbulent year for the global economy and in some ways, 2023 promises some uncertainty as well, especially for Nigeria. As I mentioned earlier, our focus is to build businesses that are resilient to market fluctuations by designing products that our customers want and providing a compelling customer experience while leveraging technology and digital solutions. This is our focus, and we are committed to making the investments needed. We believe that providing the right environment for talent to thrive, we can achieve these goals, setting the Company up for another 60 years of market leadership.

We have built a portfolio of businesses over the last 60 years. We have entered some markets and exited others. Today, we have built strong competitive advantages in our insurance businesses, across distribution, risk management and operations. We believe that the investments that we have made here can be leveraged for the other businesses in our Group given the right investments in time, resources, and personnel. You have selected us as managers to make these decisions and we will not let you down.

As I look ahead to 2023, I do so with a lot of belief. This belief is founded on how the Company has weathered storms in the past. I have been at AIICO insurance for over a decade and have spent the last 10 years responsible for executing the company's strategy, both as the Chief Operating Officer and the Chief Executive. During my time here, the company has improved in almost all aspects - we have made significant leaps in the quality of our corporate governance, leading to investments from international investors and development finance institutions. We are building a brand that has international aspirations.

However, insurance penetration in Nigeria is still less than 1% - there is a significant opportunity in the country for insurance. We are determined to take advantage of this opportunity, working with industry stakeholders and regulators to build an industry that rivals other financial sector industries in Nigeria. We have made progress, but we can certainly do more.

As we celebrate 60 years in business, I have never been more optimistic about the future of this Company. This is a significant milestone, one that speaks to a legacy of excellence and a commitment to sustainable performance. We could not have done this without your support, without the faith of our customers and the dedication of our employees and business partners. Thank you all for your continued belief in the leadership of this great Company. On our part, we will continue to make the decisions that increase the value of your holdings.

Thank you very much for your time and God bless.

Babatunde Fajemirokun
MD/CEO

HR Activities/Initiatives 2022

Developing Our Leaders & Planning for Tomorrow

In 2022, some of our key leaders completed their 18-month Executive Accelerator Leadership programme, which was deployed in partnership with LeapFrog. This programme has further strengthened and equipped our leaders with the right skills to navigate the uncertainties organisations face in emerging markets.

Our next layer of Leaders was also enrolled in a Global Senior Leadership Accelerator Programme to enable them to build a strong peer network while also developing fundamental leadership skills that will allow them to navigate the complexities of senior leadership to lead themselves, their teams, and the organisation e?ectively.

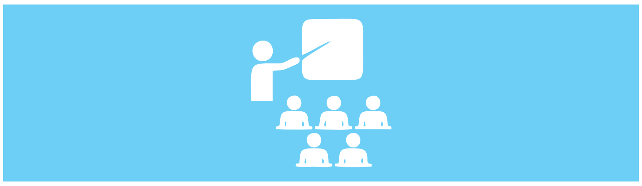
We also launched a Graduate Trainee Programme tagged - **AIICO Graduate Trainee Programme (AGTP).**
The AIICO Graduate Trainee Programme will assist with attracting high-calibre, ambitious young professionals into the organisation and equipping them to be future leaders within the organisation.

Human Resource Transformation

Following the required transformation of HR services towards actualising our strategic priorities, we partnered with one of the big four consulting firms to support in providing consultancy services in the following areas:

1. Assess the current recruitment process of AIICO Insurance Plc and design a best-fit process.
2. Design a Coaching & Mentorship Programme to support our people, especially the younger workforce, empowering them to navigate their careers with the organisation.
3. Develop a Competency Framework for the Technology function to ensure the incumbents have the right knowledge, skills, and abilities to achieve business goals.
4. Review and update Employee Handbook in line with AIICO's strategic priorities and industry best practices.
5. Conduct an Employee Engagement Survey to determine the organisation's perception of work culture and other internal practices.

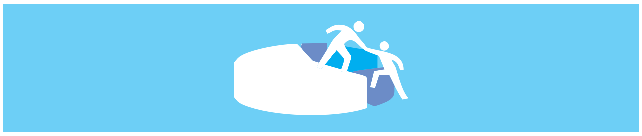
The above deliverables have been completed, and we are gradually



Developing our People

We have continued to create an enabling learning environment for our employees with investment in technology, professional qualifications, and other learning activities across the business.

Alongside our user-led Learning Management System (K-HUB), we procured Udemy licenses to promote self-learning and stimulate employees' interest in learning, thus, empowering them to achieve personal and business objectives.



Caring for our People

We have continued to focus on ensuring our people's health, safety, and engagement in line with our people strategy.

We maintained our rotational/hybrid work arrangement and provided employees with requisite work tools and data. In addition, for those that work from the office, we maintained an early closing time to help our people to have a work-life balance.

To ensure our people continually stay healthy and balanced in all facets of life, we have continued our partnership with Learning Dimension Ltd. to provide staff with free access to therapy sessions to address mental health and general well-being issues. We also maintained our partnership with i-Fitness gym to provide gym access at a highly subsidised rate to all staff.

International Accreditation Achievements

In September 2022, the Nigerian Actuarial Society of Nigeria (NAS) awarded the Best Actuarial Employer Award to AIICO during its annual conference. The award was in recognition of AIICO's contribution to growing the actuarial profession through support for writing exams, incentives, mentorship opportunities within the team, ability to grow career-wise, number of actuarial staff, type of actuarial work done, quality of actuarial work done, contributions to the Nigerian Actuarial Society activities, e.tc.

We also maintained our accreditation of the Institute and Faculty of Actuaries (IFoA) Quality Assurance Scheme (QAS) - by providing quality assurance at organizational level, promoting confidence in the work of our actuaries, demonstrating our commitment to high-quality actuarial work and supporting employees carrying out that work.

Diversity Policy

Purpose

AIICO Insurance Plc ("AIICO" or the "Company") recognizes its talented and diverse workforce as a key competitive advantage. Our business success reflects the quality and skill of our people. AIICO is committed to seeking out and retaining the finest human talent to ensure top business growth and performance.

The Workforce Diversity Policy aims to create a workforce that is fair and inclusive and seeks to retain and attract the best people to do the job.

This policy provides guidance for all people practices across AIICO as a Group, including but not limited to those programs and initiatives specifically aimed at recognition and promoting workforce diversity.

Scope of the Policy

Diversity management benefits individuals, teams, our Company, and our customers. We at AIICO, recognize that each employee brings their own unique capabilities, experiences, and characteristics to their work. We value such diversity at all levels of the Company in all that we do.

AIICO believes in treating all people with respect and dignity. We strive to create and foster a supportive and understanding environment in which all individuals realise their maximum potential within the Company, regardless of their differences.

We are committed to employing the best people to do the best possible job. We recognize the importance of reflecting the diversity of our customers and markets in our workforce. The diverse capabilities that reside within our talented workforce will enable the Company to anticipate and fulfil the needs of its diverse customers, both domestically and internationally.

Values & Commitments

AIICO is committed to providing a safe and professional work environment where people feel valued, respected, and are treated fairly. This policy contributes to AIICO's ability to attract and retain the best people by seeking and utilizing employees with diverse views and experiences.
Policy

Definition

Diversity is a term used to describe the differences and uniqueness of all people. This may include skills, knowledge, experiences and perspectives of individuals or groups. It can refer to demographic characteristics, such as age, gender, sexual orientation, religion or national origin or social origin and can also be recognized by personal characteristics such as disability, medical condition, pregnancy or potential pregnancy and any other characteristic of an individual.

Guiding Principles

AIICO Insurance Plc's diversity initiatives are applicable but not limited to our practices and policies on recruitment and selection; compensation and benefits, training and professional development; promotions; transfers; terminations; and continuous development of a work environment built on the premise of gender and diversity equity that encourages and enforces:

- Respectful communication and cooperation between all employees.
- Teamwork and employee participation and;
- Work/life balance

The guiding principles promote awareness and proactive management practices regarding workforce diversity and how this is applied across the Company:

- A diverse workforce is a competitive advantage in retaining and attracting the best people to improve our business performance.
- A skilled workforce that reflects the diversity of our customers and communities.
- The experience of work for employees is to be inclusive and respectful of individual differences, including but not limited to, family responsibilities.
- Awareness of the rights and responsibilities of individuals with regards to equity and respect for others is important for all employees.
- Promoting a work environment that values seeking and utilising the contributions of employees with diverse views and experiences.
- AIICO values practices that provide access to development and promotional opportunities, with final decisions based on merit.
- Promoting AIICO culture throughout the Company to achieve positive business outcomes, including inclusiveness and meritocracy, is a part of every employee's role.

Recruitment

AIICO recruits' people from all around the globe. We believe that our employees from many different cultural, linguistic, and national backgrounds provide us with valuable knowledge for understanding complex international markets.

Career development and promotion

AIICO rewards excellence and all employees are promoted based on their performance and vacancy of higher responsibility. All managers are trained in managing

Diversity Policy (continued)

diversity to ensure that employees are treated fairly and evaluated objectively.

The Board of AIICO

The Board should assume responsibility for its composition by setting the direction and approving the processes for it to attain the appropriate balance of knowledge, skills, experience, diversity, and independence to discharge its governance role and responsibilities objectively and effectively.

The Board should promote diversity in its membership across a variety of attributes relevant for promoting better decision-making and effective governance. These attributes include field of knowledge, skills, and experience as well as age, culture, and gender.

This policy should help the Board to govern this process and establish measurable objectives for achieving diversity in gender and other areas.

The Board should periodically invigorate its capabilities by ensuring the appointment of new members with relevant skills and fresh perspectives, while retaining valuable knowledge, skills, experience, and diversity, and maintaining continuity.

The Board should approve the criteria for appointing Directors, as recommended by the Committee responsible for nomination and remuneration. Such criteria should take into careful consideration the strengths and weaknesses of the existing Board, integrity, required competence and skills, knowledge and experience, capacity to undertake the responsibility as well as diversity, including gender diversity.

Diversity practices

All employees must undergo diversity training. Diversity training encompasses raising awareness about issues surrounding diversity and developing diversity management skills.
AIICO provides a safe and pleasant environment for our employees. We offer:

- Flexible working time arrangements
- Employee education assistance
- Employee network and support groups
- Open communications

Responsibility for Workforce Diversity

The Nomination and Remuneration Committee ("the Committee") will be responsible for reviewing and making recommendations to the Board on workforce diversity practices.

Management will also have the responsibility for managing local practices and ensuring adequate understanding of this policy exists across the span of responsibility.

Management shall be responsible for acting in alignment with and upholding the principles of this policy.

All employees of the Company shall bear the responsibility to comply with this Diversity Policy and any other associated policies.

Governance

As part of the Company sound and practical corporate governance, the Company shall give due regard to:

- AIICO's Corporate Governance Principles.
- The Financial Reporting Council's Nigerian Code of Corporate Governance 2018
- AIICO's Policy on Sexual Harassment.
- The companies and Allied Matters Act 2020.

Diversity Initiatives Measurement and Reporting

AIICO will monitor the performance of the diversity initiatives using appropriate measures and targets. Progress will be reported and monitored by the Nomination and Remuneration Committee and reported in accordance with the Governance section of this policy.
The Executive Management will, as appropriate, be assigned specific aspirational goals in relation to the diversity initiatives set by the Board.

Policy Review

The Nomination and Remuneration Committee will review the policy every two years and make recommendations to the Board as to any changes it considers should be made.

Disclosure

The Board will make appropriate disclosure of this Policy in the company's Annual Report. This will include outlining specific objectives regarding gender diversity, as set out in the company's Corporate Governance Principles.

Contact

Any questions relating to the interpretation of this Policy should be directed to the Group Head, Human Resources & Admin., or the Company Secretary/ Group Head, Legal & Compliance.

Approved by the Board of Directors on:
January 20, 2022

Donald Kanu, PhD
Company Secretary

Appendix I
Diversity Targets/Goals for 2022-2023

1. Overall increase to 30% female on the Board.
2. Increase female in executive management to 20%
3. Increase female in senior management position to 20%
4. Hire at least two disabled individuals as employees.

Management Team

Babatunde Fajemirokun, FCII
Managing Director/Chief Executive Officer

Skills and Experience

Babatunde Fajemirokun is the Managing Director and CEO at AIICO Insurance PLC, a position he has held since August 14th, 2019.

He has decades of professional experience cutting across management consulting, insurance, and asset management. He joined AIICO Insurance PLC, Life Insurance Division in May 2009, and was responsible for value-enhancing projects in its maiden growth strategy, business process and technology transformation projects. Prior to his appointment as Managing Director and CEO, he held roles that were responsible for key strategic and operational functions across the business.

He was Divisional Head Operations & Technology (2009-2013), Chief Operating Officer (2013-2017) and Group Chief Business Officer (2017-2019). Babatunde started his career in academia in 2001, as a visiting lecturer in the Department of Economics & Enterprise at Glasgow Caledonian University, Scotland. He worked with Accenture, Lagos (2003 - 2007), and then Capgemini Consulting, UK (2008 - 2009).

In his management consulting roles, Babatunde provided consulting/advisory services to Financial Services (banking and insurance) and Government Clients, predominantly in mergers and acquisitions, and then United Kingdom Government transformation programs. He also has external appointments as a Non-Executive Director in Food Concepts Plc (chairs the Finance & General-Purpose Committee) and Xerox Corporation Nigeria (XHS).

Educational Background

Babatunde is a Fellow of the Society of Underwriting Professionals (FCII), Chartered Insurance Institute UK, and a Chartered Insurer, and has an MBA from the University of Chicago Booth School of Business (2013), a Business Information Strategy Master's degree (dist.) from the University of Strathclyde (2002), and a Bachelor's Degree in Business Economics from Glasgow, UK (2000).

Adewale Kadri, FCIIN, FCCA
Executive Director, Technical

Skills and Experience

Adewale Kadri is the Executive Director- Technical of AIICO Insurance Plc. He is a versatile Insurance practitioner and a seasoned salesperson. He began his Insurance career with Worldwide Insurance Company Limited in 1994 as a Life Marketer and later moved to ELMAC Assurance Nigeria Limited in 1997 where he joined the Team that was saddled with the responsibility of Marketing the Company's various special packaged products. He also worked as an Insurance Officer of Modandola Group of Companies where he was exposed to the rudiment of Insurance broking and technical operations.

He later joined the Marketing team of Newline Insurance Company Limited and Sun Insurance Plc. where he worked in various managerial capacities before joining the pioneer team of UBA Insurance in 2004 as Group Head, Brokers' Management Division. While at UBA Insurance, he served in various committees which ensured the successful take-off of the first Banc Assurance Business Model in Nigeria. He had a brief stay at NICON Insurance Plc as Senior Manager/Head, Strategic Business Unit before joining Oceanic Insurance Company Limited as Group Head, Brokers Management Unit in 2007.

Adewale Kadri was the Acting Managing Director of Oceanic Insurance Company Limited/Old Mutual Nigeria General Insurance between July 2012 and April 2014. He left the services Old Mutual Nigeria as Business Development Executive in April 2017 and joined AIICO Insurance Plc as General Manager, Head of Non-Life Business. His appointment as Executive Director was confirmed by NAICOM on the 5th February 2018.

Educational Background

He is a Fellow of Chartered Insurance Institute of Nigeria and a Chartered Certified Accountant. He holds a B.sc in Applied Accounting from Oxford Brookes University, United Kingdom and Master's Degree in Business Administration with specialization in Marketing from Lagos State University, Ojo. He is also an Alumnus of the Polytechnic Ibadan where he obtained Higher National Diploma in Insurance and graduated with Upper Credit Division. He equally obtained Certificate of competence in Management Advancement Program from University of the Witwatersrand, Johannesburg, South Africa. By virtue of his position as the Executive Director- Technical Operations, he attends all meetings of the Finance & General Purpose committee, ERM & Investment committee, and Statutory Audit. He joined the board on October 30, 2017

Management Team

Gbenga Ilori
Head, Retail Business

Skills and Experience
Gbenga is a seasoned professional with over 20 years of progressive work experience in areas that cut across Sales, Marketing, Operations, Customer Service, Strategy, and General Management. He is a certified insurance practitioner with high financial acumen matched by a success-driven personality. He is self-directed, highly principled, and a collaborative leader. He is a bold and disruptive leader, who is always ready to challenge the status quo for better results.

He joined AIICO Insurance Plc in November 2010 as the Group Head of Retail, to drive the retail businesses of both Life and General operations. This he did successfully, overseeing a major re-organization of the agency network for the distribution of all retail products within AIICO. He led his team to establish the annuity desk in AIICO and trained their agency network on annuity opportunities in the Pension Reform Act. He was later appointed the Special Assistant to the Group Managing Director in April 2012. He and his team pioneered the Microinsurance Business in AIICO in 2014. Some other positions held in AIICO include Head of Lagos Mainland, Head of agency operations and administration/non-life retail, and Head of life benefits and claims/upcountry Operations.

Gbenga left AIICO in 2020 to join Coronation Life Assurance Limited in 2020 as the Executive Director - Technical. During his period at Coronation, he oversaw the agency distribution channel, supported the bancassurance initiative of the ecosystem, oversaw product development, technical operations, and the execution of the marketing strategy in the company.

Gbenga Ilori rejoined AIICO in 2022 to lead the Retail Business function and Agency Operations.

Educational Background
He holds a B.SC (Hons) in Actuarial Science from the University of Lagos and a Master's Degree in Business Administration with a specialization in Marketing from the Federal University of Technology Akure. He is an associate of the Chartered Insurance Institute of Nigeria (ACIIN) and has attended several courses in Microinsurance, Customer Experience, Brand Management, Strategic Marketing, Product Development, Business Strategy, Relationship Management, Risk management, and Finance, both locally and abroad.

He is an alumnus of the prestigious Lagos Business School, where he took a 9-month course in Senior Management. He is also a member of the Technical Committee of the Chartered Insurance Institute of Nigeria (CIIN).

Oladeji Oluwatola, FCA
Chief Financial Officer

Skills and Experience
Mr. Oladeji Oluwatola started his career with KPMG in 2004 as an audit trainee, where he rose to lead audits of various companies in the financial services sector covering insurance, banks, funds and pension fund administrators (PFA), including three of the biggest insurance companies and PFAs in Nigeria. He left KPMG in 2017 to join Letshego Microfinance Bank Limited, a member of one of the leading microfinance banks in Africa, as its Chief Financial Officer, before leaving Letshego in 2018 to join AIICO Insurance PLC as its Chief Financial Officer.

Educational Background
Mr. Oladeji Oluwatola holds a Bachelor's Degree in Applied Geophysics from Obafemi Awolowo University and a Master's Degree in Business Administration from the Lagos Business School. He is a Chartered Accountant with more than thirteen years' experience in audit, finance and risk management. He is a Fellow of the Institute of Chartered Accountants of Nigeria, ICAN.

Management Team

Donald Kanu, PhD
Company Secretary

Skills and Experience
Donald Kanu is the Company Secretary/Legal Adviser at AIICO Insurance Plc. He commenced his career with Savannah Bank and then moved on to join A.U. Kalu (SAN) and Associates. He was recruited back to the financial services sector where he worked with UTB Trustees and Fidelity Bank respectively. He later left Fidelity Bank to join Globacom, a telecommunications company. After his period in the telecommunication industry, Donald moved back to the financial sector when he joined the Cornerstone group as the Company Secretary/Legal Adviser and Chief Compliance Officer. He was recruited to join AIICO from the Cornerstone Group in 2014.

Educational Background
Donald graduated from the University of Calabar and later went on to pursue a Master's Degree in Business Administration from the same University. He obtained a Master of Laws (LL.M) from the University of Lagos. Donald bagged a Doctorate Degree in International Law and Diplomacy from Leadcity University, Ibadan. He has attended several capacity-building courses both within and outside the country. He is a member of the Nigerian Bar Association, the Institute of Chartered Secretaries and Administrators and a Fellow of the Institute of Directors.

Abiodun Adebanjo, FCA
Chief Risk Officer

Skills and Experience
Abiodun Adebanjo is a seasoned Audit Executive with an impressive track record of more than two decades of hands-on experience in financial services industry. Prior to joining AIICO Insurance Plc. in 2010 as the Chief Audit Executive, Abiodun served in various operational and managerial capacities in reputable and top rated Banks in Nigeria which include Ecobank Nig. Plc, Diamond Bank, UBA Plc and First Bank. His experience in the financial sector spans over 20 years, covering Banking Operations, Cash Management Services, Operational Risk Management, Internal Audit and Control, Abiodun has shown strong professional bias for Audit and Risk Management. He is highly numerate and possesses strong passion for excellence and organizational transformation.He is an excellent team player and a highly motivated professional imbued with a strong spirit for achievement.

Educational Background
Abiodun holds a Bachelor of Science degree in Mathematics and Statistics from the University of Lagos with a first-class grade and the overall best student from the Faculty of Science. He earned an MBA in Business Management (Finance and Accounting) from the prestigious University of Liverpool, UK. He is a professional member and Fellow of the Institute of Chartered Accountants of Nigeria (ICAN); a member of Chartered Institute of Taxation (CITN); a member of the Institute of Internal Auditors; and a member of Nigeria Institute of Management Chartered (NIMC). He has attended several Leadership and Executive development programmes, both local and International one of which was the Executive Management Programme of Wharton School of Business, University of Pennsylvania, USA. He is also a certified ISO 22301 and ISO 27001 Lead Implementer and Lead Auditor.

Management Team

Joseph Oduniyi
Head, Corporate Business

Skills and Experience
Mr. Joseph Oduniyi is the Head of Non-Life Technical at AIICO Insurance Plc. Prior to joining AIICO, he had garnered significant experience serving with the Ministry of Works and Housing, Oyo State, The Nigerian Life & Pensions Consultants, Glanvill Enthoven & Co Nig. Ltd, Union Commercial Insurance Brokers and Risktech Insurance Brokers Limited respectively. He is an astute insurance professional with a wealth of experience cutting across all aspects of the non-life business and has attended many courses and seminars both locally and internationally.

Educational Background
He holds a Bachelor's Degree in Insurance from the University of Lagos and is professionally affiliated to the Chartered Insurance Institute of Nigeria and London.

Olusanjo Shodimu
Chief Digital And Innovation Officer

Skills and Experience
Olusanjo Shodimu started his career in 2003 as a technical sales lead with a local software company in Lagos, before joining Broad Bank Nigeria Limited (now part of Union Bank) as a Technology Analyst - where he was responsible for network operations and service delivery.

Prior to joining AIICO Insurance Plc, he worked with Accenture - a global management consulting and technology company for 10 years (2004 - 2014) where he led the delivery of various strategy and business transformation projects for major banking and insurance clients in Nigeria and across the West African region. Olusanjo joined AIICO in June, 2014 as Chief Information Officer with responsibility for providing strategic leadership for the development and implementation of information technology initiatives to deliver on the strategic mandates and objectives of AIICO. In 2019, he was appointed Divisional Head, Shared Services which encompasses Technology & Operations, Customer Service, Strategic Marketing & Communication, Strategy & Corporate Planning and Estate Management - with responsibility for aggregating group synergies for cost optimization and returns on investment.

Educational Background
He holds an MBA from University of Chicago Booth School of Business and a First Class degree (Hons) in Physics from the University of Ibadan. He is a qualified Project Management Professional, an ITIL Service Management Expert (UK) and also holds Cert in Insurance (CII) from the Chartered Institute of Insurance, UK (ACII).

Management Team

Iyabo Adeniran
Head, Group Life Business

Skills and Experience
Mrs. Iyabo Sarah Adeniran is the Head, Brokers Management of AIICO Insurance Plc. She joined AIICO in August 2007, after the mergers between AIICO Insurance and Nigerian French Insurance (NFI).

Prior to joining NFI, Iyabo was a Senior Manager with Confidence Insurance Plc. Iyabo began her career in the insurance industry with Triumph Insurance Brokers. She left Triumph Insurance Brokers to join Prudential Union Company Limited. She was with Prudential for six years as a Senior Manager before she moved on to Confidence Insurance Plc.

Educational Background
Mrs. Adeniran holds a Masters of Business Administration from the Federal University of Technology Akure. She is an Alumni of Lagos Business School and a professionally certified Insurance Practitioner.

Titilola Okunlola, FCIIN
Head, Technical - Retail Business

Skills and Experience
Titilola Ramota Okunlola started her career in 1996 as a Senior Superintendent (Underwriting) with Elmac Assurance (Nigeria) Limited, before joining Lasaco Assurance Plc as a Senior Manager (Technical Operations) - where she was responsible for technical operations of Life, Pensions & All Classes of Non-Life Business.

Prior to joining AIICO Insurance, she worked with Cornerstone Insurance Plc. (2007 - 2008) as a Sectional Head - Underwriting (Mainland Brokers Market) where she was responsible for underwriting Non-Life Businesses Titilola joined AIICO in September 2008 as a Senior Manager - Technical department AIICO General Insurance Company Ltd.

In December 2013, she was appointed Head, Claims & Benefits - Life Business Division.

Educational Background
She holds a Master of Business Administration MBA (Executive) from the University of Uyo, Nigeria, and a Higher National Diploma in Insurance with the grade of Distinction from the Polytechnic, Ibadan, Nigeria. She is a Fellow of the Chartered Insurance Institute of Nigeria (FCIIN) and an Alumni of the Lagos Business School (LBS.).

Management Team

Akinsola Akinsola, FCIIN
Head, Oil & Energy

Skills and Experience
Akinsola is a seasoned executive with over two decades of experience in Insurance practice which cut across loss adjusting, claims operations, branch management and regional operations. Prior to AIICO, Akinsola worked with International Loss Adjusters, Sovereign Trust Insurance Plc, Oceanic Insurance and Old Mutual Nigeria where his impressive achievements were rewarded both locally and internationally. He has attended several courses on insurance underwriting, risk management, marketing & sales at various stages of his career.

Educational Background
Akinsola Akinsola holds BA (Hons) degree in Philosophy from Ogun State University, MBA from Adekunle Ajasin University and Master of Managerial Psychology from the University of Ibadan. He also holds Master of International Law & Diplomacy and a Master's degree in Political Science, both from the University of Lagos. He is a Fellow of the Chartered Insurance Institute of Nigeria (FCIIN), Nigerian Council of Registered Insurance Brokers (NCRIB) Nigeria Institute of Management (NIM) and an Alumnus of the prestigious Lagos Business School.

Oladele Akanni
Head, Northern Region

Skills and Experience
Oladele Akanni has over 20 years insurance industry experience spanning Risk management, Relationship management at Senior to strategic management level.

He started his insurance career at International Insurance Brokers, Kano in 1996 and later moved to Standard Alliance Insurance plc in 1997 as its pioneer Kano manager. In 2007, he moved to Head office of Standard Alliance insurance as Group Head, General Business Team and grew to become the Divisional Head, Business Development Division.

In 2014 he was transferred to Abuja as the Regional manager, Northern region. He joined AIICO Insurance plc in 2016 as Regional Head, Northern region. He is also an Associate Member of the Chartered Insurance Institute of Nigeria.

Educational Background
He is a 1994 graduate of the University of Jos. He also obtained a PGD (MANAGEMENT) and MBA in 2000 and 2001 respectively from Bayero University Kano.

Management Team

Ezekiel Olukolajo
Head, Non-Life Technical

Skills and Experience
Ezekiel Olukolajo started his career in 1999 as an Assistant Superintendent with Law Union & Rock Insurance Plc - Warri Branch, where he coordinated Underwriting of Marine, Motor & General Accident Policies and assisted the Branch Manager in the running of the Branch. He also put in various years of work experience with Royal Exchange Assurance Plc, UBA Insurance Company, United Bank for Africa Plc, Old Mutual Nigeria and Standard Alliance Insurance Plc, all at various leadership levels. Prior to joining AIICO as Head of Technical (Non-Life Operations), he worked with The Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL) - A Corporation of the Central Bank of Nigeria, where he played major role in establishing the framework for insurance, and activation and operationalization of the Insurance Facility Pillar, which is one of the five pillars of NIRSAL. Ezekiel joined AIICO in October 2017 as a Principal Manager (Head, Technical) - Non-Life Business.

Educational Background
He holds a Postgraduate Diploma in Education Management & Administration from Lagos State University, Ojo, Nigeria, and a Higher National Diploma in Insurance with Upper Credit from The Polytechnic, Ibadan, Nigeria. He is a Certified Insurance Practitioner (Associate, Chartered Insurance Institute of Nigeria - ACIIN)

Wycliffe Obutu, FIA
Chief Actuary

Skills and Experience
Wycliffe Obutu is the Chief Actuary at AIICO Insurance Plc., leading the largest Actuarial team in Nigeria's insurance industry. Before joining AIICO in 2018, he consulted at Ernst & Young in South Africa and worked at leading Insurance Groups in East Africa.

Wycliffe's area of expertise includes a wide range of business and actuarial skills, in Life, General and Health insurance, Asset Management and Retirements Benefits industry; Strategy Formulation and Execution; Transactions Advisory Services; Leadership and Entrepreneurship; Project Management; Risk Management; Europe's Solvency II and South Africa's SAM.

He successfully oversaw and delivered Financial Due Diligence on behalf of a predominantly South African based insurance group over five (5) West African countries that led to an acquisition of a 30% stake in the West African-based insurance group. This transaction (the most extensive insurance transaction in Africa in recent times) led to the South African based insurance group becoming the largest insurance group in Africa.

He has co-founded and participated in several start-ups and investment groups in Kenya. He sits on the Board of Directors (including Chairperson roles) and played in various positions including governance, strategy, valuations, and fundraising.

Educational Background
Wycliffe is a Fellow of the Institute of Actuaries (UK), the Actuarial Society of Kenya, Nigeria, and South Africa. He is also a member of the Life Insurance and Risk-based Capital Modelling Task Groups of the Actuarial Society of Kenya

Financial Statements

In this section

Independent Auditor's Report

Ernst & Young
10th & 13th Floors
UBA House
57 Marina
P.O. Box 2442, Marina
Lagos, Nigeria

Tel: +234 (01) 631 4500
Fax: +234 (01) 463 0481
Email: service@ng.ey.com
www.ey.com

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AIICO INSURANCE PLC

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of AIICO Insurance Plc ("the Company") and its subsidiaries (together "the Group") which comprise the consolidated and separate statements of financial position as at 31 December 2022, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

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 Group and the Company as at 31 December 2022 and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with the International Financial Reporting Standards and the provisions of the Companies and Allied Matters Act 2020, the Insurance Act 2003 and relevant policy guidelines issued by the National Insurance Commission (NAICOM), the Investment and Securities Act 2007 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011.

Basis for Opinion

We conducted our audit in accordance with the 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 the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the 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 year. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AIICO INSURANCE PLC – Continued

Key Audit Matters – Continued
The Key Audit Matter applies equally to the audit of the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
Actuarial Valuation of Insurance Contract Liabilities AIICO Insurance Plc has material insurance contract liabilities from both life and non-life businesses of ₦165.40 billion (2021: N119.78 billion) representing 73% (2021: 65%) of total liabilities of the Group. Actuarial valuation of these insurance contract liabilities is an area that involves significant judgment over uncertain future outcomes and therefore was an area of significance to our audit. At each reporting date, an assessment is made to determine whether the recognized life insurance liabilities are adequate by carrying out a liability adequacy test. The liability value is adjusted to the extent that it is insufficient to meet expected future benefits and expenses. For non-life insurance contract liabilities, the Group reviews its unexpired risk, and a liability adequacy test is performed to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. This calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant non-life insurance technical provisions. Consistent with the insurance industry practice, the Group engaged an independent actuary to test the adequacy of the valuation of insurance contract liabilities as at year end. The complexity of the valuation models may give rise to errors as a result of inadequate/incomplete data or the design or application of the models.	Our procedures included following: With the assistance of our in-house actuarial specialists, we performed the following audit procedures on the Group's actuarial valuation reports: • We considered the appropriateness of the assumptions used in the valuation of the insurance contracts with reference to the Group's and industry's data and expectations of investment returns, future longevity and expense developments. • We considered the appropriateness of the non-economic assumptions used in the valuation of the insurance contracts in relation to laps or extension assumptions by reference to Group specific and industry data. • We assessed the competence and objectivity of the Group's independent actuary, confirming they are qualified and affiliated with the appropriate industry bodies. • We reviewed and documented management's process for estimating life policy benefits. • We assessed the design and tested the operating effectiveness of internal controls over the integrity of underwriting and claims data in the system as well as over the reserving and claims processes. • We performed file reviews of specific underwriting contracts in order to maximize our understanding of the book of business and validate initial loss estimates. • We tested subsequent year claim payments to confirm the reasonableness of the initial loss estimates.

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AIICO INSURANCE PLC – Continued

Key Audit Matters – Continued

Key Audit Matter	How the matter was addressed in the audit
Economic assumptions such as interest rates and future inflation rates and actuarial assumptions such as customer behaviour and uniform risk occurrence throughout the period are key inputs used to determine these liabilities. Significant judgement is applied in setting these assumptions and small changes in a number of these key assumptions could have a material impact on the calculation of the liabilities. Insurance contract liabilities and related accounting policies are disclosed in Notes 19 and 3.16 respectively to the consolidated and separate financial statements.	• We also reviewed the qualitative and quantitative disclosures for appropriateness and reasonableness to ensure conformity with required guidelines of National Insurance Commission (NAICOM).

Other Information
The Directors are responsible for the other information. The other information comprises the information included in the document titled "AIICO Insurance Plc and Subsidiaries Annual Report for the year ended 31 December 2022", which includes Corporate Information, the Results at a Glance, Shareholding Structure and Free Float Status, Directors' Report, Report of the Statutory Audit Committee, Corporate Governance Report, Statement of Directors' Responsibilities in Relation to the Preparation of the Consolidated and Separate Financial Statements, Certification Pursuant to Section 60(2) of Investment & Securities Act No. 29 of 2007, and Other National Disclosures as required by the Companies and Allied Matters Act 2020, and the Financial Reporting Council Act, No. 6, 2011. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the 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 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 and fair presentation of the consolidated and separate financial statements in accordance with the International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act 2020, Insurance Act 2003 and relevant policy guidelines issued by the National Insurance Commission (NAICOM), the Investment and Securities Act 2007 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011, and for such internal controls as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatements, whether due to fraud or error.

Independent Auditor’s Report

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AIICO INSURANCE PLC – Continued

Responsibilities of the Directors for the Consolidated and Separate Financial Statements – Continued
In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and/or the 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 misstatements, 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 ISA 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 consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement 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's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the 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's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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/or the 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 and separate 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

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AIICO INSURANCE PLC – Continued

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

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year 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

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

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 Group and the Company, in so far as it appears from our examination of those books;

iii) The consolidated and separate statements of financial position and the consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account; and

iv) In our opinion, the consolidated and separate financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, 2020 so as to give a true and fair view of the state of affairs and financial performance of the Company and its subsidiaries.

Contraventions
The Group incurred penalties in respect of contraventions of the requirement of certain sections of the National Insurance Commission's Operational Guideline during the financial year. The details of the contraventions and penalties are disclosed in Note 39 to the consolidated and separate financial statements.

Babayomi Ajijola
FRC/2013/ICAN/00000001196

For: Ernst & Young
Lagos, Nigeria
31 March 2023

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0514979

Statement of Significant Accounting Policies

For the year ended 31 December 2022

1 Reporting entity

AIICO Insurance Plc (""the Company"") was established in 1963 by American Life Insurance Company and was incorporated in 1970. It was converted to a Public Liability Company in 1989 and quoted on the Nigerian Stock Exchange (NSE) in December 1990. The Company was registered by the Federal Government of Nigeria to provide insurance services in Life Insurance Business, Non-Life Insurance Business, Deposit Administration and Financial Services to organizations and private individuals. Arising from the merger in the insurance industry, AIICO Insurance Plc acquired Nigerian French Insurance Plc and Lamda Insurance Company Limited in February 2007.The Company currently has its corporate head office at Plot PC 12, Churchgate St, Victoria Island, Lagos with branches spread across major cities and commercial centres in Nigeria."

These consolidated and separate financial statements comprise the Company and its subsidiaries (together referred to as "the Group"). The Group and Company are primarily involved in the business of providing risk underwriting and related financial services to its customers. Such services include provision of life and non-life insurance services to both corporate and individual customers. The activities of the subsidiaries and AIICO Insurance percentage holding are mentioned in Note 13 (Investment in subsidiaries).

2 Basis of accounting

2.1 Statement of compliance

These consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), the financial statements comply with the Companies and Allied Matters Act 2020, the Financial Reporting Council of Nigeria Act No 6, 2011, the Insurance Act of Nigeria 2003 and relevant National Insurance Commission (NAICOM) policy guidelines and circulars. These consolidated and separate financial statements were authorised for issue by the Company's Board of Directors on 28 February 2023.

2.2 Going concern

These consolidated and separate financial statements have been prepared using appropriate accounting policies, supported by reasonable judgments and estimates. The Directors have a reasonable expectation, based on an appropriate assessment of a comprehensive range of factors, that the Group and the Company have adequate resources to continue as going concern for the foreseeable future.

2.3 Functional and presentation currency

These consolidated and separate financial statements are presented in Nigerian Naira, which is the Group and Company's functional and presentation currency. Except as indicated, financial information presented in Naira has been rounded to the nearest thousand.

2.4 Basis of measurement

These consolidated and separate financial statements have been prepared under the historical cost convention, except for the following items; which are measured on an alternative basis on each reporting date.

Items	Measurement Bases
Item of building (Property plant and equipment)	Revalued amount
Non-derivative Financial asset at fair value through other comprehensive income	Fair value
Non-derivative Financial asset at fair value through profit or loss	Fair value
Investment properties	Fair value
Insurance contract liabilities	Present value

2.5 Use of estimates and judgement

In preparing these consolidated and separate financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are described in Note 4.

2.6 Regulatory authority and financial reporting

The Group is regulated by the National Insurance Commission of Nigeria (NAICOM) under the National Insurance Act of Nigeria. The Act specifies certain provisions which have impact on financial reporting as follows:

(i) Section 20 (1a) provides that provisions for unexpired risks shall be calculated on a time apportionment basis of the risks accepted in the year;

(ii) Section 20 (1b) requires provision for outstanding claims to be credited with an amount equal to the total estimated amount of all outstanding claims with a further amount representing 10 percent of the estimated figure for outstanding claims in respect of claims incurred but not reported at the end of the year under review;

(ii) Sections 21 (1a) and 22 (1b) require maintenance of contingency reserves for general and life businesses respectively at specified rates as set out under Note 3.27 to cover fluctuations in securities and variation in statistical estimates;

Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2022

(iii) Section 22 (1a) requires the maintenance of a general reserve fund which shall be credited with an amount equal to the net liabilities on policies in force at the time of the actuarial valuation and an additional 25 percent of net premium for every year between valuation date;

(iv) Section 24 requires the maintenance of a margin of solvency to be calculated in accordance with the Act;

(v) Section 10(3) requires insurance companies in Nigeria to deposit 10 percent of the minimum paid up share capital with the Central Bank of Nigeria;

(vi) Section 25 (1) requires an insurance company operating in Nigeria to invest and hold invested in Nigeria assets equivalent to not less than the amount of policy holders' funds in such accounts of the insurer.

(vii) However, section 59 of the Financial Reporting Council Act, 2011 (FRC Act) provides that in matters of financial reporting, if there is any inconsistency between the FRC Act and other Acts which are listed in section 59(1) of the FRC Act, the FRC Act shall prevail. The Financial Reporting Council of Nigeria acting under the provisions of the FRC Act has promulgated IFRS as the national financial reporting framework for Nigeria. Consequently, the following provision of the National Insurance Act, 2003 which conflict with the provisions of IFRS have not been adopted based on the application of IFRS 4 on liability adequacy test

(viii) Section 20(1b) which requires the provision of 10 percent for outstanding claims in respect of claims incurred but not reported at the end of the year under review. See note 3.23(b) on accounting policy for outstanding claims.

(ix) Section 22(1a) which requires additional 25 percent of net premium to general reserve fund. See note 3.22(c) on accounting policy for unexpired risk and unearned premium.

2.6 Changes in accounting policies

New and amended standards and interpretations. The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

A Issued and Amended standards effective from periods beginning on or after 1 January 2022

(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counter party under the contract.

The amendments do not have a significant impact on the Group's consolidated financial statement.

(ii) Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements. The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Group applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the consolidated financial statements of the Group as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

(iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases

The amendment prohibits entities from deducting from

Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2022

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

In accordance with the transitional provisions, the Group applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application). These amendments had no impact on the consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

(iv) **Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases**

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.These amendments had no impact on the consolidated financial statements of the Group as it is not a firsttime adopter."

(v) **IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities**

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement. In accordance with the transitional provisions, the Group applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the consolidated financial statements of the Group as there were no modifications of the Group's financial instruments during the period.

(vi) **IAS 41 Agriculture – Taxation in fair value measurements**

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

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

2.7 Segment reporting

For management purposes, the Group is organized into business units based on their products and services.
Segment performance is evaluated based on profit or loss. The Company's financing and income taxes are managed on a group basis and are not allocated to individual operating segments.
Inter-segment transactions which occurred in 2021 as shown in Note 5.1 Segment statement of profit or loss and other comprehensive income and 5.2 Segment statement of financial position and results will include those transfers between business segments.

3 Significant accounting policies

The Group has consistently applied the following accounting policies to all years presented in these consolidated and separate financial statements.

3.1 Basis of Consolidation

(a) Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Company has an option to measure any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. No reclassification of insurance contracts is required as part of the accounting for the business combination. However, this does not preclude the Group from reclassifying insurance contracts to accord with its own policy only if classification needs to be made on the basis of the contractual terms and other factors at the inception or modification date.

Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2022

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value as at the acquisition date through profit or loss.Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or a liability, will be recognized as measurement year adjustments in accordance with the applicable IFRS. If the contingent consideration is classified as equity, it will not be remeasured and its subsequent settlement will be accounted for within equity.

3.1 Basis of Consolidation (continued)

Goodwill is initially measured at cost, being the excess of the fair value of the consideration transferred over the Company's share in the net identifiable assets acquired and liabilities assumed and net of the fair value of any previously held equity interest in the acquire. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to an appropriate cash-generating unit that is expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(b) Subsidiaries

Subsidiaries are investees controlled by the Group. The Group controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statement from the date on which control commences until the date on which control ceases.

The financial statements of subsidiaries are consolidated from the date the Group acquires control, up to the date that such effective control ceases.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (transactions with owners). Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the Group.

Inter-company transactions, balances and unrealised gains on transactions between companies within the Group are eliminated on consolidation. Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separate financial statements, investments in subsidiaries are measured at cost.

Acquisition-related costs are expensed as incurred

If the business combination is achieved in stages, fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss. All other acquisition costs are expensed as incurred.

Disposal of subsidiaries

On loss of control, the Group derecognises the assets and liabilities of the subsidiary, any related non-controlling interests and the other components of equity related to the subsidiary. Any gain or loss arising from the loss of control is recognised in profit or loss. If the Group retains any interest in such subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, that retained interest is accounted for as an equity-accounted investee or as a financial asset elected to be measured at fair value through other comprehensive income depending on the level of influence retained.

(c) Non-Controlling Interest

Non-Controlling Interest (NCI) are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

(d) Investment in associate

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The investment in an associate is initially recognized at cost in the separate financial statements, however in its Consolidated financial statements; it is recognized at cost and adjusted for in the Group's share of changes in the net assets of the investee after the date of acquisition, and for any impairment in value. If the Group's share of losses of an associate exceeds its interest in the

Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2022

associate, the Group discontinues recognizing its share of further losses

3.2 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the spot exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the spot exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

3.2 Foreign currency transactions (continued)

However, foreign currency differences arising from the translation of the following items are recognised in Other Comprehensive Income (OCI):

- financial asset at fair value through other comprehensive income (OCI) (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);

- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective and

- qualifying cash flow hedges to the extent that the hedges are effective.

3.3 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short term commitments.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. The statement of cashflows was prepared using the direct method.

Cash and cash equivalents are carried at amortized cost in the consolidated and separate statements of financial position.

3.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.4.1 Recognition and initial measurement

All financial instruments are initially recognized on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus or minus (for financial liabilities), except for a financial asset or liability measured at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.4.2 Classification of financial instruments

The Group classified its financial assets under IFRS 9, into the following measurement categories:

- Those to be measured at fair value through other comprehensive income (FVOCI) (either with or without recycling)
- Those to be measured at fair value through profit or loss (FVTPL); and
- Those to be measured at amortized cost.

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

The Group classifies its financial liabilities as liabilities at fair value through profit or loss and liabilities at amortized cost.
Management determine the classification of the financial instruments at initial recognition.

(i) Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated e.g.

Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2022

whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales in prior years, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

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

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

(ii) Assessment whether contractual cash flows are solely payments of principal and interest

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

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

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

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

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

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

A financial liability is classified at fair value through profit or loss if it is classified as held-for-trading or designated as such on initial recognition. Directly attributable transaction costs on these instruments are recognised in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognised in profit or loss.

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

(iii) Reclassifications

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

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

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

When reclassification occurs, the Group reclassifies all affected financial assets in accordance with the new business model. Reclassification is applied prospectively from the 'reclassification date'. Reclassification date is 'the first day of the first reporting year following the change in business model.

Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2022

Gains, losses or interest previously recognized are not restated when reclassification occurs.

3.4.3 Subsequent measurements

The subsequent measurement of financial assets depends on its initial classification:

(i) Debt instuments

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

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

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

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

***Fair value through other comprehensive income (FVOCI)**

Investment in debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

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

The debt instrument is subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income (OCI) and accumulated in a separate component of equity. Impairment gains or losses, interest revenue and foreign exchange gains and losses are recognized in profit or loss. Upon disposal or derecognition, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized as realized gain or loss. Interest income from these financial assets is determined using the effective interest method and recognized in profit or loss as investment income. The treatment for equity instrument at FVTOCI is stated below. (Note 3.4.3(iii)).

*** Fair value through profit or loss (FVTPL)**

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

(ii) Equity instruments

The Group subsequently measures all equity investments at fair value. For equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established unless the dividend clearly represents a recovery of part of the cost of the investment. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 'Net fair value gain/loss in the profit or loss.

3.4.4 Impairment of financial assets

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

The Group recognizes loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

• Financial assets that are debt instruments measured at amortized cost and FVOCI

In this section, the instruments mentioned above are all referred to as 'financial instruments' or 'assets'. Equity instruments are not subject to impairment under IFRS

Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2022

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

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

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

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

• Stage 1: When financial assets are first recognised, the Company recognises an allowance based on 12m ECLs. Stage 1 asset also include facilities where the credit risk has improved and the asset has been reclassified from Stage 2.

• Stage 2: When a financial asset has shown a significant increase in credit risk since origination, the Company records an allowance for the LT ECLs. Stage 2 asset also include facilities, where the credit risk has improved and the asset has been reclassified from Stage 3.

• Stage 3: Financial assets considered credit-impaired. The Company records an allowance for the LT ECLs

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

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

The Group considers a financial asset to be in default when the following occurs;
- The counterparty is unlikely to pay its credit obligations e.g market information
- Failure by the counterparty to meet obligation 90days past due.

In assessing whether a borrower is in default, the Group considers indicators that are:
- qualitative: e.g indicators of financial asset OR breach of covenant.
- quantitative e.g overdue status and non payment of another obligation of the same issuer to the Group.

The Group has defined its maximum year in estimating expected credit losses to be the maximum year to which the Group is exposed to the credit risk.

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

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

(b) The calculation of ECLs

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

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

• PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed year, if the facility has not been previously derecognised and is still in the portfolio.

Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2022

- EAD: The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD: The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Group considers three scenarios (a base case, an upside and downside). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted assets are expected to be recovered, including the probability that the assets will cure and the value of collateral or the amount that might be received for selling the asset. Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarised below:

- Stage 1: The 12m ECL is calculated as the portion of LT ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.

- Stage 2: When an asset has shown a significant increase in credit risk since origination, the Group records an allowance for the LT ECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

- Stage 3: For assets considered credit-impaired, the Group recognises the lifetime expected credit losses for these assets. The method is similar to that for Stage 2 assets, with the PD set at 100%.

(c) Debt instruments measured at fair value through OCI

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

(d) Collateral valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms: staff gratuity or guarantors for staff loans, in-house pension fee for agency loan, policy document/cash value for policy loans, etc. The Company's accounting policy for collateral assigned to it through its lending arrangements under IFRS 9 is the same is it was under IAS 39. Collateral, unless repossessed, is not recorded on the Company's statement of financial position.

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

(e) Presentation of allowance for ECL in the statement of financial position

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

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

(f) Forward looking information

In its ECL models, the Group relies on a broad range of forward looking information as economic inputs, such as:

- GDP growth
- Unemployment rates
- Inflation rates
- Crude oil price

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally

Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2022

made as temporary adjustments when such differences are significantly material. Detailed information about these inputs and sensitivity analysis are provided in Note 47 (a) in the financial statements.

3.4.5 Fair value measurement

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

If a market for a financial instrument is not active, then the Group establishes fair value using a valuation technique. A market is regarded as active if transactions for the assets or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price – i.e. the fair value of the consideration given or received. However, in some cases the initial estimate of fair value of a financial instrument on initial recognition may be different from its transaction price. If this estimated fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification or repackaging) or based on a valuation technique whose variables include only data from

observable markets, then the difference is recognised in profit or loss on initial recognition of the instrument. In other cases, the fair value at initial recognition is considered to be the transaction price and the difference is not recognised in profit or loss immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

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

3.4.6 Derecognition of financial assets

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

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

3.4.7 Derecognition of financial liabilities

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

3.4.8 Write off

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

Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2022

3.5 Trade receivables

Trade receivables arising from insurance contracts represent premium receivable with determinable payments that are not quoted in an active market and the Group has no intention to sell. Premium receivables are those for which credit notes issued by brokers are within 30days, in conformity with the "NO PREMIUM NO COVER" policy. Refer to note 3.4 for basis of measurement.

3.6 Reinsurance assets

The Group cedes insurance risk in the normal course of business on the bases of our treaty and facultative agreements. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract

3.7 Trade payables

Trade payables are recognised when due and measured on initial recognition at the fair value of the consideration received. Subsequent to initial recognition, they are measured at amortized cost using the effective interest rate method. Trade payables are recognised as financial liabilities.

3.8 Other payables and accruals

Other payables and accruals 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. Discounting is omitted for payables that are less than one year as the effect is not material. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss. Gains and losses are recognised in the profit or loss when the liabilities are derecognized. Other payables are recognised as other financial liabilities.

3.9 Deferred expenses

(a) Deferred acquisition costs (DAC)

Those direct and indirect costs incurred during the financial year arising from the writing or renewing of insurance contracts and are deferred to the extent that these costs are recoverable out of future premiums. All other acquisition costs are recognized as an expense when incurred. Acquisition cost for life insurance are expensed as incurred. Subsequent to initial recognition, Acquisition cost for general insurance are amortized over the year in which the related revenues are earned. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization year and are treated as a change in an accounting estimate. DAC are derecognized when the related contracts are either settled or disposed off.

(b) Deferred expenses -Reinsurance commissions

Commissions receivable on outwards reinsurance contracts are deferred and amortized on a straight line basis over the term of the expected premiums payable.

3.10 Other receivables and prepayment

Other receivables are carried at amortised cost using the effective interest rate less accumulated impairment losses. Prepayments are carried at cost less accumulated amortization and are amortized on a straight line basis to profit or loss.

3.11 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that this relates to a business combination, or items recognized directly in equity or other comprehensive income.

(a) Current tax

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

(b) *NITDA Levy*

The National Information Technology Development Agency Act (2007) empowers and mandates the Federal Inland Revenue Service (FIRS) to collect and remit 1% of profit before tax of Companies with turnovers of a minimum of N100million under the third schedule of the Act.

(c) Deferred income taxation

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither

Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2022

accounting nor taxable profit;

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

- taxable temporary difference arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that its probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profit improves.

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

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date.

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

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

3.12 Investment properties

Investment properties are initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. Any gain or loss on disposal of investment properties (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

3.13 Intangible assets and goodwill

(a) Goodwill

Goodwill is measured at cost less accumulated impairment losses

(b) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be finite. Intangible assets with finite lives are amortized over the useful economic lives, using a straight line method, and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization year and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization year or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the profit or loss in the expense category consistent with the function of the intangible asset.

Computer software, not integral to the related hardware acquired by the Group, is stated at cost less accumulated amortisation and accumulated impairment losses. Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Subsequent expenditure on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. The estimated useful life is 5 years.Intangible assets are derecognized on disposal or when no future economic benefits are expected from their use or disposal.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

(c) Present value of acquired in-force business (PVIF)

When a portfolio of insurance contracts is acquired, whether directly from another insurance company or as part of a business combination, the difference between the fair value of insurance rights acquired and insurance obligation assumed are measured using the Group's

Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2022

existing accounting policies and it is recognized as the value of the acquired in-force business.Subsequent to initial recognition, the intangible asset is carried at cost less accumulated amortization and accumulated impairment losses. The intangible asset is amortized over the useful life of the acquired in-force policy during which future premiums are expected, which typically varies between five and fifty years. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization year and they are treated as a change in an accounting estimate. An impairment review is performed whenever there is an indication of impairment. When the recoverable amount is less than the carrying value, an impairment loss is recognized in the profit or loss. PVIF is also considered in the liability adequacy test for each reporting year.PVIF is derecognized when the related contracts are settled or disposed off.

(d) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(e) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight line method over their estimated useful lives, and generally recognised in profit or loss. Goodwill is not amortised.Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(f) Imapairment on goodwill

Goodwill is evaluated for impairment annually or whenever we identify certain triggering events or circumstances that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Events or circumstances that might indicate an interim evaluation is warranted include, among other things, unexpected adverse business conditions, macro and reporting unit specific economic factors (for example, interest rate and foreign exchange rate fluctuations, and loss of key personnel), supply costs, unanticipated competitive activities, and acts by governments and courts.

3.14 Property and equipment

(a) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses except for building (see note 2.4). Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Land and buildings are measured at revalued amount less accumulated depreciation (see note c below). Valuations are performed frequently (within every three year (3yrs)) to ensure that the fair value of the revalued asset does not differ materially from its carrying amount. Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount and the net value is restated to the revalued amount of the asset. Capital work-in-progress is stated at cost and not depreciated. Depreciation on capital work-in-progress commences when the assets are ready for their intended use and have been reclassified to the related asset category.

If significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

(b) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(c) Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual value using the straight-line method over the estimated useful lives, and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives of significant items of property and equipment for current and comparative years are as follows:

Land	Not depreciated
Buildings	50 years
Furniture and equipment	5 years
Motor vehicles	4 years
Lifts	15 Years
Central Air Conditioners	10 years
Capital work in progress	Not depreciated

Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2022

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's value less costs to sell or the value in use. Gains and losses on disposal are determined by comparing proceeds with carrying amount. Gains and losses are included in profit or loss for the year.

(d) De-recognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised. Any revaluation gain or loss previously recognised in reserve is derecognised into retained earnings

(e) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve. Any loss is recognised in profit or loss.

3.15 Statutory deposit

Statutory deposit represent 10% of required minimum paid up capital of AIICO Insurance PLC. The amount is held by CBN (Central Bank of Nigeria) pursuant to Section 10(3) of the Insurance Act 2003. Statutory deposit is measured at cost.

3.16.1 Insurance contract liabilities

(a) Life insurance contract liabilities

At each reporting date, an assessment is made of whether the recognized life insurance liabilities are adequate by carrying out a liability adequacy test. The liability value is adjusted to the extent that it is insufficient to meet expected future benefits and expenses. In performing the adequacy test, current best estimates of future contractual cash flows, including related cash flows such as claims handling and policy administration expenses, policyholder options and guarantees, as well as investment income from assets backing such liabilities, are used. Discounted cash flows model is used in the valuation. The interest rate applied is based on management's prudent expectation of current market interest rates. Any inadequacy is recorded in the profit or loss by establishing an additional insurance liability for the remaining loss. In subsequent years, the liability for a block of business that has failed the adequacy test is based on the assumptions that are established at the time of the loss recognition. The assumptions do not include a margin for adverse deviation.

(b) Guaranteed annuity

Guaranteed annuity is recognised as an insurance contract. Annuity premium are recognised as income when received from policy holders, payments to policy holders are recognised as an expense when due. The amount of insurance risk under contracts with guaranteed annuity is also dependent on the number of contract holders that will exercise their option ('option take-up rate'). This will depend significantly on the investment conditions that apply when the options can be exercised. The lower the current market interest rates in relation to the rates implicit in the guaranteed annuity rates, the more likely it is that contract holders will exercise their options. Continuing improvements in longevity reflected in current annuity rates will increase the likelihood of contract holders exercising their options as well as increasing the level of insurance risk borne by the Company under the annuities issued. The Group does not have sufficient historical data on which to base its estimate of the number of contract holders who exercise their option.

(c) Non-life insurance contract liabilities

Non-life insurance contract liabilities include the outstanding claims provision, the provision for unearned premium and the provision for premium deficiency. The outstanding claims provision is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claims expenses. Delays can be experienced in the notification and settlement of certain types of claims, therefore, the ultimate cost of these cannot be known with certainty at the reporting date. The liability is calculated at the reporting based on empirical data and current assumptions that may include a margin for adverse deviation. The liability is not discounted for the time value of money. No provision for equalization or catastrophe reserves is recognized. The liabilities are derecognized when the obligation to pay a claim expires, is discharged or is cancelled.The provision for unearned premiums represents that portion of premiums received or receivable that relates to risks that have not yet expired at the reporting date. The provision is recognized when contracts are entered into and premiums are charged, and is brought to account as premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract.

Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2022

At each reporting date, the Group reviews its unexpired risk and a liability adequacy test is performed to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. This calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant non-life insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums (less related deferred acquisition costs) is inadequate, the deficiency is recognized in the profit or loss by setting up a provision for premium deficiency.

3.16.2 Investment contract liabilities

Investment contract liabilities are recognized when contracts are entered into and premiums are received. These liabilities are initially recognized at fair value, this being the transaction price excluding any transaction costs directly attributable to the issue of the contract. Subsequent to initial recognition investment, contract liabilities are measured at amortized cost.

Deposits and withdrawals are recorded directly as an adjustment to the liability in the statement of financial position and are not recognised as gross premium in the consolidated profit or loss. The liability is derecognized when the contract expires, is discharged or is cancelled. When contracts contain both a financial risk component and a significant insurance risk component and the cash flows from the two components are distinct and can be measured reliably, the underlying amounts are unbundled. Any premiums relating to the insurance risk component are accounted for on the same basis as insurance contracts and the remaining element is accounted for as a deposit through the statement of financial position as described above.

However, when contracts contain both financial risk component and significant insurance risk component and cash flows from the two components are not distinct and cannot be measured reliably, the underlying amounts are not unbundled but are recognized in the statement of financial position account as insurance contract liabilities. After which, the actuary, using the contract terms, allocates a portion to the deposit component during the actuarial valaution. The portion allocated to the deposit component is subsequently debited to the profit or loss account as part of the actuarially determined liabilities with a corresponding credit posted to other investmnent contract liabilities account in order to track the deposit element separately from the risk element.

3.17 Portfolio under Management

(i) Fiduciary activities

The Group acts in other fiduciary capacities that results in holding or placing of assets on behalf of individuals and other institutions. These assets arising thereon are excluded from these financial statement as they are not assets of the Group. However, fee income earned and fee expenses incurred by the Group relating to the Group's responsibilities from fiduciary activities are recognised in profit or loss.

(ii) Fixed income liability

These are funds managed by the Group on behalf of its clients. The interest rate on these liabilities are agreed with the client at the inception of the investment. The Group invests these funds in finanacial instruments in order to generate at the minimum, the agreed rate of returns. The interest spread on these investments is the return to the Group. These liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these laibilities are measured at amortised cost using the effective interest method.

3.18 Leases

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately.

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

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the

Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2022

cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

During the year, the group has no lease liability as all leases were rental and leased properties prepaid.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

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

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

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straightline basis over the lease term as part of 'other revenue'. Generally, the accounting policies applicable to the Group as a lessor in the comparative year were not different from IFRS 16.

3.19 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.20 Share capital

(a) Ordinary shares

The Group's issued ordinary shares are classified as equity instruments. Incremental external costs that are directly attributable to the issue of these shares are recognized in equity.

(b) Dividends on ordinary share capital

Dividends on ordinary shares when approved by the Group's shareholders are paid from retained earnings.

(c) Share premium

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

3.21 Deposit for shares

The group recognises funds received from investors for the purposes of equity purchase as deposit for shares pending the allotment of its shares.

3.22 Revaluation reserve

Subsequent to initial recognition, land and buildings are carried at revalued amounts less accumulated depreciation. The revaluation gains is recognised in equity, unless it reverses a decrease in the fair value of the same asset which was previously recognised as an expense, in which it is recognised in profit or loss. A subsequent decrease in the fair value is charged against this reserve to the extent that there is a credit balance relating to the same asset, with the balance being recognised in profit or loss. When a revalued asset is disposed of, any revaluation surplus is left in equity under the heading retained earnings.

3.23 Fair value reserve

(a) Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of

Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2022

profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss. The Group's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

(b) Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instrumentsdesignated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

3.24 Exchange gains reserve

Exchange gain reserves comprises the cumulative net change when fair value through other comprehensive income investment in foreign currency are translated into the functional currency. When such investment is disposed of, the cumulative amount of the exchange differences recognised in other comprehensive income shall be reclassified to the profit or loss account.

3.25 Technical reserves

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

(a) General Insurance Contracts

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

(b) Reserves for Outstanding Claims

The reserve for outstanding claims is maintained at the total amount of outstanding claims incurred and reported plus 10 percent from claims incurred but not reported (IBNR) as at the reporting date. The IBNR is based on the liability adequacy test.

(c) Reserves for Unexpired Risk

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

(d) Life Business

General Reserve Fund

This is made up of net liabilities on policies in force as computed by the actuaries at the time of the actuarial valuation and an additional 25 percent of net premium for every year between valuation date

(e) Liability Adequacy Test

At each end of the reporting year, liability adequacy tests are performed by an Actuary to ensure the adequacy of the contract liabilities net of related deferred acquisition cost (DAC) assets. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately recognised in profit or loss initially by writing off DAC and by subsequently establishing a provision for losses arising from liability adequacy tests "the unexpired risk provision". The provisions of the Insurance Act 2003 requires an actuarial valuation for life reserves only. However, IFRS 4 requires a liability adequacy test for both life and non-life insurance reserves. Hence, the Group carries out actuarial valuation on both life and non-life insurance businesses.

3.26 Contingency reserves

(a) Non-life business

In compliance with Section 21 (2) of Insurance Act 2003, the contingency reserve is credited with the greater of 3% of total premiums, or 20% of the net profits. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium.

(b) Life business

In compliance with Section 22 (1) (b) of Insurance Act 2003, the contingency reserve is credited with the higher of 1% of gross premiums or 10% of net profit and accumulated until it reaches the amount of the minimum paid up capital – Insurance ACT 22 (1)(b).

3.27 Retained earnings

This account accumulates profits or losses from operations and reduced by dividends declared.

3.28 Revenue recognition

(a) Gross premium income

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

Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2022

Rebates that form part of the premium rate, such as no-claim rebates, are deducted from the gross premium; others are recognised as an expense. Premiums collected by intermediaries, but not yet received, are assessed based on estimates from underwriting or past experience and are included in premiums written.

Unearned premiums are those proportions of premiums written in a year that relate to years of risk after the reporting date. Unearned premiums are calculated on a daily pro rata basis. The proportion attributable to subsequent years is deferred as a provision for unearned premiums.

(b) Reinsurance premium

Gross reinsurance premiums on life and investment contracts are recognised as an expense on the earlier of the date when premiums are payable or when the policy becomes effective.

Gross general reinsurance premiums written comprise the total premiums payable for the whole cover provided by contracts entered into the year and are recognised on the date the policy becomes effective.

Premiums includes any adjustments arising in the accounting year in respect of reinsurance contracts that commenced in prior accounting years.

Unearned reinsurance premiums are those proportions of premiums written in a year that relate to years of risk after the reporting date. Unearned reinsurance premiums are deferred over the term of the underlying direct insurance policies for risks-attaching contracts and over the term of the reinsurance contract for losses occurring contracts.

(c) Fees and commission income

Insurance and investment contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. The administration fee is calculated as a flat charge payable monthly from contributions received while the fund management fee is an asset based fee charged as a percentage of the opening net assets value of the pension fund investment. These fees are recognized as revenue over the year in which the related services are performed. If the fees are for services provided in future years, then they are deferred and recognized over those future years.

(d) Change in life fund

Actuarial valuation of the ordinary life and annuity fund is conducted at reporting date to determine the net liabiities on the existing policies and the adequacy of the assets representing the insurance fund. The changes in the fund is charged to the profit or loss.

(e) Investment income

Interest income is recognized in the profit or loss as it accrues and is calculated by using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognized as an adjustment to the effective interest rate of the instrument. Investment income also includes dividends when the right to receive payment is established. For listed securities, this is the date the security is listed as ex-dividend.

(f) Realized gains and losses

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

(g) Investment property rental income

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

The fair value gain or loss on investment property is recognised in profit or loss

3.29 Benefits, claims and expenses recognition

(a) Gross benefits and claims

Gross benefits and claims for life insurance contracts include the cost of all claims arising during the year, including internal and external claims handling costs that are directly related to the processing and settlement of claims. Changes in the gross valuation of insurance are also included. Death claims and surrenders are recorded on the basis of notifications received. Maturities and annuity payments are recorded when due. General insurance claims include all claims occurring during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

(b) Reinsurance claims

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

(c) Reinsurance expenses

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

Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2022

3.30 Underwriting expenses

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

3.31 Other operating income

Other operating income comprises of income from realised profits on sale of securities, realised foreign exchange gains and other sundry income.

3.32 Employee benefits

(a) Short term employee benefit

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid 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.

(b) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Company operates a contributory pension scheme in line with the provisions of the Pension Reform Act 2014. The Pension Reform Act 2014 requires a minimum contributions of 8% from the staff and 10% by the Company based on the basic salaries and other designated allowances. The Pension Reform Act 2014 also allows the Company to bear the full contribution on behalf of the employees as far as the minimum contributions of 18% is met. The Company bears the full contribution on behalf of the employees contributions which is charged to profit or loss.

3.33 Other operating expenses

Expenses are decreases in economic benefits during the accounting year in the form of outflows, depletion of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants. Other operating expenses are accounted for on accrual basis and recognized in profit or loss upon utilization of the service or at the date of their origin.

3.34 Finance cost

Interest paid is recognized in the profit or loss as it accrues and is calculated by using the effective interest rate method. Accrued interest is included within the carrying value of the interest bearing financial liability.

3.35 Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares held by the Group. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.36 Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated amortization and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). Right-of-use assets for the Group relates to rental payments above two (2) yeare and they are amortised on a straight-line basis over the period of the lease. During the year under review, there were no consession lease incentives granted to the group on rental payments.

3.37 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance

Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2022

contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

This standard will significantly change how the Group measures, present and disclose its insurance contracts from the year 2023 and the Group has put adequate processes in place.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

The amendments are not expected to have a material impact on the Group's financial statements.

Definition of Accounting Estimates - Amendments to IAS 8

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

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

The amendments are not expected to have a material impact on the Group's financial statements.

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

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

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

The Group is currently revisiting its accounting policy information disclosures to ensure consistency with the amended requirements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary difference associated with leases and decommissioning obligations.

The amendments are not expected to have a material impact on the Group's financial statements as the Group currently have material unrecognised deferred tax assets.

Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2022

4 Critical accounting estimates and judgements

The Group makes estimates and assumptions 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.

(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).

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 analysed 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.

(b) Impairment of financial instrument

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

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

A collective assessment of impairment takes into account data from the debt portfolio (such as credit quality, levels of arrears, credit utilisation, loan to collateral ratios etc.), and concentrations of risk and economic data (including levels of unemployment, real estate prices indices, country risk and the performance of different individual groups). These critical assumptions have been applied consistently to all years presented.

(c) Measurement of fair values

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

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities

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

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

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

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data

Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2022

The determination of fair value for financial assets and financial liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the requirements.

- Level 1: Quoted market price in an active market for an identical instrument.

- Level 2: Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

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

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations.

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of those that sourced them.

All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data; however, areas such as credit risk (both own credit risk and counterparty risk), volatilities and correlations require management to make estimates.

(d) Fair value of unquoted equity financial instruments

Investments in unquoted equity financial instrument should be measured at fair value. The Group's investment in unquoted equity financial instrument are measured at fair value and are classified as a level 3 fair value hierachy. As observable prices are not available for these securities, the Group has used valuation techniques to derive the fair value. See note 7(e)(ii).

(e) Liabilities arising from life insurance contracts

The liabilities for life insurance contracts are estimated using appropriate and acceptable base tables of standard mortality according to the type of contract being written. Management make various assumptions such as expenses inflation, valuation interest rate, mortality and further mortality improved in estimating the required reserves for life contracts

(f) Depreciation and carrying value of property and equipment

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items.

(g) Determination of impairment of property and equipment and intangible assets

Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. This requires management to make significant judgements and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realisable values. Management's judgement is also required when assessing whether a previously recognised impairment loss should be reversed.

(h) Impairment of goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the cash generating unit to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than their carrying amount, an impairment is recognized.

(i) Investment properties

The Group's investment properties are valued on the basis of open market value. The fair values are determined by applying the direct market evidence comparative method of valuation to derive the open market value such as price per square meter, rate of development in the area and quality of the building. No adjustments were made on the inputs to the model and assumptions to the model remains consistent with what was used in previous years.

Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2022

Investment properties are derecognized either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

(j) Current income tax

The current income tax charge is calculated on taxable income on the basis of the tax laws enacted or substantively enacted at the reporting date. The Company applies Section 16 of the Company Income Tax Act. It states that an Insurance business shall be taxed as;

- an insurance company, whether proprietary or mutual, other than a life insurance company; or
- a Nigerian company whose profit accrued in part outside Nigeria,

The profit on which tax may be imposed, shall be ascertained by taking the gross premium interest and other income receivable in Nigeria less reinsurance and deducting from the balance so arrived at, a reserve fund for unexpired risks at the percentage consistently adopted by the company in relation to its operation as a whole for such risks at the end of the year for which the profits are being ascertained, subject to the limitation below:An insurance company, other than a life insurance company, shall be allowed as deductions from its premium the following reserves for tax purposes?

(a) for unexpired risks, 45 percent of the total premium in case of general insurance business other than marine insurance business and 25 percent of the total premium in the case of marine cargo insurance;
(b) for other reserves, claims and outgoings of the company an amount equal to 25 percent of the total premium.

The Directors have adopted current tax practices in computing the tax liabilities. Actual results may differ from these estimates based on the interpretation by the tax authorities. The Directors acknowledge that changes in the application of the current tax practices can have a significant impact on the tax expense and tax liabilities recorded in the financial statements.

(k) Deferred tax asset

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(i) Determining control over investee entities

Management applies its judgement to determine whether the Group has control over subsidiaries or significant influence over an investee company as set out in Note 3.1(b).

The Group has determined that it exercises control and significant influence over certain investee companies due to its representation on the Board of such companies and its significant participation in the Companies' operating and financial policies.

Consolidated and Separate Statements of Financial Position

As at 31 December 2022

In thousands of naira	Notes	Group 2022	Group 2021	Company 2022	Company 2021
Assets					
Cash and cash equivalents	6	**15,915,258**	25,490,105	**6,521,824**	9,062,962
Financial assets	7	**225,460,028**	172,501,020	**208,421,569**	152,718,223
Trade receivables	8	**866,977**	728,518	**852,113**	689,375
Reinsurance assets	9	**11,913,776**	10,387,924	**11,913,776**	10,387,924
Deferred acquisition costs	10	**858,307**	739,223	**858,307**	739,223
Other receivables and prepayments	11	**4,685,426**	2,411,791	**4,141,826**	2,140,480
Deferred tax assets	13(d)	**21,501**	1,252	**-**	-
Investment in subsidiaries	14	**-**	-	**1,087,317**	1,087,317
Investment in associate	14(l)	**-**	705,629	**-**	705,691
Investment properties	15	**760,000**	806,000	**760,000**	806,000
Property and equipment	17	**8,359,520**	7,068,787	**8,064,528**	6,847,439
Statutory deposits	18	**500,000**	500,000	**500,000**	500,000
Right of use assets	12	**60,055**	105,855	**60,055**	105,855
Goodwill and other intangible assets	16	**928,672**	934,748	**846,825**	838,252
Total assets		**270,329,520**	**222,380,851**	**244,028,140**	**186,628,741**
Liabilities					
Insurance contract liabilities	20	**165,404,474**	119,776,331	**165,088,774**	119,565,299
Investment contract liabilities	21	**21,907,727**	22,829,871	**21,907,727**	22,829,871
Trade payables	22	**6,461,628**	3,779,049	**6,461,628**	3,748,134
Other payables and accruals	23(a)	**8,088,876**	3,700,219	**7,054,663**	3,394,547
Fixed income liabilities	23(b)	**22,781,598**	33,506,178	**-**	-
Current income tax payable	13(a)	**669,543**	407,282	**422,562**	307,392
Deferred tax liabilities	13(d)	**7,666**	7,666	**-**	-
Total liabilities		**225,321,512**	**184,006,595**	**200,935,354**	**149,845,243**
Equity					
Share capital	24(a)(ii)	**18,302,639**	18,302,639	**18,302,639**	18,302,639
Share premium	24(b)(l)	**64,745**	64,745	**64,745**	64,745
Revaluation reserve	24©	**2,764,016**	1,812,707	**2,764,016**	1,812,707
Fair value reserve	24(d)	**(2,796,624)**	(1,683,037)	**(1,821,697)**	(1,016,727)
Foreign exchange gains reserve	24(e)	**-**	175,600	**-**	175,600
Contingency reserve	24(g)	**9,710,046**	8,304,604	**9,710,046**	8,304,604
Retained earnings	24(h)	**16,540,784**	11,051,695	**14,073,037**	9,139,930
Shareholders' funds		**44,585,606**	**38,028,953**	**43,092,786**	**36,783,498**
Non-controlling interests	14(e)	**422,402**	345,303	**-**	-
Total equity		**45,008,008**	**38,374,256**	**43,092,786**	**36,783,498**
Total liabilities and equity		**270,329,520**	**222,380,851**	**244,028,140**	**186,628,741**

These consolidated and separate financial statements were approved by the Board of Directors on 28 February 2023 and signed on its behalf by:

Mr. Kundan Sainani
Chairman
FRC/2013/IODN/00000003622

Mr. Babatunde Fajemirokun
Managing Director/ Chief Executive Officer
FRC/2015/MULTI/00000019973

Mr. Oladeji Oluwatola
Chief Financial Officer
FRC/2013/ICAN/0000004910

The accompanying statement of significant accounting policies and notes to the consolidated and separate financial statements form an integral part of these financial statements.

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

In thousands of naira	Notes	Group 2022	Group 2021	Company 2022	Company 2021
Gross premium written	25(a)	**88,275,920**	**71,625,943**	**87,562,251**	**71,001,519**
Gross premium income	25(b)	**86,043,096**	70,655,049	**85,292,276**	70,009,673
Reinsurance expenses	25(c)	**(15,330,978)**	(12,133,221)	**(15,330,978)**	(12,133,221)
Net premium income		**70,712,118**	**58,521,828**	**69,961,298**	**57,876,452**
Fee and commission income					
Insurance contracts	26(a)	**2,433,101**	2,284,681	**2,433,101**	2,284,681
Pension and other contracts	26(a)	**884,291**	297,068	**-**	-
Net underwriting income		**74,029,510**	**61,103,577**	**72,394,399**	**60,161,133**
Claims expenses:					
Claims expenses (Gross)	27(a)	**(48,191,971)**	(47,326,391)	**(47,410,850)**	(46,809,502)
Claims expenses recovered from reinsurers	27(b)	**3,204,759**	7,411,727	**3,204,759**	7,411,727
Claims expenses (Net)		**(44,987,212)**	**(39,914,664)**	**(44,206,091)**	**(39,397,775)**
Underwriting expenses	28	**(12,195,108)**	(10,578,863)	**(12,043,561)**	(10,527,542)
Change in life fund	20(d)	**(8,417,071)**	8,805,967	**(8,417,071)**	8,805,967
Change in annuity fund	20(e)	**(2,043,994)**	11,993,313	**(2,043,994)**	11,993,313
Change in other investment contracts	21(b)	**(1,601,235)**	(1,064,476)	**(1,601,235)**	(1,064,476)
Total underwriting expenses		**(69,244,620)**	**(30,758,723)**	**(68,311,952)**	**(30,190,513)**
Underwriting profit		**4,784,890**	**30,344,854**	**4,082,447**	**29,970,620**
Investment income	29(a)	**18,746,596**	13,378,709	**17,731,912**	12,812,157
Profit from deposit administration	29(b)	**199,770**	473,630	**199,770**	473,630
Net realised (loss)/gain	30	**(594,028)**	2,399,693	**(594,028)**	2,470,263
Net fair value losses	31	**(6,036,060)**	(34,650,482)	**(6,036,060)**	(34,650,482)
Other operating income	32	**1,526,607**	1,821,416	**1,423,983**	774,824
Personnel expenses	33	**(4,664,025)**	(3,524,470)	**(4,004,147)**	(2,844,463)
Other operating expenses	34	**(8,708,154)**	(7,435,720)	**(8,511,223)**	(6,935,871)
Impairment (charges)/reversal	35	**(170,440)**	34,272	**(71,916)**	11,100
Share of associates' loss		**-**	(34,902)	**-**	-
Profit before income tax from continuing operations		**5,085,156**	**2,807,000**	**4,220,738**	**2,081,778**
Income tax expense	13(b)(I)	**(257,791)**	(166,012)	**(51,155)**	(28,655)
Minimum tax	13(b)	**(147,215)**	(91,893)	**(147,215)**	(91,893)
Profit after tax from continuing operations		**4,680,150**	2,549,095	**4,022,368**	1,961,230
Discontinued operations					
Profit from discontinued operations (net of tax)	14(k)	**2,872,686**	2,366,914	**2,872,686**	3,007,434
Profit for the year		**7,552,836**	**4,916,009**	**6,895,054**	**4,968,664**
Attributable to owners of the parent		**7,440,732**	4,853,284	**6,895,054**	4,968,664
Attributable to non-controlling interest holders	14(e),(f)	**112,104**	62,725	**-**	-
		7,552,836	4,916,009	**6,895,054**	4,968,664
Other comprehensive income, net of tax					
Items within OCI that may be reclassified to profit or loss in subsequent periods:					
Fair value loss on financial assets	13(c)	**(743,419)**	(1,330,219)	**(393,613)**	(661,167)
Impairment reversal/(charge) on FVTOCI		**-**	(2,583)	**-**	(2,583)
Items within OCI that will not be reclassified to profit or loss in subsequent periods:					
Fair value loss on equity securities	13(c)	**(395,892)**	-	**(411,357)**	-
Revaluation loss on property and equipment	24(c)	**951,309**	-	**951,309**	-
Total other comprehensive (loss)/ income		**(188,002)**	**(1,332,802)**	**146,339**	**(663,750)**
Total comprehensive income for the year		**7,364,834**	**3,583,207**	**7,041,393**	**4,304,914**
Attributable to owners of the parent		**7,287,735**	3,506,101	**7,041,393**	4,304,914
Attributable to non-controlling interests		**77,099**	77,106	**-**	-
		7,364,834	**3,583,207**	**7,041,393**	**4,304,914**
Basic and diluted earnings per share (Kobo)	36	**20**	13	**19**	14

The accompanying statement of significant accounting policies and notes to the consolidated and separate financial statements form an integral part of these financial statements.

Consolidated Statement of Changes in Equity - Group

For the year ended 31 December 2022

In thousands of naira	Notes	Share Capital	Share Premium	Revaluation Reserve	Fair Value Reserve	Foreign Exchange Translation Reserve	Contingency Reserve	Retained Earnings	Statutory Reserve of dispoal Group	Shareholders' Equity	Non Controlling Interests	Total equity
							2021					
Balance as at 1 January 2021		7,843,988	7,037,181	1,812,707	(507,416)	175,600	7,213,594	9,924,143	202,042	33,701,839	957,243	34,659,082
												-
Profit for the year								4,853,284		4,853,284	62,725	4,916,009
Other comprehensive income					(1,332,802)					(1,332,802)		(1,332,802)
NCI Share of other comprehensive income					66,100					66,100	(66,100)	-
Total other comprehensive income for the year		-	-	-	(1,266,702)	-	-	4,853,284	-	3,586,582	(3,375)	3,583,207
Transfers within equity												
Transfer to contingency reserve		-	-	-	-	-	1,091,010	(1,091,010)		-	-	-
Bonus issue		10,458,651	(6,972,436)	-	-	-	-	(3,486,215)		-	-	-
Transfer to/(from) retained earnings to statutory reserve		-	-	-	-	-	-	202,042	(202,042)	-	-	-
Transfer to/(from) retained earnings		-	-	-	91,081	-	-	(91,081)		-	(547)	(547)
Total transfers	**24(f)**	10,458,651	(6,972,436)	-	91,081	-	1,091,010	(4,466,264)	(202,042)	-	(547)	(547)
Transactions with owners, recorded directly in equity												
								740,532		740,532		740,532
Transfer to disposal group	**14(f)**									-	(608,018)	(608,018)
Total contributions by and distributions to equity holders		-	-	-	-	-	-	740,532	-	740,532	(608,018)	132,514
Balance at 31 December 2021		**18,302,639**	**64,745**	**1,812,707**	**(1,683,037)**	**175,600**	**8,304,604**	**11,051,695**	**-**	**38,028,952**	**345,303**	38,374,256
							2022					
Balance as at 1 Jan 2022		18,302,639	64,745	1,812,707	(1,683,037)	175,600	8,304,604	11,051,695	-	38,028,953	345,303	38,374,256
Total comprehensive income for the year												
Profit for the year		-	-		-	-	-	7,440,732		7,440,732	112,104	14,993,568
Other comprehensive income		-	-	951,309	(1,139,312)	-	-	-		(188,003)		(376,006)
NCI Share of other comprehensive income		-	-	-	36,029	-	-	-		36,029	(36,029)	36,029
Reclassification from Fair value reserve												
Total other comprehensive income for the year		-	-	951,309	(1,103,283)	-	-	7,440,732		7,288,758	76,075	14,617,562
Transfers within equity												
Transfer to contingency reserve			-	-	-	-	1,405,442	(1,405,442)		-	-	-
Transfer to/(from) retained earnings		-	-	-	(10,304)	(175,600)	-	185,904		-	1,024	1,024
Total transfers		-	-	-	(10,304)	(175,600)	1,405,442	(1,219,538)		-	1,024	1,024
Transactions with owners, recorded directly in equity												
Dividend paid to ordinary shareholders								(732,105)		(732,105)		
Total contributions by and distributions to equity holders		-	-	-	-	-	-	(732,105)		(732,105)	-	-
Balance at 31 December 2022		**18,302,639**	**64,745**	**2,764,016**	**(2,796,624)**	**-**	**9,710,046**	**16,540,784**		**44,585,606**	422,402	**45,008,008**

The accompanying statement of significant accounting policies and notes to the consolidated and separate financial statements form an integral part of these financial statements.

Separate Statement of Changes in Equity - Company

For the year ended 31 December 2022

In thousands of naira	Note	Share Capital	Share Premium	Revaluation Reserve	Fair Value Reserve	Foreign Exchange Translation Reserve	Contingency Reserve	Retained Earnings	Total Shareholders' Equity
				2021					
Balance at 1 January 2021	**24(a)(ii)**	7,843,988	7,037,181	1,812,707	(438,588)	175,600	7,213,594	8,834,102	32,478,584
Total comprehensive income for the year									
Profit for the year		-	-	-	-	-	-	4,968,664	4,968,664
Other comprehensive income		-	-	-	(663,750)	-	-	-	(663,750)
Total other comprehensive income for the year		-	-	-	(663,750)	-	-	4,968,664	4,304,914
Transfers within equity									
Transfer to contingency reserve		-	-	-	-	-	1,091,010	(1,091,010)	-
Bonus Issue		10,458,651	(6,972,436)	-	-	-	-	(3,486,215)	-
Transfer to retained earnings from fair value gains		-	-	-	85,611	-	-	(85,611)	-
Total transfers within equity		10,458,651	(6,972,436)	-	85,611	-	1,091,010	(4,662,836)	-
Balance at 31 December 2021		**18,302,639**	**64,745**	**1,812,707**	**(1,016,727)**	**175,600**	**8,304,604**	**9,139,930**	**36,783,498**
				2022					
Balance at 1 Jan 2022		18,302,639	64,745	1,812,707	(1,016,727)	175,600	8,304,604	9,139,930	36,783,498
Total comprehensive income for the year									-
Profit for the year		-	-	-	-	-	-	6,895,054	6,895,054
Other comprehensive income		-	-	951,309	(804,970)	-	-	-	146,339
Total other comprehensive income for the year		-	-	951,309	(804,970)	-	-	6,895,054	7,041,393
Transfers within equity									
Transfer to contingency reserve		-	-	-	-	-	1,405,442	(1,405,442)	-
Dividend		-	-	-	-	-	-	(732,105)	(732,105)
Transfer to retained earnings		-	-	-	-	(175,600)	-	175,600	-
Total transfers within equity		-	-	-	-	(175,600)	1,405,442	(1,961,947)	(732,105)
Balance as at 31 December 2022		**18,302,639**	**64,745**	**2,764,016**	**(1,821,697)**	**-**	**9,710,046**	**14,073,037**	**43,092,786**

The accompanying statement of significant accounting policies and notes to the consolidated and separate financial statements form an integral part of these financial statements.

Consolidated and Separate Statements of Cash Flows

For the year ended 31 December 2022

		Group		Company	
In thousands of naira	Notes	**2022**	2021	**2022**	2021
Operating activities:					
Total premium received	19.3(a)	87,801,720	71,441,946	87,114,121	70,373,402
Commission received	26(b)	3,395,262	2,598,039	2,510,971	2,300,971
Commission paid	19.3(g)	(9,134,406)	(7,533,222)	(8,982,859)	(7,533,222)
Premium received in advance	22	118,405	300,302	118,405	300,302
Unallocated premium	22	2,983,257	1,434,866	2,983,257	1,434,866
Reinsurance premium paid	19.3(b)	(15,932,320)	(11,493,122)	(15,932,320)	(11,493,122)
Prepaid minimum deposit	11	(112,809)	(52,415)	(112,809)	(52,415)
Gross benefits and claims paid	20(a)(I)	(46,700,608)	(43,817,001)	(46,014,479)	(43,293,433)
Claims recoveries	27(b)	3,635,974	5,063,452	3,635,974	5,063,452
Receipt from deposit administration	21(a)	575,854	380,955	575,854	380,955
Withdrawal from deposit administration	21(a)	(472,789)	(91,692)	(472,789)	(91,692)
Other underwriting expenses paid	28	(3,151,006)	(3,060,839)	(3,151,006)	(3,060,839)
Payments to employees	33	(4,664,025)	(3,524,470)	(4,004,147)	(2,844,463)
Other operating cash payments		(14,655,982)	(15,563,147)	(15,067,233)	(15,921,048)
Other income received	32	2,297,500	2,102,316	2,194,876	1,055,724
Net Fixed income (settlement)/received	23(b)	(10,724,580)	(9,540,670)	-	-
Income tax paid	13(a)	(162,994)	(201,791)	(83,200)	(120,777)
Net cash flows (used in)/ from operating activities		**(4,903,548)**	**(11,556,494)**	**5,312,615**	**(3,501,340)**
Investing activities:					
Interest income received	19.3©	18,159,589	15,948,290	17,391,344	13,452,193
Purchase of property and equipment	17	(1,410,282)	(864,106)	(873,130)	(646,772)
Purchase of intangible asset	16	(33,644)	(75,903)	(30,267)	-
Proceeds froms sales of an associate/subsidiary	19.3(d)	4,162,304	3,825,773	4,162,304	3,825,773
Proceeds from sale of property and equipment	19.3(e)	41,015	11,217	25,620	11,217
Proceeds from sale of investment property	15(a)(ii)	186,000	-	186,000	-
Purchase of financial assets at amortized cost	7(a)(iii)	(17,392,235)	(55,102,639)	(10,410,626)	(39,996,468)
Purchase of financial assets at FVTOCI	7(b)(ii)	(4,910,765)	(2,171,083)	(4,365,711)	(1,043,777)
Purchase of financial assets at FVTPL	7(c)(I)	(54,633,942)	(98,087,827)	(54,633,942)	(98,087,827)
Proceed on disposal of financial assets	19.3(f)	52,028,446	143,435,762	41,562,440	125,796,177
Net cash flows (used in)/from investing activities		**(3,803,515)**	**6,919,485**	**(6,985,968)**	**3,310,517**
Financing activities:					
Dividend paid to equity holders	24(h)	(732,105)	-	(732,105)	-
Net cash flows used in financing activities		**(732,105)**	**-**	**(732,105)**	**-**
Net decrease in cash and cash equivalents		(9,439,167)	(4,637,009)	(2,405,458)	(190,823)
Cash and cash equivalents at 1 January		25,490,105	31,913,335	9,062,962	9,279,385
Included in the assets of the disposal group	6	-	(1,760,621)	-	-
Net foreign exchange difference		(135,680)	(25,600)	(135,680)	(25,600)
Cash and cash equivalents as at 31 December	6	**15,915,258**	**25,490,105**	**6,521,824**	**9,062,962**

The accompanying statement of significant accounting policies and notes to the consolidated and separate financial statements form an integral part of these financial statements.

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

5 Segment Information

For management purposes, the Group is organized into business units based on their products and services and has four reportable operating segments as follows:

- The life insurance segment offers savings, protection products and other long-term contracts (both with and without insurance risk). It comprises a wide range of whole life, term assurance, guaranteed pensions, pure endowment pensions and mortgage endowment products. Revenue from this segment is derived primarily from insurance premium, fees and commission income and investment income.

- The non-life insurance segment comprises general insurance to individuals and businesses. Non-life insurance products offered include auto, household, commercial and business interruption insurance. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of policyholder's accident.

- The Health segment is a Health Maintenance Organization for prepaid health plans to cater for the health needs of individuals and corporate organizations. The segment became a full subsidiary of AIICO Insurance Plc on July 1, 2012. •Pension Manager Segment was licensed as a Pension Fund Administrator by the National Pension Commission on April 13, 2006 and provides pension administration services to private and public sector contributors. However, the segment was sold off in the year 2021.

- The Asset Management segment was registered and licensed by the Securities & Exchange Commission in 2012, to carry out portfolio/fund management services. The segment commenced full operations in 2014, through the provision of bespoke wealth solutions for clients, by adopting a research based approach for every investment decision. The segment offers portfolio management services, structured investments and mutual funds to suit the investment needs of corporate and individual clients.

No operating segments have been aggregated to form the above reportable operating segments.
Segment performance is evaluated based on profit or loss which, in certain respects, is measured differently from profit or loss in the financial statements. The Company's financing and income taxes are managed on a Group basis and are not allocated to individual operating segments.

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

5.1 Segment statement of profit or loss and other comprehensive income

In thousands of naira	Life Business	General Business	Elimination of inter-business transactions	Company	Health management services	Asset management	Elimination of inter-segment transactions	31 December 2022
Gross premium written	**61,071,867**	**26,490,384**	-	**87,562,251**	**713,669**	-	-	**88,275,920**
Gross premium income from external customers	61,296,319	23,995,957	-	85,292,276	714,416	-	36,404	86,043,096
Premiums ceded to reinsurers	(2,092,663)	(13,238,315)	-	(15,330,978)	-	-	-	(15,330,978)
Net premium Income	**59,203,656**	**10,757,642**	-	**69,961,298**	**714,416**	-	**36,404**	**70,712,118**
Fees and Commission Income								
Insurance contract	615,998	1,817,103	-	2,433,101	-	-	-	2,433,101
Pension and other contracts	-	-	-	-	935,691	431,574	(482,974)	884,291
Total underwriting income	**59,819,654**	**12,574,745**	-	**72,394,399**	**1,650,107**	**431,574**	**(446,570)**	**74,029,510**
Claims expenses:								
Claims expenses (Gross)	(42,875,521)	(4,535,330)	-	(47,410,851)	(793,027)	-	-	(48,203,878)
Claims expenses recovered from reinsurer	2,372,566	832,193	-	3,204,759	-	-	-	3,204,759
Claims expenses (Net)	**(40,502,955)**	**(3,703,137)**	-	**(44,206,092)**	**(793,027)**	-	-	(44,999,119)
Underwriting expenses	(6,850,886)	(5,192,675)	-	(12,043,561)	(151,547)	-	-	(12,195,108)
Change in life fund	(8,417,071)	-	-	(8,417,071)	-	-	-	(8,417,071)
Change in annuity fund	(2,043,994)	-	-	(2,043,994)	-	-	-	(2,043,994)
Change in other investment contract	(1,601,235)	-		(1,601,235)				(1,601,235)
Total underwriting expenses	**(59,416,141)**	**(8,895,812)**	-	**(68,311,953)**	**(944,574)**	-	-	**(69,256,526)**
Underwriting profit	**403,512**	**3,678,933**	-	**4,082,446**	**705,533**	**431,574**	**(446,570)**	**4,772,983**
Investment income	15,899,939	1,831,973	-	17,731,912	89,967	924,717	-	18,746,596
Profit from deposit administration	199,770	-	-	199,770	-	-	-	199,770
Net realised loss	(594,028)	-	-	(594,028)	-	-	-	(594,028)
Fair value losses	(6,036,060)	-	-	(6,036,060)	-	-	20	(6,036,040)
Other operating income	1,275,954	148,029	-	1,423,983	9	102,594	-	1,526,586
Personnel expenses	(2,371,497)	(1,632,650)	-	(4,004,147)	(268,562)	(391,316)	-	(4,664,025)
Other operating expense	(5,352,140)	(3,159,083)	-	(8,511,223)	(219,078)	(434,682)	468,735	(8,696,248)
- Impairment expense	(50,904)	(21,012)	-	(71,916)	(49,445)	(49,079)	-	(170,440)
Profit before tax	**3,374,545**	**846,190**	-	**4,220,737**	**258,424**	**583,808**	**22,185**	**5,085,155**
Income tax expense	(33,914)	(17,239)	-	(51,153)	(106,268)	(67,899)	(32,470)	(257,790)
Minimum tax	(8,768)	(138,448)	-	(147,216)	-	-		(147,216)
Profit after income tax expense for the year	**3,331,863**	**690,503**	-	**4,022,368**	**152,157**	**515,909**	**(10,285)**	**4,680,150**
Discontinued operations	**1,615,280**	**1,257,406**	-	**2,872,686**	-	-		**2,872,686**
Profit for the year	**4,947,144**	**1,947,909**	-	**6,895,054**	**152,157**	**515,909**	**(10,285)**	**7,552,836**
Attributable to owners of the parent	4,947,144	1,947,909	-	6,895,053	100,533	455,431	(10,285)	7,440,733
Attributable to non-controlling interest holders	-	-	-	-	51,625	60,479	-	112,104
Other Comprehensive Income								
Net (loss) on fair value financial asset	(142,170)	(251,443)	-	(393,613)	-	(334,195)	(15,611)	(743,419)
Fair value gains/(loss) on equity	(374,817)	(36,540)		(411,357)		(10,431)	25,896	(395,892)
Revaluation gain on property and equipment	665,527	285,782	-	951,309	-	-	-	951,309
Other comprehensive income for the year	**148,540**	**(2,201)**	-	**146,339**	-	**(344,626)**	**10,285**	**(188,002)**
Total comprehensive income for the period net of tax	**5,095,684**	**1,945,709**	-	**7,041,393**	**152,157**	**171,283**	-	**7,364,834**

No single external customer contributed 10 percent or more of the entity's revenues as at the end of the year.

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

(29)(a) Investment income

(b) **31 Dec 2021**

In thousands of naira	Life Business	General Business	Elimination of inter-business transactions	Company	Health management services	Asset management	Elimination of inter-segment transactions	31 December 2021
Gross premium written	**51,951,809**	**19,049,710**	**-**	**71,001,519**	**644,908**	**-**	**-**	**71,646,427**
Gross premium income from external customers	51,718,044	18,291,629	-	70,009,673	645,376	-	-	70,655,049
Premiums ceded to reinsurers	(1,724,352)	(10,408,869)	-	(12,133,221)	-	-	-	(12,133,221)
Net premium Income	**49,993,692**	**7,882,760**	**-**	**57,876,452**	**645,376**	**-**	**-**	**58,521,828**
Fees and Commission Income								-
Insurance contract	495,505	1,789,176	-	2,284,681	-	-	-	2,284,681
Pension and other contracts	-	-	-	-	305,234	402,708	(410,874)	297,068
Total underwriting income	**50,489,197**	**9,671,936**	**-**	**60,161,133**	**950,610**	**402,708**	**(410,874)**	**61,103,577**
								-
Claims expenses:								-
Claims expenses (Gross)	(38,313,345)	(8,496,157)	-	(46,809,502)	(516,890)	-	-	(47,326,392)
Claims expenses recovered from reinsurer	2,709,114	4,702,613	-	7,411,727	-	-	-	7,411,727
Claims expenses (Net)	**(35,604,231)**	**(3,793,544)**	**-**	**(39,397,775)**	**(516,890)**	**-**	**-**	**(39,914,666)**
Underwriting expenses	(6,142,674)	(4,384,868)	-	(10,527,542)	(51,321)	-	-	(10,578,863)
Change in life fund	8,805,968	-	-	8,805,968	-	-	-	8,805,968
Change in annuity fund	11,993,313	-	-	11,993,313	-	-	-	11,993,313
Change in other investment contract	(1,064,476)	-	-	(1,064,476)	-	-	-	(1,064,476)
Total underwriting expenses	**(22,012,100)**	**(8,178,412)**	**-**	**(30,190,512)**	**(568,211)**	**-**	**-**	**(30,758,723)**
Underwriting (loss)/profit	**28,477,096**	**1,493,524**	**-**	**29,970,621**	**382,399**	**402,708**	**(410,874)**	**30,344,854**
Investment income	11,419,147	1,393,010	-	12,812,157	69,190	497,362	-	13,378,709
Profit from deposit administration	473,630	-	-	473,630	-	-	-	473,630
Net realised gains and losses	2,351,531	118,733	-	2,470,264	(70,570)	-	-	2,399,694
Fair value gains/(losses)	(34,669,482)	19,000	-	(34,650,482)	-	-	-	(34,650,482)
Other operating revenue	513,150	261,675	-	774,825	74,695	971,895	-	1,821,416
Employee Benefits expense	(1,649,788)	(1,194,675)	-	(2,844,463)	(259,845)	(420,162)	-	(3,524,470)
Other operating expense	(4,041,762)	(2,894,110)	-	(6,935,872)	(201,600)	(709,122)	410,874	(7,435,720)
- Impairment loss on investments	(3,391)	14,491	-	11,100	34,070	(17,748)	6,850	34,272
Share of Associate Profit	-	-		-			(34,902)	(34,902)
Profit before tax	**2,870,131**	**(788,352)**	**-**	**2,081,780**	**28,340**	**724,934**	**(28,052)**	**2,807,004**
Income tax expense	(28,656)	-	-	(28,656)	(20,183)	(117,174)		(166,013)
Minimum tax	(37,539)	(54,354)	-	(91,893)		-		(91,893)
Profit after income tax expense for the year	**2,803,936**	**(842,706)**	**-**	**1,961,231**	**8,158**	**607,760**	**(28,052)**	**2,549,098**
Discontinued operations	1,791,868	1,215,566	-	3,007,434	-	-	(640,520)	2,366,914
Profit for the year	**4,595,805**	**372,860**	**-**	**4,968,665**	**8,158**	**607,760**	**(668,572)**	**4,916,009**
Attributable to Shareholders of the Company	4,595,806	372,860	-	4,968,667	6,208	546,984	(668,574)	4,853,283
Attributable to Non-Controlling Interest	-	-	-	-	1,949	60,776	-	62,725
								-
Other Comprehensive Income								-
Net gain on fair value financial asset	(283,908)	(377,259)	-	(661,167)	-	(669,052)	-	(1,330,219)
Impairment charge on FVTOCI	(2,583)			(2,583)		-		(2,583)
(Loss)/Gains on equities	-	-	-	-	-	-	-	-
		-						-
Other comprehensive income/(loss) for the year net of tax	**(286,491)**	**(377,259)**	**-**	**(663,750)**	**-**	**(669,052)**	**-**	**(1,332,802)**
								ö
Total comprehensive income for the year net of tax	**4,309,314**	**(4,399)**	**-**	**4,304,915**	**8,158**	**(61,292)**	**(28,052)**	**3,583,207**

No single external customer contributed 10 percent or more of the entity's revenues as at end of the year.

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

(29)(a) Investment income

Segment Statement of Financial Position

In thousands of naira	Life	General	Elimination of inter-business transactions	Company	Health management services	Asset management	Elimination of inter-segment transactions	Continued Operation	Disposal group AIICO Pensions Limited	31 December 2022
Assets										
Cash and cash equivalents	4,846,593	1,675,231	-	6,521,824	383,408	9,010,026	-	15,915,258	-	15,915,258
Financial assets:									-	
Amortized cost	56,553,963	17,516,121	-	74,070,084	1,207,702	18,566,676	(9,957,549)	83,886,913	-	83,886,914
Fair value through OCI	4,245,204	4,872,852	-	9,118,056		7,240,170	(18,540)	16,339,686	-	16,339,687
Fair value through profit or loss	125,233,425	-		125,233,425	-	-	-	125,233,425	-	125,233,425
Trade receivable	-	852,114	-	852,114	3,858	36,097	(25,091)	866,977	-	866,977
Reinsurance assets	2,938,056	8,975,720	-	11,913,776	-	-	-	11,913,776	-	11,913,776
Deferred acquisition cost	-	858,307	-	858,307	-	-	-	858,307	-	858,307
Other receivables and prepayments	3,871,555	434,280	(164,009)	4,141,826	28,032	609,933	(94,363)	4,685,427	-	4,685,427
Deferred tax asset	-	-	-	-	21,501	-	-	21,501	-	21,501
Investment in subsidiaries	837,317	250,000	-	1,087,317	-	-	(1,087,318)	-	-	-
Investment properties	420,000	340,000	-	760,000	-	-	-	760,000	-	760,000
Property and equipment	5,942,919	2,121,609	-	8,064,528	30,799	264,196	-	8,359,523	-	8,359,522
Statutory deposit	200,000	300,000	-	500,000	-	-	-	500,000	-	500,000
Right-of-use assets	38,830	21,225	-	60,055				60,055	-	60,055
Goodwill and other intangible assets	45,962	800,863	-	846,825	16,897	64,950	-	928,671	-	928,671
Total Assets	**205,173,824**	**39,018,322**	**(164,009)**	**244,028,137**	**1,692,197**	**35,792,048**	**(11,182,861)**	**270,329,520**	**-**	**270,329,520**
Liabilities and Equity										
Liabilities										
Insurance contract liabilities	147,772,486	17,316,287	-	165,088,773	315,700	-	-	165,404,473	-	165,404,473
Investment contract liabilities	21,907,727	-	-	21,907,727	-	-	-	21,907,727	-	21,907,727
Trade payables	5,314,432	1,147,198	-	6,461,630	-	-		6,461,630	-	6,461,630
Other payables and accrual	2,701,726	4,516,946	(164,009)	7,054,663	421,589	778,114	(165,491)	8,088,875	-	8,088,875
Fixed income liability	-	-	-	-	-	32,750,212	(9,968,614)	22,781,598	-	22,781,598
Current tax payable	173,425	249,137	-	422,562	102,253	144,728	-	669,543	-	669,543
Deferred tax liabilities	-	-	-	-	-	7,666	-	7,666	-	7,666
Total liabilities	**177,869,796**	**23,229,568**	**(164,009)**	**200,935,355**	**839,542**	**33,680,720**	**(10,134,105)**	**225,321,512**	**-**	**225,321,512**
Equity										
Issued share capital	8,003,650	10,298,988	-	18,302,638	600,000	1,200,000	(1,800,000)	18,302,638	-	18,302,638
Share premium	64,745	-	-	64,745	47,494	41,346	(88,840)	64,745	-	64,745
Revaluation reserves	1,865,147	898,869	-	2,764,016	-	-		2,764,016	-	2,764,016
Fair value reserve	(746,586)	(1,075,113)	-	(1,821,699)	-	(936,988)	(37,937)	(2,796,624)	-	(2,796,624)
Contingency reserve	4,597,793	5,112,253	-	9,710,046	-	-		9,710,046	-	9,710,046
Retained earnings	13,519,279	553,758	-	14,073,037	205,161	1,806,970	455,617	16,540,785	-	16,540,785
Shareholders funds	**27,304,028**	**15,788,755**	**-**	**43,092,784**	**852,655**	**2,111,328**	**(1,471,160)**	**44,585,607**	**-**	**44,585,606**
Non- controlling interest	-	-	-	-	-	-	**422,402**	**422,402**	**-**	**422,402**
Total equity	**27,304,028**	**15,788,755**	**-**	**43,092,784**	**852,655**	**2,111,328**	**(1,048,758)**	**45,008,009**	**-**	**45,008,008**
Total liabilities and equity	**205,173,825**	**39,018,323**	**(164,009)**	**244,028,139**	**1,692,197**	**35,792,048**	**(11,182,863)**	**270,329,521**	**-**	**270,329,520**

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

(29)(b) Investment income

31 Dec 2021

In thousands of naira	Life	General	Elimination of inter-business transactions	Company	Health management services	Asset management	Elimination of inter-segment transactions	Continued Operation	Disposal group AIICO Pensions Limited	31 December 2021
Assets										
Cash and cash equivalents	4,835,072	4,227,890	-	9,062,962	18,975	16,408,168	-	25,490,104		25,490,104
Financial assets:				-				-		
Amortized cost	51,130,214	12,842,697		63,972,911	925,829	14,667,443	(6,262,116)	73,304,067		73,304,067
Fair value through OCI	2,265,438	3,314,657		5,580,095	-	10,451,643	-	16,031,736		16,031,736
Fair value through profit or loss	83,165,217	-		83,165,217	-	-	-	83,165,217		83,165,217
Trade receivable	-	689,375	-	689,375	37,899	148,396	(147,151)	728,518		728,518
Reinsurance assets	2,101,479	8,286,445	-	10,387,924	-	-	-	10,387,924		10,387,924
Deferred acquisition cost	-	739,223	-	739,223	-	-	-	739,223		739,223
Other receivables and prepayments	3,130,036	390,984	(1,380,540)	2,140,480	12,996	258,315	-	2,411,790		2,411,790
Deferred tax asset	-	-	-	-	1,252	-	-	1,252		1,252
Investment in subsidiaries	837,317	250,000		1,087,317	-	-	(1,087,317)	-		-
Investment in associates	-	-	705,691	705,691			-	705,690	(61)	705,629
Investment properties	488,000	318,000	-	806,000	-	-	-	806,000		806,000
Property and equipment	4,986,854	1,860,585	-	6,847,439	10,532	210,817	-	7,068,787		7,068,787
Assets classified as held for sale	420,460	285,231	(705,691)	-				-		-
Statutory deposit	200,000	300,000	-	500,000	-	-	-	500,000		500,000
Right-of-use assets	38,830	67,025		105,855				105,855		105,855
Goodwill and other intangible assets	37,390	800,863	-	838,253	13,253	83,243	-	934,749		934,749
Total Assets	153,636,307	34,372,975	(1,380,540)	186,628,741	1,020,736	42,228,025	(7,496,583)	222,380,910	(61)	222,380,850
Liabilities and Equity										
Liabilities										
Insurance contract liabilities	104,265,381	15,299,918	-	119,565,299	211,032	-	-	119,776,331	-	119,776,331
Investment contract liabilities	22,829,871	-	-	22,829,871	-	-	-	22,829,871	-	22,829,871
Trade payables	2,927,874	820,260	-	3,748,134	30,915	-		3,779,049		3,779,049
Other payables and accrual	837,266	3,937,817	(1,380,540)	3,394,546	91,954	370,860	(157,118)	3,700,217		3,700,217
Fixed income liability	-	-	-	-	-	39,775,145	(6,268,967)	33,506,178		33,506,178
Current tax payable	102,205	205,187	-	307,392	10,600	89,288	-	407,280		407,280
Deferred tax liability	-	-	-	-	-	7,666	-	7,666		7,666
Total liabilities	130,962,597	20,263,182	(1,380,540)	149,845,242	344,501	40,242,959	(6,426,085)	184,006,592	-	184,006,592
Equity										
Issued share capital	8,003,650	10,298,989	-	18,302,639	600,000	750,000	(1,350,000)	18,302,639		18,302,639
Share premium	64,745	-	-	64,745	47,494	41,346	(88,840)	64,745		64,745
Statutory reserve	-	-	-	-	-	-		-		-
Revaluation reserve	1,199,619	613,088	-	1,812,707	-	-		1,812,707		1,812,707
Exchange gains reserve	127,744	47,856	-	175,600				175,600		175,600
Fair value reserve	(229,403)	(787,324)	-	(1,016,727)	-	(582,039)	(84,271)	(1,683,037)		(1,683,037)
Contingency reserve	3,987,063	4,317,541	-	8,304,604	-	-		8,304,604		8,304,604
Retained earnings	9,520,292	(380,360)	-	9,139,932	28,745	1,775,759	(553,532)	10,390,917	660,780	11,051,697
Shareholders funds	22,673,710	14,109,796	-	36,783,500	676,239	1,985,066	(2,076,643)	37,368,175	660,780	38,028,955
Non- controlling interest	-	-	-	-	-	-	988,807	988,794	(643,491)	345,303
Total equity	22,673,710	14,109,796	-	36,783,500	676,239	1,985,066	(1,087,836)	38,356,968	17,289	38,374,258
Total liabilities and equity	153,636,307	34,372,978	(1,380,540)	186,628,743	1,020,736	42,228,025	(7,513,921)	222,363,561	17,289	222,380,850

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

6 Cash and cash equivalents

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Cash on hand	1,127	2,268	470	724
Cash in banks	6,547,583	4,831,744	5,730,674	4,200,237
Short-term deposits	9,378,917	22,442,214	791,426	4,867,214
Cash at bank attributable to discontinued operations	-	(1,764,924)	-	-
	15,927,627	25,511,302	6,522,570	9,068,175
Allowance for impairment on short term deposits relating to disposal group	(12,369)	(25,500)	(746)	(5,213)
Allowance for impairment on short term deposits transferred to disposal group	-	4,303	-	-
	15,915,258	25,490,105	6,521,824	9,062,962
At 1 January	(25,500)	(5,774)	(5,213)	(3,362)
Reversal/(charge) in the year	13,131	(24,029)	4,467	(1,851)
Allowance for impairment on short term deposits transferred to disposal group	-	4,303	-	-
Balance as at 31 December	(12,369)	(25,500)	(746)	(5,213)
Current	15,915,258	25,490,105	6,521,824	9,062,962
Non Current	-	-	-	-
	15,915,258	25,490,105	6,521,824	9,062,962

(a) Short-term deposits are made for 'varying periods' of between one day and three months, depending on the immediate cash requirements of the Group and Company. The carrying amounts disclosed above reasonably approximate fair value at the reporting date and the average interest rate on the short-term deposits as at the reporting date was 9% per annum.

7 Financial assets

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Financial assets at amortized cost (see note (a) below)*	83,886,914	73,506,456	74,070,085	63,972,911
Fair value through other comprehensive income (see note (b) below)	16,339,689	16,031,736	9,118,059	5,580,095
Fair value through profit or loss (see note (c) below)	125,233,425	83,165,217	125,233,425	83,165,217
Amortised cost financial assets transferred to disposal group*	-	(202,389)	-	-
	225,460,028	172,501,020	208,421,569	152,718,223
Financial assets at amortised cost after transfer to disposal group in 2021 is N73,304,068,000				
Current	141,573,114	99,196,953	134,351,484	88,745,312
Non Current	83,886,914	73,304,067	74,070,085	63,972,911
	225,460,028	172,501,020	208,421,569	152,718,223

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

(a) Financial assets at amortized cost

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Federal government bonds	73,691,883	54,049,576	55,424,640	53,883,240
Treasury bills	-	15,521,762	-	-
Other financial assets (see (I) below)	1,278,200	-	9,975,464	6,268,966
Corporate bond	1,621,544	100,493	1,621,544	100,493
Euro bond	2,602,355	-	2,602,355	-
Loans to policyholders (see note (e)(I))	2,882,253	2,620,609	2,882,253	2,620,611
Staff loans	1,424,332	1,018,841	1,177,482	910,476
Agent loans	83,228	80,188	83,228	80,188
Other loans	271,511	134,465	271,511	134,465
Commercial papers	123,744	-	123,744	-
	83,979,050	73,525,934	74,162,221	63,998,439
Allowance for Impairment of other loans (see (ii) below)	(3,767)	(1,697)	(3,767)	(898)
Allowance for Impairment of bonds (see (ii) below)	(69,738)	(17,780)	(69,738)	(17,780)
Allowance for Impairment of other financial assets (see (ii) below)	(18,631)	-	(18,631)	(6,850)
Allowance for impairment transferred to disposal group	-	106	-	-
	83,886,914	73,506,563	74,070,085	63,972,911
Transfer to disposal group	-	(202,495)	-	-
	83,886,914	73,304,068	74,070,085	63,972,911

(I) Other financial aasets relates to an investment in AIICO Capital's GIN (Guaranteed income note) for investment in bonds and treasury bills at a guaranteed return of 10%. AIICO Capital is regulated by Securities and Exchange Commission (SEC) to invest in the capital market and carries out this type of investments for its clients. Included in other financial assets at the Group level in 2022 are placements above 3 months.

(II) Movement in impairment allowance during the year is as follows:

	Group 2022	Group 2021	Company 2022	Company 2021
At 1 January	19,371	27,217	25,528	35,897
12 months ECL charge on bonds	51,958	8,065	51,958	8,065
12 months ECL charge on treasury bills	-	(1,032)	-	-
12 months ECL charge on other loans	2,070	(14,879)	2,869	(2,244)
12 months ECL charge on other financial assets	18,631	-	11,781	(16,189)
Recoveries	106	-	-	-
Balance as at 31 December	92,136	19,371	92,136	25,528

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

(iii) Movement in amortized cost portfolio is as follows;

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Balance at 1 January	73,525,830	44,079,333	63,998,439	37,951,504
Additions during the year	17,392,235	55,102,639	10,410,626	39,996,468
Asset transfer from portfolio acquisition (see note 20 (f))	4,435,786	-	4,435,786	-
Disposals/Repayments	(11,860,022)	(26,039,538)	(5,123,320)	(14,894,483)
Accrued interest	485,221	383,396	440,690	944,950
	83,979,050	73,525,830	74,162,221	63,998,439
Allowance for 12 months ECL charge (see (ii) above)	(92,136)	(19,371)	(92,136)	(25,528)
Allowance for impairment transferred to disposal group	-	106	-	-
	83,886,914	73,506,565	74,070,085	63,972,911
Transfer to disposal group	-	(202,495)	-	-
	83,886,914	73,304,070	74,070,085	63,972,911

(b) Financial assets classified at fair value through other comprehensive income

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Federal Government bonds	4,676,584	12,503,621	4,676,584	2,084,327
Corporate bonds	826,208	240,157	826,208	240,157
Euro bonds	279,662	-	279,662	-
Equities (see note (I) below)	10,557,235	3,287,958	3,335,605	3,255,611
	16,339,689	16,031,736	9,118,059	5,580,095

(I) **Equity instruments designated at fair value through other comprehensive income**

In thousands of naira				
Quoted equities	871,423	589,313	871,423	556,966
Unquoted equities	9,685,812	2,698,645	2,464,182	2,698,645
	10,557,235	3,287,958	3,335,605	3,255,611

(II) Movement in financial assets classified as fair value through other comprehensive income (FVTOCI) is as follows;

In thousands of naira				
Balance at 1 January	16,031,736	27,275,901	5,580,094	11,144,862
Additions during the year	4,910,765	2,171,083	4,365,711	1,043,777
Asset transfer from portfolio acquisition (see note 20 (f))	167,119	-	167,119	-
Disposals	(4,892,155)	(12,811,450)	(1,173,155)	(6,311,450)
Accrued interest	1,273,895	729,005	995,621	366,656
Fair value loss during the year	(1,139,311)	(1,330,219)	(804,970)	(661,167)
Impairment (ECL)	(12,361)	(2,583)	(12,361)	(2,583)
Balance as at 31 December	16,339,689	16,031,736	9,118,059	5,580,095

(c) Financial assets classified at fair value through profit or loss

In thousands of naira				
Federal Government bonds	122,587,329	83,116,679	122,587,329	83,116,679
State Government bonds	-	48,538	-	48,538
Corporate bonds	2,646,096	-	2,646,096	-
Balance as at 31 December	125,233,425	83,165,217	125,233,425	83,165,217

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

(i) Movement in financial asset classified as fair value through profit or loss (FVTPL) is as follows;

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Balance at 1 January	83,165,217	117,013,926	83,165,217	117,013,926
Additions during the year	54,633,942	98,087,827	54,633,942	98,087,827
Asset transfer from portfolio acquisition (see note 20 (f))	24,545,595	-	24,545,595	-
Disposals during the year	(35,872,976)	(102,216,809)	(35,872,976)	(102,216,809)
Accrued interest	4,935,707	4,978,756	4,935,707	4,978,756
Fair value loss during the year (Note 31)	(6,174,060)	(34,698,482)	(6,174,060)	(34,698,482)
Balance as at 31 December 2022	125,233,425	83,165,217	125,233,425	83,165,217

(d) Gross movement in financial assets

(i) Gross movement in financial assets 2022 (Group)

In thousands of naira	**Amortised cost**	**FVOCI**	**FVTPL**	**Total**
Balance at 1 January	73,525,830	16,031,736	83,165,217	172,722,783
Additions during the year	17,392,235	4,910,765	54,633,942	76,936,943
Asset transfer from portfolio acquisition (see note 20 (f))	4,435,786	167,119	24,545,595	29,148,500
Disposals during the year	(11,860,022)	(4,892,155)	(35,872,976)	(52,625,153)
Accrued interest	485,221	1,273,895	4,935,707	6,694,823
Fair value loss	-	(1,139,311)	(6,174,060)	(7,313,371)
Impairment loss	(92,136)	(12,361)	-	(104,497)
Balance as at 31 December	**83,886,914**	**16,339,689**	**125,233,425**	**225,460,028**

(ii) Gross movement in financial assets 2021 (Group)

In thousands of naira	**Amortised cost**	**FVOCI**	**FVTPL**	**Total**
Balance at 1 January	44,079,333	27,275,901	117,013,926	188,369,160
Additions during the year	55,102,639	2,171,083	98,087,827	155,361,549
Disposals/Repayments during the year	(26,039,538)	(12,811,450)	(102,216,809)	(141,067,797)
Accrued interest	383,396	637,924	4,978,756	6,000,072
Fair value loss	-	(1,241,721)	(34,698,482)	(35,940,203)
Impairment loss	(19,371)	-	-	(19,371)
Transfer to disposal group (see note 19)	(202,389)	-	-	(202,389)
Balance as at 31 December	**73,304,070**	**16,031,736**	**83,165,217**	**172,501,020**

(iii) Gross movement in financial assets 2022 (Company)

In thousands of naira	**Amortised cost**	**FVOCI**	**FVTPL**	**Total**
Balance at 1 January	63,998,439	5,580,094	83,165,217	152,743,750
Additions during the year	10,410,626	4,365,711	54,633,942	69,410,280
Disposals during the year	(5,123,320)	(1,173,155)	(35,872,976)	(42,169,451)
Asset transfer from portfolio acquisition	4,435,786	167,119	24,545,595	29,148,500
Accrued interest	440,690	995,621	4,935,707	6,372,018
Fair value loss	-	(804,970)	(6,174,060)	(6,979,030)
Impairment loss	(92,136)	(12,361)	-	(104,497)
Balance as at 31 December	**74,070,085**	**9,118,059**	**125,233,425**	**208,421,569**

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

(IV) Gross movement in financial assets 2021 (Company)

In thousands of naira	**Amortised cost**	**FVOCI**	**FVTPL**	**Total**
Balance at 1 January	37,951,504	11,144,862	117,013,926	166,110,291
Additions during the year	39,996,468	1,043,777	98,087,827	139,128,072
Disposals/Repayments during the year	(14,894,483)	(6,311,450)	(102,216,809)	(123,422,742)
Accrued interest	944,950	-	4,978,756	5,923,706
Fair value gain/(loss)	-	366,656	(34,698,482)	(34,331,826)
Exchange gain	-	(661,167)	-	(661,167)
Impairment loss	(25,528)	(2,583)	-	(28,111)
Balance as at 31 December	**63,972,911**	**5,580,095**	**83,165,217**	**152,718,223**

(e) (I) Policy loans

"The Group granted loans to policyholders in line with the insurance policy provisions (terms and conditions). The maximum loan amount that could be granted to policyholders is 90% of the policy cash value. The cash value (worth of the policy as determined by the actuary) is the cash amount due to policyholders upon surrender of the insurance contract as at the date of determination and it is used as collateral on policy cash loan granted.

The tenor of the loan is within the policy duration and such policy must be in force and must have acquired cash value before loan application can be considered. A pre-determined interest rate (compounded daily) is applied on the loan. The rate is currently 12% per annum and it is reviewed annually.

The rate is determined after due consideration on the interest rate used by the actuary for premium benefit calculation, allowance for documentation and other expenses on the policy, margin for contingencies and profit loadings. Policy loans are not impaired as balances are set-off against benefits accruable to the policyholders."

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Group

Fair value measurements as at 31 December 2022

In thousands of naira	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss (FVTPL)				
-Federal Government bonds	-	122,587,329	-	122,587,329
-Corporate bonds	-	2,646,096	-	2,646,096
Group Financial Assets at FVTPL as at 31 December 2022	-	125,233,425	-	125,233,425
Financial assets at fair value through other comprehensive income				
-Federal Government bonds	-	4,676,584	-	4,676,584
-Corporate bonds	-	826,208	-	826,208
-Treasury bills	-	279,662	-	279,662
-Quoted equities	871,423	-	-	871,423
-Unquoted equities	-	-	9,685,812	9,685,812
Group Financial Assets at FVOCI as at 31 December 2022	871,423	5,782,454	9,685,812	16,339,689

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

Fair value measurements At 31 December 2021

In thousands of naira	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss (FVPL)				
-Federal Government bonds	-	83,116,679	-	83,116,679
-State Government bonds	-	48,538	-	48,538
Group Financial Assets at Fair value as at 31 December 2021	-	83,165,217	-	83,165,217
Financial assets at fair value through other comprehensive income				
-Federal Government bonds	-	12,503,621	-	12,503,621
-Corporate bonds	-	240,157	-	240,157
-Quoted equities	589,313	-	-	589,313
-Unquoted equities	-	-	2,698,645	2,698,645
Group Financial Assets at Fair value as at 31 December 2021	589,313	12,743,778	2,698,645	16,031,736

Fair value measurements At 31 December 2022

Company

In thousands of naira	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss (FVPL)				
-Federal Government bonds	-	122,587,329	-	122,587,329
-Corporate bonds	-	2,646,096	-	2,646,096
Company Financial Assets at Fair value as at 31 December 2022	-	125,233,425	-	125,233,425
Financial assets at fair value through other comprehensive income				
-Federal Government bonds	-	4,676,584	-	4,676,584
-Corporate bonds	-	826,208	-	826,208
-Quoted equities	871,423	-	-	871,423
-Unquoted equities	-	-	2,464,182	2,464,182
Company Financial Assets at Fair value as at 31 December 2022	871,423	5,782,454	2,464,182	9,118,059

Fair value measurements At 31 December 2021

Company

In thousands of naira	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss (FVPL)				
-Federal Government bonds	-	83,116,679	-	83,116,679
-State Government bonds	-	48,538	-	48,538
Company Financial Assets at Fair value as at 31 December 2021	-	83,165,217	-	83,165,217
Financial assets at fair value through other comprehensive income				
-Federal Government bonds	-	2,084,327	-	2,084,327
-Corporate bonds	-	240,157	-	240,157
-Quoted equities	556,966	-	-	556,966
-Unquoted equities	-	-	2,698,645	2,698,645
Company Financial Assets at Fair value as at 31 December 2021	556,966	2,324,484	2,698,645	5,580,095

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

Recognised fair value measurements

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting year.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting year. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data 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.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Valuation techniques used to determine fair values

(a) Valuation approach for fair value assets and liabilities classified as Level 2:

Fixed maturity securities e.g bonds, in line with market practice, are generally valued using an independent pricing service. These valuations are determined using independent external quotations from multiple sources. e.g. FMDQ. Pricing services, where available, are used to obtain the third-party broker quotes. Where pricing services providers are used, a single valuation is obtained and applied. When prices are not available from pricing services, quotes are sourced from brokers.

Transfers between Level 1 and Level 2

There were no significant transfers between Level 1 and Level 2 (2021: no significant transfers).

(a) Valuation approach for fair value assets and liabilities classified as Level 3:

"The valuation of level 3 assets involves a high degree of judgement and estimation uncertainty due to the reliance of valuation models on unobservable inputs. Where possible, the Group tests the sensitivity of the fair values of Level 3 assets and liabilities to changes in unobservable inputs to reasonable alternatives. Level 3 valuations are sourced from independent third parties when available and, where appropriate, validated against internally-modelled valuations, third-party models or broker quotes. Where third-party pricing sources are unwilling to provide a sensitivity analysis for their valuations, the Group undertakes, where feasible, sensitivity analysis on the following basis:

• For third-party valuations validated against internally-modelled valuations using significant unobservable inputs, the sensitivity of the internally-modelled valuation to changes in unobservable inputs to a reasonable alternative is determined.

• For third-party valuations either not validated or validated against a third-party model or broker quote, the third-party valuation in its entirety is considered an unobservable input. Sensitivities are determined by flexing inputs of internal models to a reasonable alternative, including the yield, NAV multiple or other suitable valuation multiples of the financial instrument implied by the third-party valuation.

For example, for a fixed income security the implied yield would be the rate of return which discounts the security's contractual cash flows to equal the third-party valuation."

Transfers to/from Level 3

There were no significant transfers to and fro Level 3 (2021: no significant transfers).

Sensitivties

All of the resulting fair value estimates are included in level 1 or 2, except for unlisted equity securities, where the fair values have been determined based on present values and the discount rates used were weighted average cost of capital..

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

Group

Type of Investment	Valuation technique	Significant unobservable inputs	Range (Weighted Average)	Sensitivity of the input to fair value
Non-listed equity in Insurance Sector	Market price to book value	Management assumptions and judgements on financial statements (book value)	2022: 2.1%-3.9% (3%) 2021: 2.1%-3.9% (3%)	5% (2021: 5%) increase in the growth rate would result in an increase (decrease) in fair value by N44.3million (2020: N36.4million)
Non-listed equity in Health Sector	Market price to book value	Management assumptions and judgements on financial statements (book value)	2022: 2.1%-3.9% (3%) 2021: 2.1%-3.9% (3%)	5% (2021: 5%) increase in the growth rate would result in an increase (decrease) in fair value by N30.8million (2021: N5.1million)
Non-listed equity in Finance Sector	Market price to book value	Management assumptions and judgements on financial statements (book value)	2022: 2.1%-3.9% (3%) 2021: 2.1%-3.9% (3%)	5% (2021: 5%) increase in the growth rate would result in an increase (decrease) in fair value by N48.1million (2021: N64.9million)

8 Trade receivables

(a) Trade receivables comprise:

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Due from brokers 414,041	852,113	689,375	852,113	689,375
Due from direct clients (see note (i) below) 156,924	156,924	285,625	-	-
Trade receivables attributable to discontinued operations (see note 19)	-	(154,771)	-	-
	1,009,037	820,229	852,113	689,375
Allowance for impairment on trade receivables (see note (ii) below)	(142,060)	(107,384)	-	-
"Allowance for impairment on trade receivables attributable to discontinued operations (see note (18) below)"	-	15,673	-	-
	866,977	728,518	852,113	689,375

Age Analysis of trade receivables:

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Within 30 days	788,343	689,375	852,113	689,375
Above 30 days	78,634	39,143	-	-
Balance as at 31 December	866,977	728,518	852,113	689,375

(I) Due from direct clients relates to fees receivables.

(II) The movement in impairment allowance during the year is shown below;

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
At 1 January	107,384	134,724	-	-
Charge/(Reversal) for the year	34,676	(27,340)	-	-
	142,060	107,384	-	-

9 Reinsurance assets

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Prepaid reinsurance (see note (a) below)	4,435,951	2,478,884	4,435,951	2,478,884
Recoverable on outstanding claims (see note (b) below	5,846,377	6,582,652	5,846,377	6,582,652
Recoveries on claims paid (see note (c) below)	1,631,448	1,326,388	1,631,448	1,326,388
	11,913,776	10,387,924	11,913,776	10,387,924
Current	11,913,776	10,387,924	11,913,776	10,387,924
Non Current	-	-	-	-
Balance at 31 December	11,913,776	10,387,924	11,913,776	10,387,924

Reinsurance assets by business segment is analysed as follows;

(I) Life reinsurance assets

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Prepaid reinsurance	416,350	385,934	416,350	385,934
Recoverable on outstanding claims	1,464,037	838,764	1,464,037	838,764
Recoverable on Claims paid	1,057,670	876,781	1,057,670	876,781
	2,938,057	2,101,479	2,938,057	2,101,479

(I) Non life reinsurance assets;

In thousands of naira				
Prepaid reinsurance	4,019,601	2,092,950	4,019,601	2,092,950
Recoverable on outstanding claims	4,382,340	5,743,888	4,382,340	5,743,888
Recoverable on Claims paid	573,778	449,607	573,778	449,607
	8,975,719	8,286,445	8,975,719	8,286,445

(a) The movement in prepaid reinsurance is as follows;

In thousands of naira				
Balance at 1 January	2,478,884	1,935,631	2,478,884	1,935,631
Additions during the year	17,288,045	12,676,474	17,288,045	12,676,474
Reinsurance expense in the year (see note 24c)	(15,330,978)	(12,133,221)	(15,330,978)	(12,133,221)
Balance as at 31 December	4,435,951	2,478,884	4,435,951	2,478,884

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

(b) The movement in reinsurance on outstanding claims is as follows;

In thousands of naira				
Balance at 1 January	6,582,652	5,068,359	6,582,652	5,068,359
Changes during the year	(736,275)	1,514,293	(736,275)	1,514,293
Balance as at 31 December	5,846,377	6,582,652	5,846,377	6,582,652

(c) The movement in recoveries on claims paid is as follows;

In thousands of naira				
Balance at 1 January	1,326,388	492,406	1,326,388	492,406
Changes during the year	305,060	833,982	305,060	833,982
Balance as at 31 December	1,631,448	1,326,388	1,631,448	1,326,388

10 Deferred acqusition costs

The analysis of deferred acquisition costs (DAC), which represents commission paid during the year on unearned premium received on different classes of business is shown below:

	Group		**Company**	
In thousands of naira	**2022**	2021	**2022**	2021
Fire	214,577	184,806	214,577	184,806
Motor	291,824	251,336	291,824	251,336
Workmen Compensation	34,332	29,569	34,332	29,569
Marine	128,746	110,883	128,746	110,883
Personal accident	60,081	51,746	60,081	51,746
Casualty accident	85,831	73,922	85,831	73,922
Oil and Gas	42,915	36,961	42,915	36,961
	858,307	739,223	858,307	739,223

The movement in deferred acquisition costs is as follows:				
Balance at 1 January	739,223	582,265	739,223	582,265
Acquisition during the year	9,163,186	7,623,661	9,011,639	7,623,661
Amortization for the year (see note 28)	(9,044,102)	(7,466,703)	(8,892,555)	(7,466,703)
Balance as at 31 December	858,307	739,223	858,307	739,223
Current	858,307	739,223	858,307	739,223
Non Current	-	-	-	-
Balance as at 31 December	858,307	739,223	858,307	739,223

11 Other receivables and prepayments

	Group		**Company**	
In thousands of naira	**2022**	2021	**2022**	2021
Prepaid expenses (see note (I) below)	395,189	730,110	395,189	730,110
Short term lease payment	110,031	156,613	25,483	25,483
Prepaid minimum deposit	112,809	52,415	112,809	52,415
Receivable from agents	67,347	76,768	67,347	76,768
WHT Receivable-Dividend	139,450	90,701	94,450	90,701
Receivable from co-insurers	1,496,223	637,915	1,496,223	637,915
Sundry receivables (see note (ii) below)	2,483,765	561,098	2,018,913	442,629
Receivable from part disposal of subsidiary (see note (iii) below)	-	153,047	-	153,047
	4,804,814	2,458,667	4,210,414	2,209,068
Less allowance for impairment (see note (iv) below)	(119,388)	(46,876)	(68,588)	(68,588)
	4,685,426	2,411,791	4,141,826	2,140,480

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

	Group		Company	
In thousands of naira	2022	2021	2022	2021
Current	4,804,814	2,458,667	4,210,414	2,209,068
Non Current	-	-	-	-
Balance as at 31 December	4,804,814	2,458,667	4,210,414	2,209,068

(i) Prepaid expenses relate to rent and other expenses.

(ii) Included in sundry receivables is an amount of N1.5 billion representing debits for which the the corresponding credits were show in sundry credit balances but were not matched due to timing and some differences. See note 23(a)(ii)

(iii) Receivable from part disposal of subsidiary relates to the proceeds from disposal of 33.91% of the shares of AIICO pensions which represents 48.1% of the Company's total investment in the company. The funds were subsequently received after year end.

(iv) The movement in impairment allowance during the year is shown below;

	Group		Company	
In thousands of naira	2022	2021	2022	2021
At 1 January	46,876	68,588	68,588	68,588
Charge/(Reversal) for the year	72,512	(21,712)	-	-
	119,388	46,876	68,588	68,588

12 Right of use assets

	Group		Company	
In thousands of naira	2022	2021	2022	2021
Balance at 1 January	105,855	21,987	105,855	21,987
Additions	50,694	188,166	50,694	188,166
Amortization in the year	(96,495)	(104,297)	(96,495)	(104,297)
Balance as at 31 December	60,055	105,855	60,055	105,855

There are no lease liability in relation to the right of use assets as it relates to rents paid in advance for period ranging from 12months and above and there were no lease incentives granted to the group.

	Group		Company	
In thousands of naira	2022	2021	2022	2021
Current	-	-	-	-
Non Current	60,055	105,855	60,055	105,855
Balance as at 31 December	60,055	105,855	60,055	105,855

13 Income taxes

(a) Current income tax payable

The movement in current income tax payable can be analyzed as follows:

	Group		Company	
In thousands of naira	2022	2021	2022	2021
Balance at 1 January	407,282	358,099	307,392	307,392
Charge for the year	425,255	257,905	198,370	120,548
Payments made during the year	(162,994)	(201,791)	(83,200)	(120,777)
Transferred to disposal group (see note 19(b))	-	(6,931)	-	-
Balance as at 31 December	669,543	407,282	422,562	307,392

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

(b) **Amounts recognised in profit or loss**

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Minimum tax (see note (iii) below)	147,215	91,893	147,215	91,893
	147,215	91,893	147,215	91,893

	In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
(i)	*Income tax expense*				
	Current income tax expense	196,322	119,890	-	-
	Tertiary Education tax	29,711	6,436	8,736	-
	NITDA levy	51,766	35,762	42,208	28,513
	Police Trust Fund Levy	241	178	211	142
	Total current income tax expense	278,040	162,266	51,155	28,655
	Deferred tax expense				
	Origination of temporary differences	(20,249)	3,745	-	-
	Total deferred income tax (benefit)/ expense	(20,249)	3,745	-	-
	Total income taxes	**257,791**	**166,012**	**51,155**	**28,655**

(ii) **Current Income tax expense**

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Minimum tax (see note (I) above)	147,215	91,893	147,215	91,893
Corporate tax (see note (I) above)	278,040	162,266	51,155	28,655
Deferred tax (benefit)/expense	(20,249)	3,745	-	-
Current income tax expense	**405,006**	**257,905**	**198,370**	**120,548**

The Directors believe that accruals for tax liabilities are adequate for all open tax years based on its assessment of relevant factors, including the interpretations of tax law and tax practices in the determination of obligation for income taxes.

(iii) **Effective tax reconciliation**

Tax on the Group's profit before tax differ from the theoretical amount that would arise using the weighted average tax rate applicable to profit of the consolidated entities as follows:

In thousands of naira	Group 2022 %	Group 2022	Group 2021 %	Group 2021	Company 2022 %	Company 2022	Company 2021 %	Company 2021
Profit for the year		5,085,156		2,807,000		4,220,738		2,081,778
Tax calculated at domestic rate applicable in Nigeria at 30% (2021: 30%)	30%	1,525,547	30%	842,257	30%	1,266,221	30%	624,533
Effect of:								
Tax exempt income	-79%	(4,006,560)	-179%	(5,011,386)	-74%	(3,121,444)	-241%	(5,015,918)
Disallowable expenses	20%	1,041,457	10%	279,314	8%	321,647	20%	408,235
Special Reserve Fund	-4%	(183,892)	-6%	(155,154)	-4%	(183,892)	-7%	(155,154)
Unrecognised tax losses	39%	1,973,501	147%	4,113,924	45%	1,891,447	199%	4,138,304
Minimum tax	3%	147,215	3%	91,893	3%	147,215	4%	91,893
Police Trust Fund Levy	0%	241	0%	178	0%	211	0%	142
NITDA levy	1%	51,766	1%	35,762	1%	42,208	1%	28,513
Tertiary Education tax	1%	29,711	0%	6,436	0%	8,736	0%	-
Unrecognised deferred taxes relieved	-3%	(173,979)	0%	-	-4%	(173,979)	0%	-
	8%	405,006	9%	257,905	5%	198,370	6%	120,548

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

(c) Amounts recognised in OCI

Group

In thousands of naira	2022 Before tax	Tax (expense)	Net of tax
Fair value loss on fair value financial assets - Bonds	(743,419)	-	(743,419)
Fair value loss on fair value financial assets - Equities	(395,892)	-	(395,892)
Balance as at 31 December 2022	(1,139,311)	-	(1,139,311)

Company

In thousands of naira	2022 Before tax	Tax (expense)	Net of tax
Fair value loss on fair value financial assets - Bonds	(393,613)	-	(393,613)
Fair value loss on fair value financial assets - Equities	(411,357)	-	(411,357)
Balance as at 31 December 2022	(804,970)	-	(804,970)

Group

In thousands of naira	2021 Before tax	Tax (expense)	Net of tax
Fair value loss on fair value financial assets	(1,330,219)	-	(1,330,219)
Balance as at 31 December 2021	(1,330,219)	-	(1,330,219)

Company

In thousands of naira	2021 Before tax	Tax (expense)	Net of tax
Exchange gains on fair value financial assets	-	-	-
Fair value loss on fair value financial assets	(661,167)	-	(661,167)
Balance as at 31 December 2021	(661,167)	-	(661,167)

(d) **Movement in deferred tax balances**

2022
Group

In thousands of naira	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Balance at 31 December Net	Deferred tax assets	Deferred tax liabilities
Property and Equipment	(7,559)	(5,449)	-	(13,008)	(6,012)	(6,996)
Impairment of financial assets	-	-	-	-	-	-
Impairment of trade and other receivables	-	27,513	-	27,513	27,513	-
Unrealised exchange gain on financial assets	1,145	(1,815)	-	(670)	-	(670)
	(6,414)	**20,249**	**-**	**13,835**	**21,501**	**(7,666)**

2021
Group

In thousands of naira	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Balance at 31 December Net	Deferred tax assets	Deferred tax liabilities
Property and Equipment	(3,931)	(3,628)	-	(7,559)	(563)	(6,996)
Unrelieved losses	3,077	(3,077)	-	-	-	-
Unrealised exchange gain on financial assets	(1,815)	2,960	-	1,145	1,815	(670)
	(2,669)	**(3,745)**	**-**	**(6,414)**	**1,252**	**(7,666)**

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

(e) **Unrecognised deferred tax on unrelieved losses**

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Unrecognised deferred tax	19,254,551	11,870,014	19,254,551	11,870,014
	19,254,551	11,870,014	19,254,551	11,870,014

This represents the deferred tax on unrelieved losses on the life and non life businesses.

The Group did not recognise this amount as it is of the view that it may not be probable to have taxable profits against which the tax assets can be utilised, due to the four-year tax lapse year for unrelieved losses for insurance companies in Nigeria.

14 Investment in subsidiaries

The Group is made up of four entities, as follows:

AIICO Insurance PLC	- Parent
AIICO Pension Managers Limited	- Associate
AIICO Multishield Limited	- Subsidiary
AIICO Capital Limited	- Subsidiary

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
AIICO Multishield Limited(see note (c) below)	-	-	587,317	587,317
AIICO Capital Limited see note (d) below)	-	-	500,000	500,000
Balance as at 31 December	-	-	1,087,317	1,087,317

(a) The movement in investment in subsidiaries is as follows:

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Balance at 1 January	-	-	1,087,317	1,087,317
Assets classified as held for sale	-	-	-	-
Balance as at 31 December	-	-	1,087,317	1,087,317

(b) **AIICO Pension Managers Limited**

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Balance at 1 January	-	-	-	1,365,042
Classified as held for sale	-	-		(1,365,042)
Disposal of subsidiary	-	-	-	
Balance as at 31 December	-	-	-	-

(c) **AIICO Multishield Limited**

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Balance at 1 January	-	-	587,317	587,317
Balance as at 31 December	-	-	587,317	587,317

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

(ii) The Company has 76.10% interest in AIICO Multishield Limited (2018: 76.10%). AIICO Multishield Limited is involved in health management insurance.

(d) **AIICO Capital Limited**

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Balance at 1 January	-	-	500,000	500,000
Balance as at 31 December	-	-	500,000	500,000

This represents the Company's 90% (2021: 90%) investment in AIICO Capital Limited. AIICO Capital is involved in providing portfolio and fund management services.

(e) **Non-controlling interests**

In thousands of naira	NCI Percentage Holding	**2022**	NCI Percentage Holding	2021
AIICO Pension Managers Limited	29.8%	-	29.8%	608,018
AIICO Multishield HMO	23.9%	211,269	23.9%	146,797
AIICO Capital	10.0%	211,133	10.0%	198,507
Transfer to sale of discontinued operation	-29.8%	-	0.0%	(608,018)
		422,402		345,303

(f) The movement in the NCI account during the year is as follows:

In thousands of naira	**2022**	2021
Balance at 1 January	345,303	957,243
Share of profit	112,104	62,725
Realized gain/ (loss) on equities	1,024	(547)
Fair value reserves	(36,029)	(66,100)
Transfer to sale of discontinued operation	-	(608,018)
Balance as at 31 December	422,402	345,303

(g) **Non current asset held for sale**

AIICO Pension Managers Limited

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Balance at 1 January	-	-	-	1,365,042
Part disposal	-	-	-	(659,351)
Reclassified to investment in associate (see Note h below)	-	-	-	(705,691)
Balance as at 31 December	-	-	-	-

(h) **Profit from disposal of investment in subsidiary**

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Consideration	-	3,825,773	-	3,825,773
Less:				
Cost to sell	-	(158,988)	-	(158,988)
Carrying value of investment disposed (see note 19.1(b))	-	(691,831)	-	(659,351)
NCI share of discontinued operation (see note 19.1(b))	-	(608,040)	-	-
Profit from sale of discontinued operation	-	2,366,914	-	3,007,434

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

(I) **Investment in associate**

AIICO Pension Managers Limited

In thousands of naira	**Group**		**Company**	
	2022	2021	**2022**	2021
Balance at 1 January	705,629	-	705,691	-
Reclassifed from assets held for sale (see note 19.1(b))	-	740,532	-	705,691
Share of associate profit (see Note 19.2)	-	(34,903)	-	-
Disposal	(705,629)	-	(705,691)	-
Balance as at 31 December	-	705,629	-	705,691

(j) **Profit on disposal of investment in associate**

AIICO Pension Managers Limited

In thousands of naira	**2022**	2021	**2022**	2021
Consideration	4,061,856	-	4,061,856	-
Interest on sales proceed	100,448	-	100,448	-
Less:				
Cost to sale	(264,938)	-	(264,876)	-
Net Proceed	3,897,366	-	3,897,427	-
Disposal of investment in associate	(705,629)	-	(705,690)	-
Profit on disposal of associate	3,191,737	-	3,191,737	-
Capital gains tax	(319,051)	-	(319,051)	-
Profit after tax on disposal of associate	2,872,686	-	2,872,686	-

(k) **Profit from disconitnued operations**

In thousands of naira	**2022**	2021	**2022**	2021
Profit after tax on disposal of a subsidiary (see note (h) above)	-	2,366,914	-	3,007,434
Profit after tax on disposal of an associate (see note (j) above)	2,872,686	-	2,872,686	-
Profit from discontinued operations	**2,872,686**	**2,366,914**	**2,872,686**	**3,007,434**

15 Investment properties

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

In thousands of naira	**Group**		**Company**	
	2022	2021	**2022**	2021
Balance at 1 January	806,000	758,000	806,000	758,000
Disposals	(184,000)	-	(184,000)	-
Fair value gains (Note 31)	138,000	48,000	138,000	48,000
Balance as at 31 December	**760,000**	**806,000**	**760,000**	**806,000**
Current	-	-	-	-
Non Current	760,000	806,000	760,000	806,000
Balance as at 31 December	**760,000**	**806,000**	**760,000**	**806,000**

Changes in fair values are recognised as gains in profit or loss and included in 'other operating income'. All gains are unrealised.
The items of investment property are valued as shown below:

Investment properties, principally residential buildings, are held for long term rental yields and are not occupied by the Group. They are carried at fair value. Property interest held under operating leases are not classified as investment properties.

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

(I) **The movement in investment property is as follows;**

Group

	Opening bal	Additions	Disposal	Fair value gain/(loss)	Closing bal	Status
Safecourt Apartment Towers (6 flats). Ojulari road, off Lekki-Express Way, Lagos	276,000	-	**(184,000)**	8,000	**100,000**	Deed of lease
2 Terrace Houses. 36 Ladoke Akintola street, GRA, Ikeja, Lagos	180,000	-	**-**	60,000	**240,000**	Deed of Assigment
2 Terrace Houses. 36 Ladoke Akintola street, GRA, Ikeja, Lagos	180,000	-	**-**	60,000	**240,000**	Deed of Assigment
Awolowo Towers	170,000	-	**-**	10,000	**180,000**	Deed of Assigment
	806,000	**-**	**(184,000)**	**138,000**	**760,000**	

Company

	Opening bal	Additions	Disposal	Fair value gain/(loss)	Closing bal	Status
Safecourt Apartment Towers (6 flats). Ojulari road, off Lekki-Express Way, Lagos	276,000		**(184,000)**	8,000	**100,000**	Deed of lease
3 Terrace Houses. 36 Ladoke Akintola street, GRA, Ikeja, Lagos	265,000			60,000	**325,000**	Deed of Assigment
1 Unit Terrace Houses GRA	95,000	**-**		60,000	**155,000**	Deed of Assigment
Awolowo Towers	170,000			10,000	**180,000**	Deed of Assigment
	806,000		**(184,000)**	**138,000**	**760,000**	

(ii) **Profit on disposal of Investment property**

	Group		**Company**	
In thousands of naira	**2022**	2021	**2022**	2021
Disposal Proceeds	186,000	-	186,000	-
Cost of Investment properties disposed	(184,000)	-	(184,000)	-
	2,000	-	2,000	-

(b) **Measurement of fair values**

(i) ***Fair value hierarchy***

The fair value of investment properties was determined by an external, independent property valuer, having relevant recognised professional qualifications and recent experience in the location and category of the properties being valued. The independent valuer, Niyi Fatokun of Niyi Fatokun & Co. (Estate Surveyors and Valuers, FRC/2013/NIESV/70000000/1217) valued the properties on the basis of open market value as at 31 December 2022.

The fair value measurement for the investment properties of ?760 million (2021: ?806million) has been categorised as a Level 3 fair value based on the inputs into the valuation technique used.
None of the Group's assets had been pledged as collateral during the year.

(ii) ***Valuation technique***

The following table shows the valuation technique used in measuring the fair value of investment property.

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

Location of property	Valuation Technique	Significant observable inputs
Safecourt Apartment Towers (6 flats). Ojulari road, off Lekki-Express Way, Lagos	Market comparison approach	Recent sale price of similar property in the same area at the time of valuation was N50m. The valuer, using his professional judgment, applies a haircut on this price based on the current condition of the property to determine the fair price of the property under valuation
3 Terrace Houses. 36 Ladoke Akintola street, GRA, Ikeja, Lagos	Market comparison approach	A newly built terrace house in the same environment was sold at N120m. The valuer, using his professional judgment, applies a haircut on this price based on the current condition of the property to determine the fair price of the property under valuation
Awolowo Towers	Income approach/ DCF Method	Estimated rent per annum is between N4.5m - N5m and capitalization rate of 5%

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Rental income from operating leases	14,833	22,933	14,833	22,933
Fair value gain/ loss recognised in other income	-	48,000	-	48,000
	14,833	**70,933**	**14,833**	**70,933**

16 Goodwill and other intangible assets

(a) **Reconciliation of carrying amount**

GROUP 2022	**Goodwill**	**Computer Software**	**Total**
Balance at 1 January 2022	800,863	667,774	1,468,637
Acquisitions	-	33,644	33,644
Balance at 31 December	800,863	701,418	1,502,281
Accumulated amortization			
Balance at 1 January 2022	-	533,889	533,889
Amortization	-	39,719	39,719
Balance at 31 December	-	573,608	573,608
Carrying amounts			
Balance at 31 December	800,863	127,809	928,672

2021	**Goodwill**	**Computer Software**	**Total**
Cost			
Balance at 1 January 2021	800,863	591,570	1,392,433
Acquisitions	-	75,903	75,903
Balance at 31 December 2021	800,863	667,774	1,468,336
Accumulated amortization			
Balance at 1 January 2021	-	503,651	503,651
Amortization	-	30,238	30,238
Balance at 31 December 2021	-	533,889	533,889
Carrying amounts			
Balance at 31 December 2021	800,863	133,885	934,748

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

COMPANY
2022

In thousands of naira	Goodwill	Computer Software	Total
Cost			
Balance at 1 January 2022	800,863	537,778	1,338,641
Acquisitions	-	30,267	30,267
Balance at 31 December	800,863	568,045	1,368,908
Accumulated amortization			
Balance at 1 January 2022	-	500,389	500,389
Amortization	-	21,694	21,694
Balance at 31 December	-	522,083	522,083
Carrying amounts			
Balance at 31 December	800,863	45,962	846,825

2021

	Goodwill	Computer Software	Total
Cost			
Balance at 1 January 2021	800,863	537,778	1,338,641
Balance at 31 December 2021	800,863	537,778	1,338,641
Accumulated amortization			
Balance at 1 January 2021	-	476,263	476,263
Amortization	-	24,126	24,126
Balance at 31 December 2021	-	500,389	500,389
Carrying amounts			
Balance at 31 December 2021	800,863	37,389	838,252

Goodwill is evaluated for impairment annually or whenever we identify certain triggering events or circumstances that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Events or circumstances that might indicate an interim evaluation is warranted include, among other things, unexpected adverse business conditions, macro and reporting unit specific economic factors (for example, interest rate and foreign exchange rate fluctuations, and loss of key personnel), supply costs, unanticipated competitive activities, and acts by governments and courts. The recoverable amount was calculated using the free cashflow method (FCFF) with the the assumption that managemnet would continue to pay out 40% of PAT as dividend over the next five years at a long term growth rate of 10%. These variabes are discounted using the prevailing average FGN Bond rate as at each review date having considered inflation and tax. The recoverable amount is viewed from three scenarios, which are the best case, base case and the worse case. By virtue of the techniques adopted in assessing impairment on goodwill, the carrying amount is below the recoverable amount, as such no impairment. The goodwill was as a result of the merger with Nigeria-French Insurance company and LAMDA in 2007.

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

17 Property and equipment

(a) **Group**
2022

In thousands of naira	Land	Buildings	Capital work in progress	Furniture & equipment	Motor vehicles	Total
Cost						
At 1 January 2022	1,715,000	4,094,891	22,414	3,067,003	1,194,278	10,093,586
Additions	-	157,837	-	530,497	721,948	1,410,282
Disposals	-	-	(2,795)	(57,059)	(72,065)	(131,918)
Revaluation	349,500	313,397	-	-	-	662,897
Opening balance adjustment	-	-	(9,761)	181,198	129,850	301,287
At 31 December 2022	**2,064,500**	**4,566,125**	**9,858**	**3,721,640**	**1,974,011**	**12,336,134**
Accumulated depreciation						
At 1 January 2022	-	204,509	-	2,089,348	730,942	3,024,799
Depreciation for the year	-	90,980	-	326,875	335,257	753,112
Disposals	-		-	(53,138)	(48,748)	(101,886)
Revaluation	-	(288,413)	-	-	-	(288,413)
Opening balance adjustment	-	-		284,230	304,772	589,002
At 31 December 2022	**-**	**7,076**	**-**	**2,647,315**	**1,322,223**	**3,976,614**
Net book value						
At 31 December 2022	**2,064,500**	**4,559,049**	**9,858**	**1,074,325**	**651,788**	**8,359,520**

2021

In thousands of naira	Land	Buildings	Capital work in progress	Furniture & equipment	Motor vehicles	Total
Cost						
At 1 January 2021	1,715,000	4,094,891	88,209	2,701,544	1,486,850	10,086,494
Additions	-	-	38,559	727,184	98,363	864,106
Reclassification	-	-	(104,354)	104,354	-	-
Disposals	-	-	-	(9,084)	(134,721)	(143,805)
Transfer to disposal group (Note 19)	-	-	-	(456,995)	(256,214)	(713,209)
At 31 December 2021	**1,715,000**	**4,094,891**	**22,414**	**3,067,003**	**1,194,278**	**10,093,586**
Accumulated depreciation						
At 1 January 2021	-	122,709	-	2,153,912	800,471	3,077,092
Depreciation for the year	-	81,800	-	292,646	235,601	610,047
Disposals	-	-	-	(4,975)	(79,477)	(84,452)
Transfer to disposal group (Note 19)	-	-	-	(352,234)	(225,653)	(577,887)
At 31 December 2021	**-**	**204,509**	**-**	**2,089,348**	**730,942**	**3,024,799**
Net book value						
At 31 December 2021	**1,715,000**	**3,890,382**	**22,414**	**977,655**	**463,336**	**7,068,787**

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

(b) **Company**

2022

In thousands of naira	**Land**	**Buildings**	**Capital work in progress**	**Furniture & equipment**	**Motor vehicles**	**Total**
Cost						
At 1 January 2022	1,715,000	4,094,891	9,858	3,124,859	1,237,672	10,182,280
Additions	-	157,837	-	327,477	387,816	873,130
Disposals	-	-	-	(887)	(55,065)	(55,952)
Revaluation	349,500	313,397	-	-	-	662,897
At 31 December 2022	**2,064,500**	**4,566,125**	**9,858**	**3,451,449**	**1,570,423**	**11,662,355**
Accumulated depreciation						
At 1 January 2022	-	204,508	-	2,270,521	859,812	3,334,841
Depreciation for the year		83,905	-	303,077	205,731	592,713
Disposals		-		(458)	(40,857)	(41,315)
Revaluation	-	(288,413)	-	-	-	(288,413)
At 31 December 2022	**-**	**-**	**-**	**2,573,141**	**1,024,686**	**3,597,827**
Net book value						
At 31 December 2022	**2,064,500**	**4,566,125**	**9,858**	**878,308**	**545,737**	**8,064,528**

(i) The Company had no capital commitments as at the reporting date. (2021: Nill)

(ii) There were no capitalized borrowing costs related to the acquisition of property and equipment as at the reporting date.

(iii) Reclaissifcations are items of major repairs on buildings and purchase of equipments that have been put to full use.

2021

In thousands of naira	**Land**	**Buildings**	**Capital work in progress**	**Furniture & equipment**	**Motor vehicles**	**Total**
Cost						
At 1 January 2021	1,715,000	4,094,891	14,929	2,566,657	1,152,711	9,544,188
Additions	-	-	-	553,282	93,489	646,772
Reclasifications	-	-	(5,070)	5,070	-	-
Disposals	-	-	-	(151)	(8,528)	(8,680)
At 31 December 2021	**1,715,000**	**4,094,891**	**9,858**	**3,124,859**	**1,237,672**	**10,182,280**
Accumulated depreciation						
At 1 January 2021	-	122,708	-	2,040,855	675,055	2,838,618
Depreciation for the year	-	81,800	-	231,633	193,285	506,718
Disposals	-	-	-	(151)	(8,529)	(8,680)
Adjustments				(1,816)	-	(1,816)
At 31 December 2021	**-**	**204,508**	**-**	**2,270,521**	**859,812**	**3,334,841**
Net book value						
At 31 December 2021	**1,715,000**	**3,890,383**	**9,858**	**854,338**	**377,860**	**6,847,439**

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

I The Group had no capital commitments as at the reporting date. (2021: Nill)

II There were no capitalized borrowing costs related to the acquisition of property and equipment as at the reporting date.

III None of the Group's assets had been pledged as collateral during the year.

The status of the properties of land and building is as follows;

Location	Title	Status
Plot Pc 12 Churchgate street Victoria Island.	Certificate of Occupancy	Pefected
Plot 2 Oba Akran Avenue Ikeja.	Deed of Assignment	Perfected
12 Moshood Abiola Way, Liberty road Ibadan	Receipt of purchase	Acquired via acquisition
AIICO House, 36-38 Ilupeju Industrial Avenue, Ilupeju, Lagos State	Deed of Assignment	Perfected

18 Statutory deposits

This represents the amount deposited with the Central Bank of Nigeria as at 31 December 2022 in accordance with Section 9(1) and Section 10(3) of Insurance Act 2003. Interest income earned on this deposit is included in investment income.

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
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**

In thousands of naira	**2022**	2021	**2022**	2021
At 1 January	500,000	500,000	500,000	500,000
Balance as at 31 December 2022	**500,000**	**500,000**	**500,000**	**500,000**

19 Discontinued operations and disposal groups held for sale (AIICO Pension Managers Limited)

19.1 Assets and liabilities of disposal groups held for sale and discontinued operations

Assets and liabilities of disposal groups held for sale comprise the assets and liabilities of AIICO Pension Managers Limited as at 30 June 2021.

Carrying values of:

(a) **Assets**

In thousands of naira	**2022**	2021
Cash and cash equivalents	-	1,760,622
Financial assets	-	202,389
Trade receivables	-	139,097
Other receivables and prepayments	-	70,554
Intangible assets	-	35,523
Property and equipment	-	135,322
Deferred tax assets	-	8,491
	-	**2,351,998**

(b) **Liabilities**

In thousands of naira	**2022**	2021
Trade payables	-	31,592
Other payables and accruals	-	240,589
Current income tax payable (see note 13)	-	6,931
Deferred tax liability	-	32,484
	-	**311,595**
Net assets/(liabilities) directly associated with disposal group	**-**	**2,040,403**
	-	
Transfer to profit on discontinued Operation (33.91% of Net assets)	**-**	**(691,831)**
NCI Share of discontinued Operation (29.8% of net assets	**-**	**(608,040)**
	-	
Transfer to investment in associate (36.29% of net assets)	**-**	**740,532**

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

19.2 Results of discontinued operations

In thousands of naira	**2022**	2021
Revenue		387,602
Direct cost	-	-
Gross profit	-	387,602
Investment and other income	-	11,839
Employee Benefits expense	-	(196,211)
Other operating expense	-	(163,576)
Profit before tax	-	39,654
Income tax	-	-
Profit after tax of the discontinued operation as @ date of disposal (a)	**-**	**39,654**

19.3 Cashflow Movements

(a) Premium received

	Group		**Company**	
In thousands of naira	**2022**	2021	**2022**	2021
Gross premium written (see note 25(b))	88,275,920	71,625,943	87,562,251	71,001,519
Movement in trade receivables	(188,808)	235,899	(162,738)	(208,221)
	88,087,112	71,861,842	87,399,513	70,793,298
Premium received in advance (see note 22)	(300,302)	(428,665)	(300,302)	(428,665)
Movement in refund to policyholders (see note 22)	14,910	8,769	14,910	8,769
	87,801,720	71,441,946	87,114,121	70,373,402

(b) Reinsurance premium paid

	Group		**Company**	
In thousands of naira	**2022**	2021	**2022**	2021
Reinsurance premium paid (see note 25©)	17,288,045	12,676,474	17,288,045	12,676,474
Less: Prepaid minimum deposit (see note 11)	(52,415)	(46,805)	(52,415)	(46,805)
Movement in Reinsurance and coinsurance payable (see note 22)	(1,303,310)	(1,136,547)	(1,303,310)	(1,136,547)
	15,932,320	11,493,122	15,932,320	11,493,122

(c) Interest received

	Group		**Company**	
In thousands of naira	**2022**	2021	**2022**	2021
Interest income (see note 29(a))	18,746,596	13,378,709	17,731,912	12,812,157
Interest income on investment liabilities (see note 21(a))	107,744	99,030	107,744	99,030
Movement in accrued interests of financial assets (see note 7(d))	(694,751)	2,470,551	(448,312)	541,006
	18,159,589	15,948,290	17,391,344	13,452,193

(d) Proceed from sale of associate/subsidiary

	Group		**Company**	
In thousands of naira	**2022**	2021	**2022**	2021
Proceed from sale of associate (see note 14(j))	4,061,856	-	4,061,856	-
Proceed from sale of subsidiary (see note 14(h))	-	3,825,773	-	3,825,773
Proceed from discontinued operations	4,061,856	3,825,773	4,061,856	3,825,773
Interest income received from escrow account (see note 14(j))	100,448	-	100,448	-
	4,162,304	3,825,773	4,162,304	3,825,773

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

(e) Proceed from sale of property and equipment

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Gain/(loss) on disposal (see note 30(a))	10,983	(59,353)	10,983	11,217
Add: cost of property disposal (see note 17)	131,918	143,805	55,952	8,680
Less: accum dep of property disposed (see note 17)	(101,886)	(84,452)	(41,315)	(8,680)
	41,015	-	25,620	11,217

(f) Proceed on disposal/ redemption of financial assets

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
(loss)/gain on disposal of financial assets (see note 30(b))	(607,011)	2,459,046	(607,011)	2,459,046
Gain/(loss) on disposal of equities (see note 24(h))	10,304	(91,081)	-	(85,611)
Add: cost of disposal (see note 7(d))	52,625,153	141,067,797	42,169,451	123,422,742
	52,028,446	143,435,762	41,562,440	125,796,177

(g) Commission paid

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Movement in deferred acquisition cost (see note 10)	9,163,186	7,623,661	9,011,639	7,623,661
Movement in commission payable (see note 22)	(28,780)	(90,439)	(28,780)	(90,439)
	9,134,406	7,533,222	8,982,859	7,533,222

20 Insurance contract liabilities

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Outstanding claims (see note (a) below)	11,778,805	11,948,902	11,509,185	11,774,274
Claims incurred but not reported (see note (b) below)	6,214,717	4,553,257	6,214,717	4,553,257
Unearned premium (see note © below)	8,297,594	6,017,943	8,251,514	5,981,539
Life fund (see (note (d) below)	64,619,794	53,470,757	64,619,794	53,470,757
Annuity fund (see note (e) below)	74,493,564	43,785,472	74,493,564	43,785,472
	165,404,474	**119,776,331**	**165,088,774**	**119,565,299**

Insurance contract liabilities - Life

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Outstanding claims	5,065,346	4,088,282	5,065,346	4,088,282
Claims incurred but not reported	2,427,201	1,529,836	2,427,201	1,529,836
Unearned premium	1,166,582	1,391,034	1,166,582	1,391,034
Life fund	64,619,794	53,470,757	64,619,794	53,470,757
Annuity fund	74,493,564	43,785,472	74,493,564	43,785,472
	147,772,487	**104,265,381**	**147,772,487**	**104,265,381**

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

Insurance contract liabilities - Non-Life

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Outstanding claims	6,713,459	7,860,620	6,443,839	7,685,992
Claims incurred but not reported	3,787,516	3,023,421	3,787,516	3,023,421
Unearned premium	7,131,012	4,626,909	7,084,932	4,590,505
	17,631,987	**15,510,950**	**17,316,287**	**15,299,918**
Total Insurance contract liabilities	**165,404,474**	**119,776,331**	**165,088,774**	**119,565,299**

(a) Outstanding claims per business segment is as follows;

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Non life	6,443,839	7,685,992	6,443,839	7,685,992
Life	5,065,346	4,088,282	5,065,346	4,088,282
Health	269,620	174,628	-	-
	11,778,805	**11,948,902**	**11,509,185**	**11,774,274**

(a)(I)The movement in outstanding claims is as follows;

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Balance at 1 January	11,948,902	9,547,751	11,774,274	9,366,445
Claims incurred during the year	46,530,511	46,218,152	45,749,390	45,701,262
Claims paid during the year (see note 27)	(46,700,608)	(43,817,001)	(46,014,479)	(43,293,433)
	11,778,805	**11,948,902**	**11,509,185**	**11,774,274**

(a)(ii)The age analysis of outstanding claims is as follows;

The age analysis of Life business reported claims is as follows

S/N	Days	No of Claimants	Amounts (?'000)
1	0-90days	883	1,918,056,827
2	91-180 days	145	157,152,063
3	181-270 days	186	281,232,094
4	271-365 days	187	321,418,755
5	Above 365 days	2,651	2,387,485,711
	Total	**4,052**	**5,065,345,449**

Reasons for claims outstanding as at year end

	0 - 90 days	91 - 180 days	181 - 360 days	361 days +	Total
Awaiting discharge voucher	1,918,032,178	229,420,897	615,250,227	2,302,642,147	5,065,345,449
Awaiting payment instruction from policyholder	-	-	-	-	-
Incomplete documentation	-	-	-	-	-
Ongoing investigation	-	-	-	-	-
Total	**1,918,032,178**	**229,420,897**	**615,250,227**	**2,302,642,147**	**5,065,345,449**

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

The age analysis of Non-life business reported claims is as follows

	S/N	Days	No of Claimants	Amounts (N'000)
	1	0-90days	411	564,392,325
	2	91-180 days	259	483,080,247
	3	181-270 days	269	264,100,085
	4	271-365 days	307	400,126,005
	5	Above 365 days	2,465	4,732,142,366
		Total	**3,711**	**6,443,841,027**

Total	**564,392,325**	**483,080,247**	**663,520,299**	**4,732,848,156**	**6,443,841,027**

Reasons for claims outstanding as at year end

	0 - 90 days	91 - 180 days	181 - 360 days	361 days +	Total
Awaiting discharge voucher	564,392,325	483,080,247	663,520,299	4,732,847,956	6,443,840,827
Awaiting final report from adjuster	-	-	-	200	200
Awaiting lead insures instruction	-	-	-	-	-
Awaiting outstanding document	-	-	-	-	-
Total	**564,392,325**	**483,080,247**	**663,520,299**	**4,732,848,156**	**6,443,841,027**
Total reported claims	**2,482,424,503**	**712,501,144**	**1,278,770,526**	**7,035,490,303**	**11,509,186,477**

(b) Claims incurred but not reported

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Non life	3,787,516	3,023,421	3,787,516	3,023,421
Life	2,427,201	1,529,836	2,427,201	1,529,836
	6,214,717	**4,553,257**	**6,214,717**	**4,553,257**

(b)(I)The movement in IBNR is as follows;

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Balance as at 1 January	4,553,257	3,445,017	4,553,257	3,445,017
Increase during the year	1,661,460	1,108,240	1,661,460	1,108,240
Balance as at 31 December	**6,214,717**	**4,553,257**	**6,214,717**	**4,553,257**

(c) Unearned premium

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Non life	7,084,932	4,590,505	7,084,932	4,590,505
Life	1,166,582	1,391,034	1,166,582	1,391,034
Health	(747)	36,404	-	-
	8,250,767	**6,017,943**	**8,251,514**	**5,981,539**

(d) The movement in individual life fund is as follows;

Balance at 1 January	53,470,757	62,276,724	53,470,757	62,276,724
Portfolio transfer (Agent NPF policies) (see note 21(a) below)	2,731,965	-	2,731,965	-
Changes during the year	8,417,071	(8,805,967)	8,417,071	(8,805,967)
Balance as at 31 December	**64,619,794**	**53,470,757**	**64,619,794**	**53,470,757**

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

(e) The movement in annuity fund is as follows;

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Balance at 1 January	43,785,472	55,778,785	43,785,472	55,778,785
Changes during the year	2,043,994	(11,993,313)	2,043,994	(11,993,313)
Additional reserve on new portfolio (see note 20(f) below)	28,664,098	-	28,664,098	-
Change as at 31 December 2022	**74,493,564**	**43,785,472**	**74,493,564**	**43,785,472**

(f) Tangerine portfolio acquisition;

During the year, the Company acquired the annuity portfolio of Tangerine Life. The assets acquired and liabilities assumed are summarised below:

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Bond at amortised cost (see note 7(a)(iii))	4,435,786	-	4,435,786	-
Fair value through profit and loss (FVTPL) (see note 7(c)(I))	24,545,595	-	24,545,595	-
Bank balance	849,429	-	849,429	-
Quoted equities (see note 7(a)(ii))	167,119	-	167,119	-
Asset received on Annuity portfolio acquisition	29,997,929	-	29,997,929	-
Insurance contract liabilities assumed (see note 20e above)	(28,664,098)	-	(28,664,098)	-
Gross gain on Tangerine portfolio acquired (see note 32(a) below)	1,333,831	-	1,333,831	-

21 Investment contract liabilities

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Deposit administration (see note (a) below)	313,373	2,836,752	313,373	2,836,752
Other investment contract liabilities (see note (b) below)	21,594,354	19,993,119	21,594,354	19,993,119
Total investment contract liabilities	**21,907,727**	**22,829,871**	**21,907,727**	**22,829,871**

(a) Movement in deposit administration is shown below:

At 1 January	2,836,752	2,906,733	2,836,752	2,906,733
Deposits	575,854	380,955	575,854	380,955
Withdrawals	(472,789)	(91,692)	(472,789)	(91,692)
Trnafer of Agent NPF portfolio (see note 20(d) above and (i) below)	(2,731,965)	-	(2,731,965)	-
Credit of interest and other income	107,744	99,030	107,744	99,030
Impact of actuarial valuation	(2,223)	(332,316)	(2,223)	(332,316)
Balance as at 31 December	**313,373**	**2,836,752**	**313,373**	**2,836,752**

(I) During the year, the agent NPF portfolio was transferred from the investment contract liabilities to life funds as it represents provision for Agents's retirement benefit

(b) Other investment contract liabilities are stated at amortised cost and the amount is analysed as follows:

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
At 1 January	19,993,119	18,928,643	19,993,119	18,928,643
Movement during the year	1,601,235	1,064,476	1,601,235	1,064,476
Balance as at 31 December	**21,594,354**	**19,993,119**	**21,594,354**	**19,993,119**

Other investment contract liabilities represent deposit-based policies for individual savings business wth insignificant risk element.

22 Trade payables

Trade payables represent amounts payable to reinsurers, co-insurers, agents and brokers at the end of the year. The carrying amounts disclosed below approximate the fair values at the reporting date

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Reinsurance and co-insurance payable	3,180,819	1,877,509	3,180,819	1,877,509
Premium paid in advance	118,405	300,302	118,405	300,302
Unallocated premium (see (a) below)	2,983,257	1,434,866	2,983,257	1,434,866
Refund to policyholders (see (b) below)	47,935	33,025	47,935	33,025
Commission payable	131,212	102,432	131,212	102,432
Others (see © below)	-	62,507	-	-
Transfer to held for sale	-	(31,592)	-	-
	6,461,628	**3,779,049**	**6,461,628**	**3,748,134**

(a) This relates to premiums yet to be matched to policies due to various reasons.

(b) This relates to premiums refundable to policyholders on policies cancelled during the grace period.

(c) This relates to trade payables of subsidiaries.

23 (a) Other payables and accruals

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Accrued expenses (see note (iii) below)	1,355,361	1,023,137	1,328,709	781,461
NAICOM levy	877,441	710,024	877,441	710,024
Agent provident fund	289,741	229,454	289,741	229,454
Gratuity payable (see note (I) below)	10,380	11,549	10,380	11,549
Deferred income (fees & Commission)	652,174	552,048	652,174	552,048
Sundry payables	1,924,488	544,778	751,438	93,042
Sundry credit balances (see note (ii) below)	2,979,291	869,818	2,993,850	869,818
Payable to subsidiaries	-	-	150,930	147,151
Transferred to disposal group (see note 19(b))	-	(240,589)	-	-
	8,088,876	**3,700,219**	**7,054,663**	**3,394,547**

(I) The Company's retirement benefit obligation was terminated in 2014 and the liability as at the date of termination - April 30, 2014, was transferred to a payable account.

(ii) Sundry credit balances represent outstanding bank credits which have not been matched to the prospective policyholders. Included in these balances is a net amount of N1.5b representing credits for which the corresponding debits were not matched due to timing and some differences and are disclosed as sundry receivables in Note 11(ii)

(iii) Included in accrued expense is N335m (2021: N178m) which represents deferred incentive pay for executive management staff (from AGM to MD). This incentive pay is 30% of eligible employees annual bonus, which is deferred and shall vest after three years. It will also grow in line with the growth in Net Asset Value (NAV) of the Company.

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

(b) Fixed income liabilities

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Guaranteed income notes (see note (I))				
Opening balance	33,506,178	43,046,848	-	-
Net redemption during the year	(10,724,580)	(9,540,670)	-	-
Closing balance	22,781,598	33,506,178	-	-

(I) "AIICO Capital Limited, a subsidiary company, manages a guaranteed income product, held as fixed income liabilities. The assets held under this arrangement are in the name of AIICO Capital Limited and the underlying risks are retained by the Company.

(ii) The fixed income liabilities are invested as follows:

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
Cash and cash equivalents	541,485	791,245	-	-
Financial assets	22,240,113	32,714,933	-	-
	22,781,598	33,506,178	-	-

24 Capital and reserves

(a) **Share capital**

(a)(I) **Authorized share capital:**

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
At 1 January 2022: 37,600,000,000 shares of 50k each	18,800,000	18,800,000	18,800,000	18,800,000
"Cancelled during the year* (994,723,987 units of 50k each (2021: NIL)"	(497,361)	-	(497,361)	-
At 31 Dec 2022: 36,605,276,013 (2021: 37,600,000,000) shares of 50k each	**18,302,639**	**18,800,000**	**18,302,639**	**18,800,000**

* In compliance with Section 124 of CAMA 2020, the Company's Shareholders, at its 52nd AGM that held on 27 May 2022, resolved to cancel the excess of its authorised share capital, over and above its issued share capital and necessary documents were consequently filed with the CAC.

(a)(II) **Issued and fully paid share capital**

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
"At 1 January 2022: 36,605,275,996 (2021: 15,687,975,434) shares of 50k each"	18,302,639	7,843,988	18,302,639	7,843,988
Increase: NIL (2021: Bonus Issue 20,917,300,579 shares at 50k each)	-	10,458,651	-	10,458,651
At 31 Dec 2022: 36,605,276,013 shares of 50k each	**18,302,639**	**18,302,639**	**18,302,639**	**18,302,639**

(a)(III) Ordinary shares issued and fully paid can be further analysed as follows:

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
General business -20,597,975,711 ordinary shares at 50 kobo each	10,298,989	10,298,989	10,298,989	10,298,989
Life business - 16,007,300,302 ordinary shares at 50 kobo each	8,003,650	8,003,650	8,003,650	8,003,650
	18,302,639	**18,302,639**	**18,302,639**	**18,302,639**

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

(b)(I) **Share premium**

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
At 1 January	64,745	7,037,181	64,745	7,037,181
Bonus cancellation during the year (transfer to share capital)	-	(6,972,436)	-	(6,972,436)
Balance as at 31 December	**64,745**	**64,745**	**64,745**	**64,745**

(b)(II) Share premium can be further analysed as follows:

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
General business -20,597,978,694 ordinary shares at 50 kobo each	-	-	-	-
Life business - 16,007,300,002 ordinary shares at 50 kobo each	64,745	64,745	64,745	64,745
Balance as at 31 December	**64,745**	**64,745**	**64,745**	**64,745**

(c) **Revaluation reserve**

The balance in this account is analysed as follows:

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
At 1 January	1,812,707	1,812,707	1,812,707	1,812,707
Revaluation gain	951,309	-	951,309	-
Balance as at 31 December	**2,764,016**	**1,812,707**	**2,764,016**	**1,812,707**

(d) **Fair value reserve**

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
At 1 January	(1,683,037)	(507,416)	(1,016,727)	(438,588)
Reclassification from fair value reserves	(10,304)	91,081	-	85,611
Net fair value loss	(1,139,312)	(1,330,219)	(804,970)	(661,167)
Impairment adjustment	-	(2,583)	-	(2,583)
Transfer to NCI	36,029	66,100	-	-
Balance as at 31 December	**(2,796,624)**	**(1,683,037)**	**(1,821,697)**	**(1,016,727)**

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Revalued equities - Quoted	(479,928)	(643,861)	(479,928)	(628,396)
Revalued equities - Unquoted	(178,043)	381,782	(178,043)	381,782
Revaluation of bonds	(2,193,814)	(1,534,558)	(1,218,887)	(823,439)
Impairment reserve	35,957	96,230	35,957	35,957
Revaluation of treasury bills	19,204	17,369	19,204	17,369
Balance as at 31 December	**(2,796,624)**	**(1,683,038)**	**(1,821,697)**	**(1,016,727)**

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

(e) **Foreign exchange gains reserve**

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
At 1 January	175,600	175,600	175,600	175,600
Reclassification	(175,600)	-	(175,600)	-
Balance as at 31 December	**-**	**175,600**	**-**	**175,600**

(f) **Statutory reserve**

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
At 1 January	-	202,042	-	-
Transfer to proceeds from sale of discontinued operation	-	(202,042)	-	-
Balance as at 31 December	**-**	**-**	**-**	**-**

(g) **Contingency reserve**

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
At 1 January	8,304,604	7,213,594	8,304,604	7,213,594
Transfer from retained earnings	1,405,442	1,091,010	1,405,442	1,091,010
Balance as at 31 December	**9,710,046**	**8,304,604**	**9,710,046**	**8,304,604**

Contingency reserve is calculated, in the case of non-life business, at the rate of the higher of 3% of total premium income receivable during the year or 20% of the net profits in accordance with Section 21(2) of Insurance Act, 2003.

(h) **Retained earnings**

The movement in retained earnings can be analysed as follows:

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
At 1 January	11,051,695	9,924,143	9,139,930	8,834,102
Transfer from statement of profit or loss and other comprehensive income	7,440,732	4,853,284	6,895,054	4,968,664
Transfer from/(to) contingency reserve	(1,405,442)	(1,091,010)	(1,405,442)	(1,091,010)
Transfer from statutory reserve	-	202,042	-	-
Transfer from foreign exchange gains reserve (see note (e) above)	175,600	-	175,600	-
Transfer to investment in associate	-	740,532	-	-
Dividend paid to ordinary shareholders	(732,105)		(732,105)	-
Realised (loss)/gain on equities	10,304	(91,081)	-	(85,611)
Transfer to share capital	-	(3,486,215)	-	(3,486,215)
Balance as at 31 December	**16,540,784**	**11,051,695**	**14,073,037**	**9,139,930**

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

25 Gross premium

(a) Gross premium written

Gross premium written by business is as follows:

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Non-life	26,490,383	19,049,710	26,490,383	19,049,710
Life (individual and group)	54,450,968	49,733,359	54,450,968	49,733,359
Annuity	6,620,900	2,218,450	6,620,900	2,218,450
Health Management	713,669	624,424	-	-
	88,275,920	**71,625,943**	**87,562,251**	**71,001,519**

(b) Gross premium income

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Gross premium written	88,275,920	71,625,943	87,562,251	71,001,519
Unearned premium	(2,232,824)	(970,894)	(2,269,975)	(991,846)
	86,043,096	**70,655,049**	**85,292,276**	**70,009,673**

(c) Reinsurance expenses

	Group		Company	
(i) ***In thousands of naira***	**2022**	2021	**2022**	2021
Reinsurance premium charge for the year	17,288,045	12,676,474	17,288,045	12,676,474
Unexpired reinsurance cost	(1,957,067)	(543,253)	(1,957,067)	(543,253)
Net reinsurance expense	**15,330,978**	**12,133,221**	**15,330,978**	**12,133,221**

(ii) In arriving at the reinsurance premium paid during the year, the opening balance on prepaid minimum and deposit was considered.

Reinsurance premium paid				
Reinsurance payable at 1 January	1,877,509	167,439	1,877,509	167,439
Reinsurance premium per income instatement	17,288,045	167,439	17,288,045	12,676,474
Reinsurance payable at 31 December	(3,180,819)	(2,082,373)	(3,180,819)	(2,082,373)
Opening prepaid reinsurance	(2,478,884)	(1,442,243)	(2,478,884)	(1,442,243)
Closing prepaid reinsurance	4,435,951	2,478,884	4,435,951	2,478,884
Less opening prepaid minimum and deposit	(52,415)	(65,341)	(52,415)	(65,341)
Net reinsurance expense	**17,889,387**	**(776,195)**	**17,889,387**	**11,732,840**

26 Fees and commission income

	Group		Company	
(a) ***In thousands of naira***	**2022**	2021	**2022**	2021
Insurance contract	2,433,101	2,284,681	2,433,101	2,284,681
Pension and other contracts	884,291	297,068	-	-
	3,317,392	**2,581,749**	**2,433,101**	**2,284,681**

(b) Pension and other other contracts relate to fee and income earned on pension fund and asset management by the subsidiary companies.

Notes to the Consolidated and Separate Financial Statements (continued)
For the year ended 31 December 2022

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
At 1 January	552,048	535,758	552,048	535,758
Fee and commission received on reinsurance contract	3,395,262	2,598,039	2,510,971	2,300,971
Fee and commission income earned during the year (see note (a) above)	(3,317,392)	(2,581,749)	(2,433,101)	(2,284,681)
At 31 December	**629,918**	**552,048**	**629,918**	**552,048**

27 Gross benefits and claims incurred

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Claims paid during the year (note 20(a)(I))	46,700,608	43,817,001	46,014,479	43,293,433
Changes in outstanding claims	(170,097)	2,401,150	(265,089)	2,407,829
Changes in incurred but not reported	1,661,460	1,108,240	1,661,460	1,108,240
	48,191,971	**47,326,391**	**47,410,850**	**46,809,502**
In thousands of naira	**2022**	2021	**2022**	2021
Life insurance contracts (see note (I) below)	42,875,520	38,830,236	42,875,520	38,313,345
Non-life insurance contracts (see note (ii) below)	5,316,451	8,496,156	4,535,330	8,496,156
	48,191,971	**47,326,392**	**47,410,850**	**46,809,502**

(I) **Life insurance contract gross benefits and claims incurred can be analysed as follows:**

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Gross benefits	26,350,440	24,525,271	26,350,440	24,525,271
Gross claims	14,980,406	14,430,355	14,980,406	13,913,464
Change in outstanding claims reserve	1,544,674	(125,390)	1,544,674	(125,390)
	42,875,520	**38,830,236**	**42,875,520**	**38,313,345**

(II) **Non-life insurance contract gross claims Incurred**

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Gross claims incurred	3,771,235	7,600,388	3,771,235	7,600,388
Changes in outstanding claims reserve	1,545,216	895,768	764,095	895,768
	5,316,451	**8,496,156**	**4,535,330**	**8,496,156**

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
(b) **Claim recoveries**				
Claims recovered from reinsurance	3,635,974	5,063,452	3,635,974	5,063,452
Changes in outstanding claims	(431,215)	2,348,275	(431,215)	2,348,275
	3,204,759	**7,411,727**	**3,204,759**	**7,411,727**
(I) **Claims recoveries can be futher analysed as follows:**				
Life	2,372,304	2,709,114	2,372,304	2,709,114
Non-life (see note (ii) below)	832,455	4,702,613	832,455	4,702,613
	3,204,759	**7,411,727**	**3,204,759**	**7,411,727**
(II) **Non-life business claims recoveries can be analysed as follows:**				
Recoveries - reinsurance	810,140	4,624,567	810,140	4,624,567
Recoveries - salvage	22,315	78,046	22,315	78,046
	832,455	**4,702,613**	**832,455**	**4,702,613**

28 Underwriting expenses

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Acquisition costs (see note (a) below)	9,044,102	7,518,024	8,892,555	7,466,703
Maintenance expenses (see note © below)	3,151,006	3,060,839	3,151,006	3,060,839
	12,195,108	**10,578,863**	**12,043,561**	**10,527,542**

(a) **Acquisition costs by business is as follows:**

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Life	5,508,779	4,563,594	5,508,779	4,563,594
Non-life	3,383,776	2,903,109	3,383,776	2,903,109
Multishield HMO	151,547	51,321	-	-
	9,044,102	**7,518,024**	**8,892,555**	**7,466,703**
(b) **Acquisition costs is analysed as follows:**				
Acquisition cost during the year	9,011,639	7,623,661	9,011,639	7,623,661
Net movement in deferred acquisition cost	(119,084)	(156,958)	(119,084)	(156,958)
Commission incurred	8,892,555	7,466,703	8,892,555	7,466,703
Providers' capitation fee and other direct expenses	151,547	51,321	-	-
	9,044,102	**7,518,024**	**8,892,555**	**7,466,703**

(c) **Maintenance expenses can be analysed as follows:**

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Policy administration expenses	1,720,553	1,982,927	1,720,553	1,982,927
Tracking expenses	16,213	18,483	16,213	18,483
Service charges	1,414,240	1,059,429	1,414,240	1,059,429
	3,151,006	**3,060,839**	**3,151,006**	**3,060,839**

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

(d) **Change in Life Fund can be analysed as follows:**

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Ordinary Life	11,149,037	53,470,757	11,149,037	53,470,757
Annuity	30,708,092	43,785,472	30,708,092	43,785,472
	41,857,129	**97,256,229**	**41,857,129**	**97,256,229**

29 (a) **Investment income**

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Policyholders' funds (see note (I) below)	9,482,078	6,792,277	9,482,078	6,792,277
Annuity funds (see note (ii) below)	6,417,861	4,626,870	6,417,861	4,626,870
Shareholders' funds (see note (iii) below)	2,846,657	1,959,562	1,831,973	1,393,010
	18,746,596	**13,378,709**	**17,731,912**	**12,812,157**

(I) **Investment income attributable to policyholders' funds**

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Interest income on financial assets	8,176,385	6,248,516	8,176,385	6,248,516
Interest income on cash and cash equivalents	772,669	123,213	772,669	123,213
Income on policy loan	195,906	211,372	195,906	211,372
Dividend income	337,118	209,176	337,118	209,176
	9,482,078	**6,792,277**	**9,482,078**	**6,792,277**

(II) **Investment income attributable to annuity funds**				
Interest income on financial assets	6,417,861	4,626,870	6,417,861	4,626,870
	6,417,861	**4,626,870**	**6,417,861**	**4,626,870**

(III) **Investment income attributable to shareholders' funds**				
Interest income on financial assets	1,650,841	1,092,276	797,308	594,914
Interest income on cash and cash equivalents	1,092,289	755,092	931,138	685,902
Dividend income	103,527	112,194	103,527	112,194
	2,846,657	**1,959,562**	**1,831,973**	**1,393,010**

(b) **Profit on deposit administration**

Investment income on deposit administration can be analysed as follows:				
Investment income on deposit	305,785	240,837	305,785	240,837
Guaranteed interest to policyholders	(107,744)	(99,030)	(107,744)	(99,030)
Impact of actuarial valuation	2,223	332,316	2,223	332,316
Acquisition expenses	(494)	(493)	(494)	(493)
Profit from deposit administration	**199,770**	**473,630**	**199,770**	**473,630**

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

30 (a) Net realised gains

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Net realised gains are attributable to the following:				
Property and equipment	10,983	(59,353)	10,983	11,217
Investment property	2,000	-	2,000	-
Fair value financial instruments (see (b) below)	(607,011)	2,459,046	(607,011)	2,459,046
	(594,028)	**2,399,693**	**(594,028)**	**2,470,263**

(b) **Net realised gains on fair value financial instrument can be analysed as follows:**

(loss)/gain on FGN Bonds	(607,011)	2,459,046	(607,011)	2,459,046
	(607,011)	**2,459,046**	**(607,011)**	**2,459,046**

31 Net fair value losses

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Financial assets	(6,174,060)	(34,698,482)	(6,174,060)	(34,698,482)
Investment properties (Note 15(a))	138,000	48,000	138,000	48,000
	(6,036,060)	**(34,650,482)**	**(6,036,060)**	**(34,650,482)**

32 Other operating income

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Sundry income (see note (a) below)	2,297,500	2,102,316	2,194,876	1,055,724
Exchange loss	(770,893)	(280,900)	(770,893)	(280,900)
	1,526,607	**1,821,416**	**1,423,983**	**774,824**

(a) **Sundry income is analysed as follows:**

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Recoveries on written-off assets	9,552	9,552	9,552	9,552
Gross gain on Tangerine portfolio acquired (see note 20(f) above)	1,333,831	-	1,333,831	-
Income from statutory deposit	20,968	81,439	20,968	81,439
Administrative charges	264,351	88,665	264,351	88,665
Income from unclaimed dividend	-	30,327	-	30,327
Income from reinsurers	-	117,978	-	117,978
Rental income	84,753	56,673	84,753	56,673
Others	584,046	1,717,682	481,422	671,090
	2,297,500	**2,102,316**	**2,194,876**	**1,055,724**

33 Personnel expenses

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Salaries	1,857,842	1,502,640	1,325,455	1,068,173
Defined contribution pension costs	196,296	193,169	148,428	145,008
Allowances and other benefits	2,609,887	1,828,661	2,530,264	1,631,282
	4,664,025	**3,524,470**	**4,004,147**	**2,844,463**

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

34 Other operating expenses

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Marketing and administration	1,007,555	1,067,412	1,007,555	1,029,709
Communication and postages	940,769	481,817	940,769	438,112
Consulting fees (External actuary, tax consultancy)	921,600	812,491	921,600	812,491
NAICOM levy	877,440	710,024	877,440	710,024
Transaction cost (see (a) below)	868,721	-	868,721	-
Depreciation and amortisation	753,112	640,282	614,407	530,844
Consulting fees (IT, contract staff related)	587,772	369,843	587,772	351,843
Occupancy	541,494	591,428	529,794	533,198
Travel and representation	463,453	337,315	454,106	300,026
Miscellaneous expenses (see note (b) below)	496,466	491,221	210,022	372,561
Advertising	360,739	713,238	252,646	713,238
Regulatory fees & expenses (local licensing and filing)	235,083	311,395	235,083	311,395
Directors emolument	169,653	295,393	95,550	295,393
Fees and assessments (see note (c) below)	41,456	80,180	488,026	45,406
Amortization of Right of Use Assets	96,495	104,297	96,495	104,297
Office supply and stationery	94,384	151,147	94,384	149,112
Legal fees	93,649	80,082	90,615	68,082
Donations	17,937	32,985	17,937	32,985
Dues and subscriptions	47,891	111,735	47,891	95,155
Auditor's fees (see note (d) below)	92,485	53,433	80,410	42,000
	8,708,154	**7,435,720**	**8,511,223**	**6,935,871**

(a) Transaction cost relates to the cost incurred in the acquisition of Tangerine annuity portfolio.

(b) Miscellaneous expenses relate to local taxes including tenement rates, land use charges, parking fees, etc payable to local tax authorities.

(c) Included in the fees and assessment is ITF contribution, which is a percentage of the personnel expenses as statutorily required.

(d) The auditors did not render any non audit service nor earn non-audit fees during the year.

35 Impairment losses/(reversal)

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Impairment loss on financial instruments and others	170,440	(34,272)	71,916	(11,100)
	170,440	**(34,272)**	**71,916**	**(11,100)**

(a) Impairment losses/(reversal) can be attributable to the following;

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Impairment loss on financial instruments at amortized cost	66,605	-	66,605	-
Impairment loss on financial instruments at FVTOCI	9,778	(9,249)	9,778	(9,249)
Impairment allowance for debt instruments	76,383	(9,249)	76,383	(9,249)
(Reversal)/ impairment on cash and cash equivalents	(13,131)	24,029	(4,467)	(1,851)
Impairment/(reversal) of Trade receivables (see note 8(ii))	34,676	(27,340)	-	-
Impairment/(reversal) of other receivables (see note 11(iv))	72,512	(21,712)	-	-
	170,440	**(34,272)**	**71,916**	**(11,100)**

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

36 Earnings per share

(a) **Earnings per share from continued operation**

Basic earnings per share amounts is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding at the reporting date.

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Profit after Tax	4,680,150	2,549,095	4,022,368	1,961,230
Less: NCI	(112,104)	(62,725)	-	-
Profit from continued operations	**4,568,046**	**2,486,370**	**4,022,368**	**1,961,230**
Profit from discontinued operations	2,872,686	2,366,914	2,872,686	3,007,434
Net profit attributable to ordinary shareholders from operations	**7,440,732**	**4,853,284**	**6,895,054**	**4,968,664**
Weighted average of ordinary shares in issue	36,605,276	36,605,276	36,605,276	36,605,276
Basic and diluted earnings per share from continued operation (kobo)	12	7	11	6
Basic and diluted earnings per share from discontinued operation (kobo)	8	6	8	8
Basic and diluted earnings per share (kobo)	**20**	**13**	**19**	**14**

37 Related party disclosures

(a) **Parent and ultimate controlling party**

The ultimate controlling party of the Group is AIICO Insurance PLC.

(b) **Transactions with related parties and key management personnel**

(b)(I) **Loan to directors**

In 2022, no loan was advanced to directors (2021: nil).

(b)(ii) **Related party transactions and balances.**

"A number of key management personnel, or their related parties, hold positions in other companies that result in them having control or significant influence over these companies.

A number of these companies transacted with the Group during the year. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-key management personnel related companies on an arm's length basis."

Company			**Transaction values ('000)**		**Balance outstanding ('000)**	
Name of related party	**Relationship**	**Nature of transaction**	**2022**	2021	**2022**	2021
AIICO Pension Managers Limited	Associate	Insurance Premium	-	-	-	-
		Rent	-	-	-	103
		Deposit for shares	-	-	-	-
AIICO Multishield Limited	Subsidiary	Health Premium	23,134	37,331	-	-
		Insurance Premium	5,289	6,730	-	-
AIICO Capital Limited*	Subsidiary	Portfolio Management	432,009	523,374	150,930	147,151
		Insurance Premium	59,295	7,592	-	-
		Rent	24,632	30,003	-	-
Magnartis Finance and Investment Limited**	Common Director	Stockbrokers	-	8,787	54,919	-
			544,360	613,817	205,849	147,254

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

* AIICO Insurance Plc employs the services of AIICO Capital Limited to manage its financial assets. In return, AIICO Capital charges a percentage on the income generated as management fees.

**Magnartis Finance and Investment Limited are stockbrokers that trades the Company's equity portfolio. The balance reflected above are the unsettled balances on stock transactions as at reporting date.

The terms and conditions of the finance lease transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-key management personnel related companies on an arm's length basis.

"All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash within 3 months of the reporting date. None of the balances are secured. No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.
Noguarantees have been given or received."

(b)(ii) **Key management personnel compensation for the year**

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Wages and salaries	1,062,576	490,600	626,381	490,600
Post employment benefits	55,173	34,449	39,516	34,449
	1,117,749	525,049	665,897	525,049

(b)(iii) **Directors remuneration**

Directors remuneration excluding pension contributions and certain benefits was provided as follows:

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
Fees as Directors	20,448	2,745	1,663	1,710
Other allowances	105,728	71,107	72,449	32,236
	126,176	73,852	74,112	33,946
Executive compensation	249,094	331,899	163,088	266,432
	375,270	405,751	237,200	300,378
Chairman	28,975	23,922	17,775	11,522
Highest paid director	48,581	48,581	48,581	48,581

The number of directors, including the Chairman, whose emoluments were within the following range were:

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
1,000,001 - 2,000,000	1	-	-	-
2,000,001 and above	18	16	7	6
	19	16	7	6

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

38 Contingencies and commitments

(b)(I) **Legal proceedings and obligations**

The Company operates in the insurance industry and is subject to legal proceedings in the normal course of business. There were 28 (2021:25) outstanding cases at the end of the year 2022 with a total claim of N2.3bn (2021:N937.4m). The Directors, having sought legal opinion, are of the view that the Company stands a good chance on those cases and hence, do not foresee those cases having any material effect on the Company's results and financial position. Therefore, no provision has been made in the financial statements

(I) There was no court judgement against the Company as at the year ended 31 December 2022.

(ii) The Company is also subject to insurance solvency regulations of NAICOM. There are no contingencies related to such regulations.

(b) **Funds under management**

These funds do not form part of the assets and liabilities of the Group as the risks and rewards of these investments belong to the customers.
This represents investments held on behalf of clients and are stated at amortised cost.

An analysis of funds under management is shown below:

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
AIICO Money Market Fund (AMMF) (see note (I) below)	1,311,047	802,882	-	-
AIICO Balance Mutual Fund (ABF) (see note (ii) below)	166,596	149,536	-	-
Portfolio management - others (see note (iii) below)	2,261,020	2,074,178	-	-
Total funds	3,738,663	3,026,596	-	-

These funds do not form part of the assets and liabilities of the Group as the risks and rewards of these investments belong to the customers.

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

Fees earned from the management of these funds are as follows:

	Group		Company	
In thousands of naira	**2022**	2021	**2022**	2021
AMMF	**13,78**	8,089	**-**	-
ABF	**82,372**	2,245	**-**	-
Portfolio management - others	**-**	6,861	**-**	-
Total funds	**16,160**	17,195	**-**	-

(I) AIICO Money Market Fund (AMMF)

This Fund was floated by AIICO Capital Limited on 17 June 2014. The Fund represents customers' investments in the AIICO Money Market Fund and it invests in money market instruments, as approved by the investment committee to the Fund. AIICO Capital has 12.53% (2021: 20.45%) interest in the fund. AIICO Capital earns 1.4% of the net asset value of the Fund on a quarterly basis. UBA Trustees Limited is the trustee to the Fund while United Bank for Africa PLC (Global Investor Services) is the custodian to the Fund. The Fund has 31 December as its year end and is regulated by the Nigerian Securities and Exchange Commission (SEC). It currently trades at ₦100 per unit as at 31 December 2022 (2021: ₦100). The Group has investments of ₦160million in the Fund (2021: ₦160million)

(I) AIICO Balanced Fund (ABF)

On 1 of June 2018, AIICO Capital Limited effectively took over an authorised collective investment scheme and renamed it AIICO Balanced Fund (ABF). AIICO Capital is the Fund Manager to this Fund and as at the reporting date, had 51.39% (2021: 51.44%) holding in the fund. The Fund was set up to invest in a balanced portfolio of equities, money market instruments and fixed-income securities. AIICO Capital earns 1.5% of the net asset value of the Fund, on a quarterly basis. AIICO Capital is also entitled to earn an incentive fee where the annual return on the Fund for any year ended 31 December, exceeds the benchmark index of the Fund's Net Asset Value. United Capital Trustees Limited is the trustee to the Fund while United Bank for Africa PLC (Global Investor Services) is the custodian to the Fund. The Fund has 31 December as its year end.

The Fund has 31 December as its year end and is regulated by the Nigerian Securities and Exchange Commission (SEC). The Fund currently trades at ₦3.79 per unit as at 31 December 2022 (2021: ₦3.4319). The Group has investments of ₦51million in the Fund (2021: ₦51million)

(iii) Portfolio management - others

This represents third party investments in AIICO Capital's portfolio management products. Returns on discretionary portfolio management varies, however, when AIICO Capital exceeds the returns agreed with the customer, it earns a 20% performance fee on the excess. The AIICO Capital also charges management fees on this portfolio management.

(c) Unclaimed dividend

The Company has unclaimed dividend of ₦896 million as at 31 December 2022 (2021: N659 million). As required by section 16(d) of the Nigerian Securities and Exchange Commission (SEC) guidelines the assets representing these unclaimed dividend do not form part of the assets of the Company. These funds were returned to AIICO insurance and is domiciled with the custodian.

39 Contraventions and penalties

	Group		Company	
In thousands of naira	***2022***	*2021*	***2022***	*2021*
		-		-
The following payments were made relating to contraventions and penalties during the year:		-		-
Penalty Paid to NAICOM on 2021 Annual Account	***501***	-	***501***	-

(I) National Insurance Commission (NAICOM) imposed a fine on the Company for violation of the bank placement limit.

40 Personnel

The average number of persons employed at the end of the year was:

	Group		Company	
Number	***2022***	*2021*	***2022***	*2021*
Managerial	***78***	*78*	***61***	*57*
Senior staff	***310***	*290*	***295***	*265*
Junior staff	***93***	*84*	***6***	*6*
	481	*452*	***362***	*328*

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

(a)The personnel expenses for the above persons were:

In thousands of naira

Wages and salaries	**1,857,842**	1,502,640	**1,325,455**	1,068,173
Other staff costs	**2,806,183**	1,828,661	**2,678,692**	1,776,290
	4,664,025	3,331,301	**4,004,147**	2,844,463

(b) The number of employees paid emoluments, excluding pension and allowances, above ₦100,000 for the year were:

	Group		**Company**	
Number	**2022**	2021	**2022**	2021
100,000 - 600,000	**248**	276	**225**	215
600,001 - 1,200,000	**131**	72	**80**	60
1,200,001 - 2,400,000	**49**	45	**28**	22
2,400,001 and above	**53**	59	**29**	31
	481	452	**362**	328

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

41 Hypothecation of assets

2022	Life Fund	Annuity	Investment Contract Liabilities	Non-life Insurance Contract Liabilities	Total Policyholders fund	Shareholders' fund	Total
Cash and cash equivalents	3,504,909	258,418	937,962	1,675,112	6,376,401	145,423	6,521,824
Financial assets:							
Bonds and treasury bills	64,408,305	76,645,833	23,394,099	5,959,748	170,407,984	30,139,762	200,547,746
Quoted equities	5,132		211,749	658,309	875,190	-	875,190
Unquoted equities	627,731	-	155,830	854,813	1,638,374	825,808	2,464,182
Loans & receivables	2,882,193	-	-	-	2,882,193	1,652,258	4,534,451
Investment in subsidiaries	-	-	-	-	-	1,087,317	1,087,317
Investment properties	420,000	-	-	340,000	760,000	-	760,000
Property and equipment	-	-	-	-	-	8,124,583	8,124,583
Statutory deposits	-	-	-	-	-	500,000	500,000
Other assets (See (a) below)	2,938,057	-	-	9,827,832	12,765,889	5,846,958	18,612,847
Total assets (a)	**74,786,327**	**76,904,251**	**24,699,639**	**19,315,814**	**195,706,031**	**48,322,109**	**244,028,140**
Policyholders liabilities (b)	**73,278,923**	**74,493,564**	**21,907,727**	**17,316,287**	**186,996,501**	**57,031,634**	**244,028,135**
Excess/ (shortfall) of assets over liabilities (a-b)	**1,507,404**	**2,410,687**	**2,791,912**	**1,999,527**	**8,709,530**	**(8,709,525)**	**-**
Other Assets	-	-	-	852,113	852,113	-	852,113
Trade receivables	2,938,057	-	-	8,975,719	11,913,776	-	11,913,776
Reinsurance assets	-	-	-	-	-	858,307	858,307
Deferred acquisition costs	-	-	-	-	-	4,141,826	4,141,826
Other receivables and prepayments	-	-	-	-	-	846,825	846,825
Goodwill and other intangible assets	2,938,057	-	-	9,827,832	12,765,889	5,846,958	18,612,847

2021			Policyholder's fund				
	Life Fund	Annuity	Investment Contract Liabilities	Non-life Insurance Contract Liabilities	Total Policyholders fund	Shareholders' fund	Total
Cash and cash equivalents	2,962,811	-	854,851	441,265	4,258,928	4,804,033	9,062,962
Financial assets:							-
Bonds and treasury bills	51,369,723	45,135,429	21,657,693	5,067,980	123,230,825	22,362,805	145,593,629
Quoted equities	5,132		211,749	551,834	768,715	52,937	821,652
Unquoted equities	1,076,006	-	155,830	729,558	1,961,394	701,664	2,663,058
Loans & receivables	2,620,611	-	-	-	2,620,611	1,125,129	3,745,740
Investment in subsidiaries	-	-	-	-	-	1,087,317	1,087,317
Investment in Associate	-	-	-	-	-	705,691	705,691
Investment properties	488,000	-	-	318,000	806,000	-	806,000
Property and equipment	-	-	-	-	-	6,847,439	6,847,439
Statutory deposits	-	-	-	-	-	500,000	500,000
Other assets (See (a) below)	2,101,478	-	-	8,975,821	11,077,299	3,717,955	14,795,254
Total assets (a)	**60,623,760**	**45,135,429**	**22,880,122**	**16,084,458**	**144,723,771**	**41,904,969**	**186,628,741**
Policyholders liabilities (b)	**60,479,909**	**43,785,472**	**22,829,871**	**15,299,918**	**142,395,168**	**44,233,572**	**186,628,741**
Excess/ (shortfall) of assets over liabilities (a-b)	**143,851**	**1,349,957**	**50,251**	**784,540**	**2,328,603**	**(2,328,604)**	**-**
Other Assets							
Trade receivables	-	-	-	689,375	689,375	-	689,375
Reinsurance assets	2,101,478	-	-	8,286,446	10,387,924	-	10,387,924
Deferred acquisition costs	-	-	-	-	-	739,223	739,223
Deferred tax assets	-	-	-	-	-	-	-
Goodwill and other intangible assets	-	-	-	-	-	838,252	838,252
	2,101,478	-	-	8,975,821	11,077,299	3,717,955	14,795,254

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

42 Disclosure on the impact of COVID 19

As the impact of COVID 19 declined worldwide, the Federal Government of Nigeria removed all the prior COVID 19 restrictions towards the end of year. However, the Company continued to test and evaluate its Business Continuity Management System (BCMS), with the support and guidance of the British Standard Institutions (BSI), having granted the Company certification of the system under ISO 22301 standard since 2012. The BSI conducts annual and three-year continuous assessment visit and recertification audit respectively of the ISO 22301 standard certification maintenance.

Impact of the pandemic on the business

The Company assessed the financial and capital impact on its business across its Life and Non-Life businesses with varying scenarios ranging from two-month year to a six-month of lockdown. We have assessed the impact of COVID-19 on the Company's operations, cash flow, liquidity, capital resources, strategic and brand as well as risks and uncertainties about the impact on future years. The outcome of the assessment does not suggest any significant adverse impact on the Company's survival and sustainability.

43 Events after the reporting date

There was no event after the reporting date which could have a material effect on the consolidated and separate financial statements as at 31 December 2022 (31 December 2021: Nil) or the consolidated and separate statement of profit or loss and other comprehensive income for the year then ended.

44 Securities trading policy

(a) In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) AIICO Insurance Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy undergoes yearly reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period.

45 Risk management framework

(a) Governance framework

"The primary objective of the Group's risk and financial management framework is to protect the Group's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities.

Key management recognises the critical importance of having efficient and effective risk management systems in place. The Group has established a risk management function with clear terms of reference from the board of directors, its committees and the associated executive management committees. This is supplemented with a clear organisational structure with documented delegated authorities and responsibilities from the board of directors to executive management committees and senior managers.

Lastly, a Group policy framework which sets out the risk profiles for the Group, risk management, control and business conduct standards for the Group's operations has been put in place. Each policy has a member of senior management charged with overseeing compliance with the policy throughout the Group.

The Board of directors approves the Group's risk management policies and meets regularly to approve any commercial, regulatory and organisational requirements of such policies. These policies define the Group's identification of risk, analysis and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, align underwriting reinsurance strategy for apprpropriate Asset-Liability Management, to achieve the corporate goals, and specify reporting and regulatory requirements. "

(b) Capital management objectives, policies and approach

The National Insurance Commission (NAICOM), sets and monitors capital requirements for Insurance Companies. The individual subsidiaries are

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

directly supervised by other regulators, i.e., AIICO Capital Limited is regulated by the Nigerian Securities and Exchange Commission, AIICO Pensions Limited by the National Pension Commission while AIICO MULTISHIELD Limited is regulated by the National Health Insurance Scheme.

Management uses regulatory capital ratios to monitor its capital base. The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily on the regulatory capital, but in some cases the regulatory requirements do not fully reflect the varying degree of risk associated with different activities. In such cases, the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation by Group Risk and Group Credit, and is subject to review by the Group Asset and Liability Management Committee (ALCO), as appropriate. The Group ensures it maintains the minimum required capital at all times throughout the year. The Regulatory capital for the non-life business is determined as the solvency margin while that of the life business is determined as the net asset value. The table below summarises the minimum required capital across the Group and the regulatory capital held against each of them.

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

(i) To maintain the required level of stability of the Group thereby providing a degree of security to policyholders and other stakeholders as required.

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

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

(c) Approach to capital management

The Group seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and policyholders. The Group’s approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Group in the light of changes in economic conditions and risk characteristics.
"The primary source of capital used by the Group is equity shareholders’ funds.
The Group has had no significant changes in its policies and processes to its capital structure during the past year from previous years."

The table below shows the available capital resources as at 31 December:

	Group		Company	
In thousands of naira	**2022**	**2021**	**2022**	**2021**
Total shareholders' funds	**45,008,008**	38,374,256	**43,092,786**	36,783,498
Regulatory required capital	**5,000,000**	5,000,000	**5,000,000**	5,000,000
Excess capital reserve	**40,008,008**	33,374,256	**38,092,786**	31,783,498

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

(d) Regulatory framework

"The insurance industry regulator measures the financial strength of Insurance companies using a Solvency Margin model. NAICOM generally expects insurers to comply with this capital adequacy requirement. Section 24 of the Insurance Act 2003 defines the solvency margin of as the difference between the admissible assets and liabilities, and this shall not be less than 15% of the net premium income (gross income less reinsurance premium paid), or the minimum capital base (₦5billion) whichever is higher.

This test compares the insurer's capital against the risk profile. The regulator indicated that insurers should produce a minimum solvency margin of 100%. During the year, the Group has consistently exceeded this minimum. The regulator has the authority to request more extensive reporting and can place restrictions on the Group's operations if the Group falls below this requirement."

The solvency margin of the Company is as follows:

Solvency margin computation as at 31 December

In thousands of naira			**2022**	**2021**
	Total	**Inadmissible**	**Admissible**	Admissible
Assets				
Cash and cash equivalents	6,521,824		**6,521,824**	8,101,806
Trade receivables	852,113	-	**852,113**	689,375
Reinsurance assets	11,913,776	-	**11,913,776**	10,387,927
Deferred acquisition cost	858,307	-	**858,307**	739,223
Financial assets	208,421,569	-	**208,421,569**	152,718,223
Right of use assets	60,055	60,055	**-**	-
Investment in subsidiaries	1,087,317	-	**1,087,317**	1,087,317
Investment in associates	-		**-**	705,691
Investment property	760,000	-	**760,000**	806,000
Property and equipment (Land & Building)	6,630,625	4,963,625	**1,667,000**	1,667,000
Property and equipment (Others)	1,433,903	-	**1,433,903**	1,242,056
Other receivables and prepayments	4,141,826	4,141,826	**-**	-
Statutory deposits	500,000	-	**500,000**	500,000
Intangible assets	846,825	800,863	**45,962**	37,390
	244,028,140	**9,966,369**	**234,061,771**	**178,682,008**
Liabilities				
Insurance contract liabilities	165,088,774	-	165,088,774	119,565,299
Investment contract liabilities	21,907,727	-	21,907,727	22,829,871
Trade payables	6,461,628	-	6,461,628	3,748,134
Other payables	7,054,663	-	7,054,663	3,394,549
Income tax payable	422,562	-	422,562	307,392
Total admissible liabilities	**200,935,354**	-	**200,935,354**	**149,845,245**
Excess of total admissible assets over admissible liabilities			**33,126,417**	**28,836,763**
Higher of:				
Gross premium written			85,292,276	70,009,673
Less: Reinsurance expense			(15,330,978)	(12,133,221)
Net premium			69,961,298	57,876,452
15% of net premium			10,494,195	8,681,468
Minimum paid up capital			5,000,000	5,000,000
The higher thereof:			**10,494,195**	**8,681,468**
Excess of solvency margin over minimum capital base			**22,632,222**	**20,155,295**
Solvency margin ratio			**316%**	**332%**

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

46 Financial instruments - fair values and risk management

(a)Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

GROUP 31 December 2022	Carrying amount						Fair value			
In thousands of naira	Designated at fair value	FVTPL	Amortized Cost	FVOCI	Other financial liabilties	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Debt Instruments^^	-	125,233,425	-	5,782,454	-	131,015,879	-	131,015,879	-	131,015,879
Equities	-	-	-	10,557,235	-	10,557,235	871,423	-	9,685,812	10,557,235
	-	**125,233,425**	-	**16,339,689**	-	**141,573,114**	**871,423**	**131,015,879**	**9,685,812**	**141,573,114**
Financial assets not measured at fair value										
Cash and cash equivalents	-	-	15,915,258	-	-	15,915,258	-	15,915,258	-	15,915,258
Trade Receivables*	-	-	866,977	-	-	866,977	-	866,977	-	866,977
Loans and receivables*	-	-	4,657,557	-	-	4,657,557	-	4,657,557	-	4,657,557
Reinsurance assets^	-	-	7,477,825	-	-	7,477,825	-	7,477,825	-	7,477,825
Other receivables**	-	-	4,290,237	-	-	4,290,237	-	4,290,237	-	4,290,237
	-	-	79,229,357	-	-	79,229,357	-	76,446,801	-	76,446,801
	-	-	**112,437,211**	-	-	**112,437,211**	-	**109,654,655**	-	**109,654,655**
Other payables and accruals***	-	-	-	-	6,733,515	6,733,515	-	6,733,515	-	6,733,515
Trade payables*	-	-	-	-	6,461,628	6,461,628	-	6,461,628	-	6,461,628
Fixed income liabilities	-	-	22,781,598	-	-	22,781,598	-	22,781,598	-	22,781,598
Investment contract liabilties	-	-	313,373	-	-	313,373	-	313,373	-	313,373
	-	-	**23,094,971**	-	**13,195,143**	**36,290,114**	-	**36,290,114**	-	**36,290,114**

The Group has disclosed the fair value of each class of financial assets and liabilities in a way that permits the information to be compared with the carrying amounts. In addition, it has reconciled the assets and liabilities to the different categories of financial instruments as defined in IFRS 9 Financial instruments: Recognition and Measurement.

* The Group has not disclosed the fair values for financial instruments such as short term trade receivables, payables, reinsurance assets, loans and receivables because their carrying amounts are a reasonable approximation of fair value.

^ Reinsurance assets excludes prepaid reinsurance, which is not a financial asset (?4.4billion)

^^Debt instruments not measured at fair value are bonds and treasury bills measured at amortized cost.

**Other receivables do not include prepayments of (?395million), which are not financial assets.

***Other payables and accruals do not include accrued expenses (?1.36Billion) that are not financial liabilities.

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

COMPANY
31 December 2022

In thousands of naira	Carrying amount						Fair value			
	Designated at fair value	FVTPL	Amortized Cost	FVOCI	Other financial liabilties	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Debt Instruments	-	125,233,425	-	5,782,454	-	131,015,879	-	125,233,425	5,782,454	131,015,879
Equities	-	-	-	3,335,605	-	3,335,605	871,423	-	2,464,182	3,335,605
	-	**125,233,425**	-	**9,118,059**	-	**134,351,484**	**871,423**	**125,233,425**	**8,246,636**	**134,351,484**
Financial assets not measured at fair value	-	-	6,521,824	-	-	6,521,824	-	6,521,824	-	6,521,824
Cash and cash equivalents	-	-	852,113	-	-	852,113	-	852,113	-	852,113
Trade receivables*	-	-	4,410,707	-	-	4,410,707	-	4,410,707	-	4,410,707
Loans and receivables*	-	-	7,477,825	-	-	7,477,825	-	7,477,825	-	7,477,825
Reinsurance asset*			3,746,637	-	-	3,746,637	-	3,746,637	-	3,746,637
Other receivables*,**	-	-	69,659,378	-	-	69,659,378	-	66,906,822	-	66,906,822
Debt Instruments^^	-	-	**92,668,484**	-	-	**92,668,484**	-	**89,915,928**	-	**89,915,928**
Financial liabilities not measured at fair value	-	-	-	-	5,725,954	5,725,954	-	5,725,954	-	5,725,954
Other payables and accruals***	-	-	-	-	6,461,628	6,461,628	-	6,461,628	-	6,461,628
Trade payables	-	-	313,373	-	-	313,373	-	313,373	-	313,373
Investment contract liabilties	-	-	**313,373**	-	**12,187,582**	**12,500,955**	-	**12,500,955**	-	**12,500,955**

The Company has disclosed the fair value of each class of financial assets and liabilities in a way that permits the information to be compared with the carrying amounts. In addition, it has reconciled the assets and liabilities to the different categories of financial instruments as defined in IFRS 9 Financial instruments: Recognition and Measurement.

* The Company has not disclosed the fair values for financial instruments such as short term trade receivables, payables, reinsurance assets, loans and receivables because their carrying amounts are a reasonable approximation of fair value.

^ Reinsurance assets excludes prepaid reinsurance, which is not a financial asset (?4.4billion)

^^Debt instruments not measured at fair value are bonds and treasury bills measured at amortized cost. They include FGN bonds and treasury billls.

**Other receivables do not include prepayments (?395million) which are not financial assets.

***Other payables and accruals do not include accrued expenses (?1.33billion) that are not financial liabilities.

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

GROUP
31 December 2021

In thousands of naira	Designated at fair value	FVTPL	Amortized Cost	FVOCI	Other financial liabilties	Total	Level 1	Level 2	Level 3	Total
	Carrying amount						Fair value			
Financial assets measured at fair value										
Debt Instruments	95,908,995	83,165,217	-	12,743,778	-	95,908,995	-	95,908,995	-	95,908,995
Equities	3,287,958	-	-	3,287,958	-	3,287,958	589,313	-	2,698,645	3,287,958
	99,196,953	**83,165,217**	-	**16,031,736**	-	99,196,953	**589,313**	**95,908,995**	**2,698,645**	**99,196,953**
Financial assets not measured at fair value										
Cash and cash equivalents	-	-	25,490,105	-	-	25,490,105	-	25,490,105	-	25,490,105
Trade Receivables*	-	-	728,518	-	-	728,518	-	728,518	-	728,518
Loans and receivables	-	-	2,755,076	-	-	2,755,076	-	2,755,076	-	2,755,076
Reinsurance assets^	-	-	7,909,040	-	-	7,909,040	-	7,909,040	-	7,909,040
Other receivables*,**	-	-	1,681,681	-	-	1,681,681	-	1,681,681	-	1,681,681
Debt Instruments^^	-	-	62,607,497	12,743,778	-	82,351,275	-	82,351,275	-	82,351,275
	-	-	**101,171,917**	**12,743,778**	-	**120,915,695**	-	**120,915,695**	-	**120,915,695**
Financial liabilities not measured at fair value										
Other payables and accruals	-	-	-	-	2,677,082	2,677,082	-	2,677,082	-	2,677,082
Trade payables	-	-	-	-	3,779,049	3,779,049	-	3,779,049	-	3,779,049
Fixed income liabilities	-	-	33,506,178	-	-	33,506,178	-	33,506,178	-	33,506,178
Investment contract liabilties	-	-	22,829,871	-	-	22,829,871	-	22,829,871	-	22,829,871
	-	-	**56,336,049**	-	**6,456,131**	**62,792,180**	-	**62,792,180**	-	**62,792,180**

The Group has disclosed the fair value of each class of financial assets and liabilities in a way that permits the information to be compared with the carrying amounts. In addition, it has reconciled the assets and liabilities to the different categories of financial instruments as defined in IAS 39 Financial instruments: Recognition and Measurement.

* The Group has not disclosed the fair values for financial instruments such as short term trade receivables, payables, reinsurance assets, loans and receivables because their carrying amounts are a reasonable approximation of fair value.

^ Reinsurance assets excludes prepaid reinsurance, which is not a financial asset (?1.94billion)

**Other receivables do not include prepayments and subscription for shares (?730million) which are not financial assets.

***Other payables and accruals do not include accrued expenses (?1.02billion) that are not financial liabilities.

COMPANY
31 December 2021

In thousands of naira	Designated at fair value	FVTPL	Amortized Cost	FVOCI	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Debt Instruments	-	83,165,217	-	2,324,484	-	85,489,701	-	85,489,701	-	85,489,701
Equities	-	-	-	3,255,611	-	3,255,611	556,966	-	2,698,645	3,255,611
	-	**83,165,217**	-	**5,580,095**	-	**88,745,312**	**556,966**	**85,489,701**	**2,698,645**	**88,745,312**
Financial assets not measured at fair value						7,909,040				
Cash and cash equivalents	-	-	-	-	-	9,062,962	-	9,062,962	-	9,062,962
Trade receivables*	-	-	-	-	-	689,375	-	689,375	-	689,375
Loans and receivables	-	-				2,755,076		2,755,076	-	2,755,076
Reinsurance assets^	-	-	-	-	-	7,909,040	-	7,909,040	-	7,909,040
Other receivables*,**	-	-	-	-	-	1,410,370	-	1,410,370	-	1,410,370
Debt Instruments^^	-	-				56,207,724	-	56,207,724	-	56,207,724
	-	-	-	-	-	**78,034,547**	-	**78,034,547**	-	**78,034,547**
Financial liabilities not measured at fair value										
Other payables*,***	-	-	-	-	2,613,086	2,613,086	-	2,613,086	-	2,613,086
Trade payables*	-	-	-	-	3,748,134	3,748,134	-	3,748,134	-	3,748,134
Investment contract liabilties	-	-	22,829,871	-	-	22,829,871	-	22,829,871	-	22,829,871
	-	-	**22,829,871**	-	**6,361,220**	**29,191,091**	-	**29,191,091**	-	**29,191,091**

The Group has disclosed the fair value of each class of financial assets and liabilities in a way that permits the information to be compared with the carrying amounts. In addition, it has reconciled the assets and liabilities to the different categories of financial instruments as defined in IAS 39 Financial instruments: Recognition and Measurement.

* The Group has not disclosed the fair values for financial instruments such as short term trade receivables, payables, reinsurance assets, loans and receivables because their carrying amounts are a reasonable approximation of fair value.

^ Reinsurance assets excludes prepaid reinsurance, which is not a financial asset (?1.94billion)

**Other receivables do not include prepayments and subscription for shares (?730million) which are not financial assets.

***Other payables and accruals do not include accrued expenses(?781million) that are not financial liabilities.

(b) Measurement of fair values

(i) Transfer between Levels 1 and 2

At 31 December 2022, there was no transfer between level 1, level 2 and level 3 (2021: NIL)

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

(c) Risk management framework

The Company's board of directors has the overall responsibility for the establishment of oversight of the Group's enterprise risk management systems. The Board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management framework and activities. The committee reports regularly to the Board of directors for on its activities.

The Group's risk management policies are established to identify and analyse the risk faced by the group, to set appropriate risk limits and controls (through the risk appetite), and to monitor risks and adherence to limits. Risk mamangement policies and systems are reviewed regularly to reflect changes in market conditions and Group activities. The group, through its training and management standards and procedures, maintains and will continuously heighten a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

(d) Financial risk management

The Group has exposure to the following risks arising from financial instruments
Credit risk
Liquidity risk
Market risk
Currency risk

(i) Credit risk

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

The carrying amount of financial assets represents the maximum credit exposure

In addition to credit risks arising out of investments and transactions with clients, AIICO actively assumes credit risk through the writing of insurance business and the approval and issuance of loans. credit risk can arise when a client defaults on loan payments or settlement of premium payments and can also arise when its own repayment capability decreases (as reflected in a rating downgrade).

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

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

The Group is committed to:

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

Unsecured exposures to high risk obligors, transactions with speculative cash flows, loans in which the Insurance Group will hold an inferior or subordinate position are some of the credit exposures that are considered undesirable by the organization.

(a) Credit quality analysis

An asset will migrate down the ECL stages as asset quality deteriorates by comparing the credit risk rating of the asset at reporting date with its credit risk rating at origination using the Company's internal credit rating system. The trigger to move down an ECL stage is based on a pre-determined ratings downgrade shift that determines whether significant deterioration has occurred. Conversely, assets will migrate up an ECL stage as asset quality improves.

(i) Credit portfolio neither past due nor impaired

The following table sets out information about the credit quality of debt instruments measured at amortised cost, debt instruments measured at FVOCI . Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

At 31 December 2022 **In thousands of naira**	**FGN bonds**	**Treasury bills**	**Corporate bonds**	**Total**	**FGN Bonds**	**Treasury bills**	**Corporate bonds**	**Total**
Performing	78,368,467	279,662	5,050,107	83,698,236	60,101,224	9,975,464	5,050,107	75,126,795
Underperforming	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-
	78,368,467	279,662	5,050,107	83,698,236	60,101,224	9,975,464	5,050,107	75,126,795
Loss allowance	(69,738)	-	-	(69,738)	(69,738)	-	-	(69,738)
Carrying amount	**78,298,729**	**279,662**	**5,050,107**	**83,628,498**	**60,031,486**	**9,975,464**	**5,050,107**	**75,057,057**

At 31 December 2021 In thousands of naira	**FGN Bonds**	**Treasury bills**	**Corporate bonds**	**Total**	**FGN Bonds**	**Treasury bills**	**Corporate bonds**	**Total**
Performing	66,553,197	15,521,762	340,650	82,415,609	60,101,224	6,268,966	340,650	66,710,840
Underperforming	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-
	66,553,197	15,521,762	340,650	82,415,609	60,101,224	6,268,966	340,650	66,710,840
Loss allowance	(17,780)	-	-	(17,780)	(17,780)	-	-	(17,780)
Carrying amount	**66,535,417**	**15,521,762**	**340,650**	**82,397,829**	**60,083,444**	**6,268,966**	**340,650**	**66,693,060**

The following table sets out information about the credit quality of loans measured at amortised cost;

At 31 December 2022 In thousands of naira	**Policyholders loan**	**Staff loan**	**Agent loan**	**Other loans/ financial assets**	**Policyholders loan**	**Staff loan**	**Agent loan**	**Other loans/financial assets**
Performing	2,882,253	1,424,332	83,228	1,549,711	2,882,253	1,177,482	83,228	10,246,975
Underperforming	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-
	2,882,253	1,424,332	83,228	1,549,711	2,882,253	1,177,482	83,228	10,246,975
Loss allowance	-	-	-	(22,398)	-	-	-	(22,398)
Carrying amount	**2,882,253**	**1,424,332**	**83,228**	**1,527,313**	**2,882,253**	**1,177,482**	**83,228**	**10,224,577**

The following table sets out information about the credit quality of loans measured at amortised cost;

At 31 December 2021 In thousands of naira	**Policyholders loan**	**Staff loan**	**Agent loan**	**Other loans/financial assets**	**Policyholders loan**	**Staff loan**	**Agent loan**	**Other loans/financial assets**
Performing	2,620,609	1,018,841	80,188	134,465	2,620,611	910,476	80,188	6,403,431
Underperforming	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-
	2,620,609	1,018,841	80,188	134,465	2,620,611	910,476	80,188	6,403,431
Loss allowance	-	-	-	(1,697)	-	-	-	(7,748)
Carrying amount	**2,620,609**	**1,018,841**	**80,188**	**132,768**	**2,620,611**	**910,476**	**80,188**	6,395,683

(ii) Loss allowance

Measurement basis under IFRS 9

The following table shows reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument. Explanation of the terms: 12-month ECL (stage 1), lifetime ECL (stage 2) and credit-impaired (stage 3) are included in Note 3.4.4 (Impairment of financial assets) in the accounting policies.

Debt instruments measured at amortised cost

Group	2022					2021
In thousands of naira	**"12-month ECL Individual"**	**Lifetime ECL not credit-impaired**	**Lifetime ECL credit-impaired**	**Purchased or originated credit-impaired**	**Total**	**Total**
Balance at 1 January	19,371				19,371	9,716
Net remeasurement of loan	50,367				50,367	8,064
Closing balance	69,738				69,738	17,780
Gross amount	**77,915,782**				**77,915,782**	**69,671,831**

Debt instruments measured at amortised cost

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

Company

In thousands of naira	"12-month ECL Individual"	Lifetime ECL not credit-impaired	Lifetime ECL credit impaired	Purchased or originated credit-impaired	Total	Total
	2022					2021
Balance at 1 January	25,528	-	-	-	25,528	9,715
Net remeasurement of loan	66,608	-	-	-	66,608	8,065
Closing balance	69,738	-	-	-	69,738	17,780
Gross amount	**59,648,539**	-	-	-	**59,648,539**	**53,983,733**

Debt instruments measured at amortised cost

Group

In thousands of naira	"12-month ECL Individual"	Lifetime ECL not credit-impaired	Lifetime ECL credit impaired	Purchased or originated credit-impaired	Total	Total
	2022					2021
Balance at 1 January	2,583	-	-	-	2,583	-
Net remeasurement of ECL on debt instrument	9,778	-	-	-	9,778	2,583
Closing balance	12,361	-	-	-	12,361	2,583
Gross amount	**5,782,454**				**5,782,454**	**12,743,778**

Company

Debt instruments measured at amortised cost

In thousands of naira	"12-month ECL Individual"	Lifetime ECL not credit-impaired	Lifetime ECL credit impaired	Purchased or originated credit-impaired	Total	Total
	2022					2021
Balance at 1 January	2,583	-	-	-	2,583	-
Net remeasurement of ECL on debt instrument	9,778	-	-	-	9,778	2,583
Closing balance	12,361	-	-	-	12,361	2,583
Gross amount	**5,782,454**				**5,782,454**	**2,324,484**

Group

Debt instruments measured at amortised cost

In thousands of naira	"12-month ECL Individual"	Lifetime ECL not credit-impaired	Lifetime ECL credit impaired	Purchased or originated credit-impaired	Total	Total
	2022					2021
Balance at 1 January	1,591	-	-	-	1,591	17,608
Net remeasurement of ECL on loan	20,807	-	-	-	20,807	(15,911)
Closing balance	22,398	-	-	-	22,398	1,697
Gross amount	**5,939,524**				**5,939,524**	**3,854,103**

Company

Debt instruments measured at amortised cost

In thousands of naira	"12-month ECL Individual"	Lifetime ECL not credit-impaired	Lifetime ECL credit impaired	Purchased or originated credit-impaired	Total	Total
	2022					2021
Balance at 1 January	7,748	-	-	-	7,748	26,181
Net remeasurement of ECL on loan	14,650	-	-	-	14,650	(18,433)
Closing balance	22,398	-	-	-	22,398	7,748
Gross amount	**14,513,682**				**14,513,682**	**10,014,706**

(iii) Collateral held and other credit enhancements

A key mitigation step employed by the Group in its credit risk management process includes the use of collateral securities to secure its loans as an alternative source of repayment during adverse conditions.

All loans granted to policyholders, Agents and Staff are collaterized by the cash value of the policies, the Agent pension fund balance which is managed by the Group and gratuity due to various staff together with the provided guarantors respectively.

b Geographical sectors

The Group limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have a very high credit rating.

The maximum exposure to credit risk for debt securities at the reporting date per geo-political region was as follows:

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

In thousands of naira	Group 2022	Group 2021	Company 2022	Company 2021
North*	203,837,813	165,191,638	185,570,570	139,084,246
South South	281,954	281,954	281,954	281,954
South West	10,783,026	3,739,470	19,233,440	10,096,412
	214,902,793	**169,213,062**	**205,085,964**	**149,462,612**

* The North's figures includes Federal Government of Nigeria issued debt securities such as bonds and treasury bills as the FCT is in the North
The Group did not have any debt securities that were past due but not impaired at 31 December 2022 (2021:Nil)

(ii) Liquidity risk

"Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments."

"The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities over the next 60 days. The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables."

Exposure to liquidity risk

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

Maturity analysis

The table below summarises the expected utilisation or settlement of assets and liabilities as at 31 December:

Group **31 December 2022** In thousands of naira	Carrying amount	Gross nominal cashflow	Contractual cash flows 3 months or less	3 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Trade and other receivables	4,934,374	5,195,822	1,009,037	61,347	4,125,438	-	-
Financial Assets	225,460,028	225,564,525	125,233,425	16,352,050	13,996,508	13,996,508	55,986,033
Cash and cash equivalents	15,915,258	15,927,627	15,927,627	-	-	-	-
	246,309,660	**246,687,974**	**142,170,089**	**16,413,397**	**18,121,946**	**13,996,508**	**55,986,033**
Investment contract liabilities	21,907,727	21,907,727	-	-	21,907,727	-	-
Fixed income liabilities	22,781,598	22,781,598	-	-	22,781,598	-	-
Trade payables	6,461,628	6,461,618	256,784	6,204,834	-	-	-
	51,150,953	**51,150,943**	**256,784**	**6,204,834**	**44,689,325**	-	-
Liquidity gap	**195,158,707**	**195,537,031**	**141,913,305**	**10,208,564**	**(26,567,379)**	**13,996,508**	**55,986,033**

Company **31 December 2022**	Carrying amount	Gross nominal cashflow	Contractual cash flows 3 months or less	3 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
In thousands of naira	852,113	852,113	852,113	-	-	-	-
Trade and other receivables	208,421,569	226,203,220	4,774,487	35,294,463	4,465,542	5,154,150	176,514,577
Financial Assets	6,521,824	9,092,612	9,090,329	-	-	-	-
Cash and cash equivalents	215,795,506	236,147,944	14,716,928	35,294,463	4,465,542	5,154,150	176,514,577
	21,907,727	21,907,727	-	-	21,907,727	-	-
Investment contract liabilities	6,461,628	6,461,618	209,736	6,251,882	-	-	-
Trade payables	28,369,355	28,369,345	209,736	6,251,882	21,907,727	-	-
Liquidity gap	**187,426,151**	**207,778,599**	**14,507,192**	**29,042,582**	**(17,442,185)**	**5,154,150**	**176,514,577**

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

Group
31 December 2021

			Contractual cash flows				
In thousands of naira	**Carrying amount**	**Gross nominal cashflow**	**3 months or less**	**3 - 12 months**	**1 - 2 years**	**2 - 5 years**	**More than 5 years**
Trade and other receivables	728,518	820,229	689,375	49,214	81,640	-	-
Financial Assets	172,501,020	188,342,047	16,764,764	3,870,632	25,945,775	8,442,108	119,661,518
Cash and cash equivalents	25,490,105	31,913,335	25,490,105	-	-	-	-
	198,719,642	**221,075,612**	**42,944,243**	**3,919,846**	**26,027,416**	**8,442,108**	**119,661,518**
Investment contract liabilities	22,829,871	21,835,376	-	-	22,829,871	-	-
Fixed Income liabilities	33,506,178	43,046,848	-	-	33,506,178	-	-
Trade payables	3,779,049	3,779,049	256,784	3,522,265	-	-	-
	60,115,098	**68,661,273**	**256,784**	**3,522,265**	**56,336,049**	-	-
Liquidity gap	**138,604,544**	**152,414,339**	**42,687,459**	**397,581**	**(30,308,634)**	**8,442,108**	**119,661,518**

Company
31 December 2021

			Contractual cash flows				
In thousands of naira	**Carrying amount**	**Gross nominal cashflow**	**3 months or less**	**3 - 12 months**	**1 - 2 years**	**2 - 5 years**	**More than 5 years**
Trade and other receivables	689,375	897,596	689,375	-	-	-	-
Financial Assets	152,718,223	166,074,396	4,774,487	35,294,463	4,465,542	5,154,150	129,611,633
Cash and cash equivalent	**9,062,962**	**9,282,747**	**9,090,329**	-	-	-	-
	162,470,560	176,254,739	14,554,190	35,294,463	4,465,542	5,154,150	129,611,633
Investment contract liabilities	22,829,871	21,835,376	-	-	22,829,871	-	-
Trade payables	3,748,134	3,748,134	209,736	3,538,398	-	-	-
	26,578,005	**25,583,510**	**209,736**	**3,538,398**	**22,829,871**	-	-
Liquidity gap	**135,892,555**	**150,671,230**	**14,344,454**	**31,756,066**	**(18,364,329)**	**5,154,150**	**129,611,633**

Group

	2022			2021		
In thousands of naira	**Current**	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Cash and cash equivalents	15,915,258	-	15,915,258	25,490,105	-	25,490,105
Financial assets	141,480,978	83,979,050	225,460,028	18,451,619	154,049,401	172,501,020
Trade receivable	866,977	-	866,977	728,518	-	728,518
Reinsurance assets	11,913,776	-	11,913,776	10,387,924	-	10,387,924
Deferred acquisition cost	858,307	-	858,307	739,223	-	739,223
Other receivables and prepayments	4,685,426	-	4,685,426	2,411,791	-	2,411,791
Deferred tax asset		21,501	21,501		1,252	1,252
Investment in associate	-	-	-	705,629	-	705,629
Investment property	-	760,000	760,000	-	806,000	806,000
Goodwill and other intangible assets	-	928,672	928,672	-	934,748	934,748
Property and equipment	-	8,359,520	8,359,520	-	7,068,787	7,068,787
Statutory deposit	-	500,000	500,000	-	500,000	500,000
Right of use assets	-	60,055	60,055	-	105,855	105,855
Total assets	**175,720,722**	**94,608,798**	**270,329,520**	**58,914,808**	**163,466,043**	**222,380,851**
Insurance contract liabilities	47,186,485	118,217,989	165,404,474	36,364,026	83,412,305	119,776,331
Investment contract liabilities	472,789	21,434,938	21,907,727	91,692	22,738,179	22,829,871
Trade payables	6,461,628	-	6,461,628	3,779,049	-	3,779,049
Other payables and accruals	8,088,876	-	8,088,876	3,700,219	-	3,700,219
Fixed income liability	22,781,598	-	22,781,598	33,506,178	-	33,506,178
Current tax payable	669,543	-	669,543	407,282	-	407,282
Deferred tax liability	-	7,666	7,666	-	7,666	7,666
Total liabilities	**85,660,919**	**139,660,593**	**225,321,512**	**77,848,445**	**106,158,150**	**184,006,595**

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

Company

In thousands of naira	2022 Current	2022 Non-current	2022 Total	2021 Current	2021 Non-current	2021 Total
Cash and cash equivalents	6,521,824	-	6,521,824	9,062,962	-	9,062,962
Financial assets	54,372,168	154,049,401	208,421,569	13,486,898	139,231,325	152,718,223
Trade receivable	852,113	-	852,113	689,375	-	689,375
Reinsurance assets	11,913,776	-	11,913,776	10,387,924	-	10,387,924
Deferred acquisition cost	858,307	-	858,307	739,223	-	739,223
Other receivables and prepayments	4,141,826	-	4,141,826	2,140,480	-	2,140,480
Investment in subsidiaries	-	1,087,317	1,087,317	-	1,087,317	1,087,317
Investment in associate	-	-	-	705,691	-	705,691
Investment property	-	760,000	760,000	-	806,000	806,000
Goodwill and other intangible assets	-	846,825	846,825	-	838,252	838,252
Property and equipment	-	8,064,528	8,064,528	-	6,847,439	6,847,439
Statutory deposit	-	500,000	500,000	-	500,000	500,000
Right of use assets	-	60,055	60,055	-	105,855	105,855
Total assets	**78,660,014**	**165,368,126**	**244,028,140**	**37,212,553**	**149,416,188**	**186,628,741**
Insurance contract liabilities	46,870,785	118,217,989	165,088,774	36,152,994	83,412,305	119,565,299
Investment contract liabilities	472,789	21,434,938	21,907,727	91,692	22,738,179	22,829,871
Trade payables	6,461,628	-	6,461,628	3,748,134	-	3,748,134
Other payables and accruals	7,054,663	-	7,054,663	3,394,547	-	3,394,547
Current tax payable	422,562	-	422,562	307,392	-	307,392
Total liabilities	**61,282,427**	**139,652,927**	**200,935,354**	**43,694,759**	**106,150,484**	**149,845,243**

(iii)Market risk

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

(iv)Currency risk

" The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which premium, claims and borrowings are denominated and the respective functional currencies of Group companies. The functional currency of Group companies is the Nigerian naira.The currencies in which these transactions are primarily denominated are the Nigerian naira. However, the Group receives some premium in foreign currencies and also pays some claims in foreign currencies. The foreign currencies the Group transacts in include euro, british pounds and united states dollars."

Exposure to currency risk

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

GROUP

In thousands of	31 December 2022 Carrying Value	EUR	USD	GBP	31 December 2021 Carrying value	EUR	USD	GBP
Cash and cash equivalent	3,056,197	34,172	2,994,089	27,936	2,884,272	34,172	2,882,164	27,936
Financial assets	1,553,277	-	1,553,277	-	1,029,557	-	1,029,557	-
Net statement of financial position exposure	**4,609,474**	**34,172**	**4,547,365**	**27,936**	**3,913,829**	**34,172**	**3,911,721**	**27,936**

COMPANY

In thousands of	31 December 2022 NGN	EUR	USD	GBP	31 December 2021 Carrying value	EUR	USD	GBP
Cash and cash equivalent	3,056,197	34,172	2,994,089	27,936	2,884,272	34,172	2,882,164	27,936
Financial assets	1,092,277	-	1,092,277	-	1,029,557	-	1,029,557	-
Net statement of financial position exposure	**4,148,474**	**34,172**	**4,086,365**	**27,936**	**3,913,829**	**34,172**	**3,911,721**	**27,936**

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

The following significant exchange rates have been applied.

	Year-end spot rate	
Naira	**2022**	2021
USD 1	**461.5**	435
GBP 1	**715**	555
EUR 1	**613**	466

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Euro, US Dollar, Pound Sterling or Swiss Franc against all other currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Group				Company			
	Profit or loss		Equity, net of tax		Profit or loss		Equity, net of tax	
Effects in thousands of naira	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
31 December 2022								
EUR (10% movement)	3,417	(3,417)	2,392	(2,392)	3,417	(3,417)	2,392	(2,392)
USD (10% movement)	454,737	(454,737)	318,316	(318,316)	408,637	(408,637)	286,046	(286,046)
GBP (10% movement)	2,794	(2,794)	1,956	(1,956)	2,794	(2,794)	1,956	(1,956)
31 December 2021								
EUR (10% movement)	3,417	(3,417)	2,392	(2,392)	3,417	(3,417)	2,392	(2,392)
USD (10% movement)	391,172	(391,172)	273,820	(273,820)	391,172	(391,172)	273,820	(273,820)
GBP (10% movement)	2,794	(2,794)	1,956	(1,956)	2,794	(2,794)	1,956	(1,956)

Note 46: Financial instruments - fair values and risk management (Continued)

(c)(v) Interest rate risk

The Group adopts a policy of ensuring that all its interest rate risk exposure is at a fixed rate. This eliminates the variability in the risks and returns on the Group's interest bearing assets and liabilities.

Exposure to interest rate risk

The interest rate profile of the Group’s interest-bearing financial instruments is as follows.

	Group		**Company**	
In thousands of naira	**2022**	2021	**2022**	2021
Fixed-rate instruments				
Money market placements	**9,378,917**	22,442,214	**791,426**	4,867,214
Debt securities	**209,055,405**	165,580,826	**190,788,162**	139,473,434
Loans	**4,515,192**	2,835,262	**13,212,456**	9,104,230
	222,949,514	190,858,302	**204,792,044**	153,444,878

	Group		**Company**	
	2022	2021	**2022**	2021
In thousands of naira				
Fixed-rate liabilities	**22,781,598**	33,506,178	**-**	-
Fixed income liabilities	**22,781,598**	33,506,178	**-**	-

Cashflow sensitivity analysis for fixed-rate instruments

	Group				Company			
	Profit or loss		Equity, net of tax		Profit or loss		Equity, net of tax	
Effect in thousands of naira	**100bp increase**	**100bp decrease**	**100bp increase**	**100bp decrease**	**100bp increase**	**100bp decrease**	**100bp increase**	**100bp decrease**
31 December 2022								
Financial assets	2,229,495	(2,229,495)	2,229,495	(2,229,495)	2,047,920	(2,047,920)	2,047,920	(2,047,920)
	2,229,495	**(2,229,495)**	**2,229,495**	**(2,229,495)**	**2,047,920**	**(2,047,920)**	**2,047,920**	**(2,047,920)**
31 December 2021								
Financial assets	1,908,583	(1,908,583)	1,908,583	(1,908,583)	1,534,449	(1,534,449)	1,534,449	(1,534,449)
	1,908,583	**(1,908,583)**	**1,908,583**	**(1,908,583)**	**1,534,449**	**(1,534,449)**	**1,534,449**	**(1,534,449)**

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

Cashflow sensitivity analysis for variable-rate instruments

There are no variable rate instruments

Other market price risk

"The Group is exposed to equity price risk, which arises from financial asset designated at other comprehensive income held for partially meeting the claims and benefits obligations. The Group monitors the proportion of equity securities in its investment portfolio, based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Risk Management Committee.The primary goal of the Group's investment strategy is to maximise investment returns, both to partially meet the Group's claims and benefits obligations and to improve its returns in general. "

47 Insurance Risk

"The principal risk the Group faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long–term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities. The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.The Group purchases reinsurance as part of its risks mitigation programme. Reinsurance ceded is placed on both a proportional and non–proportional basis. The majority of proportional reinsurance is quota–share reinsurance which is taken out to reduce the overall exposure of the Group to certain classes of business. Non–proportional reinsurance is primarily excess–of–loss reinsurance designed to mitigate the Group's net exposure to catastrophe losses. Retention limits for the excess–of–loss reinsurance vary by product line and territory.Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract. "

(a)Life insurance contracts (including investment contracts)

"Life insurance contracts offered by the Group include: whole life, term assurance and deposit administration. Whole life and term assurance are conventional regular premium products when lump sum benefits are payable on death or permanent disability. Deposit administration is an investment product which accepts deposit from clients and other businesses of savings nature, by agreeing to pay interest on those deposits for an agreed period. For contracts for which death or disability is the insured risk, the significant factors that could increase the overall frequency of claims are epidemics, widespread changes in lifestyle and natural disasters, resulting in earlier or more claims than expected. For annuity contracts, the most significant factor is continued improvement in medical science and social conditions that would increase longevity. For contracts with DPF, the participating nature of these contracts results in a significant portion of the insurance risk being shared with the insured party.The Group's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography, the use of medical screening in order to ensure that pricing takes account of current health conditions and family medical history, regular review of actual claims experience and product pricing, as well as detailed claims' handling procedures. "

Underwriting limits are in place to enforce appropriate risk selection criteria. Insurance contracts also entitle the Group to pursue third parties for payment of some or all costs. The Group further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Group.

Key assumptions

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

Valuation basis	2022	2021
a. Economic assumptions		
i. Net valuation interest rate for the long term risk business	13.90%	12.80%
ii. Annuity valuation rate	14.15%	13.05%
iii. Tax adjustment (on projected returns)		
i. Inflation rate	13.00%	12.00%
b. Non - Economic assumptions		
i. Acquisition expense to maintenance expense	56:44	56:44
ii. Per policy expense assumption (per annum)	N1,400	N3,600

iii. Mortality assumption (based on assured lifetable)

Non Annuities: 65% of A67/70 UK Annuities: UK PA90(-1) adjusted based on experience

Non Annuities: 90% of A67/70 UK Annuities: UK PA90(-1) adjusted based on experience

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

Sensitivities

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

Sensitivity of liability to changes in long term valuation assumptions
31 December 2022 actuarial valuation

N'000	Base	VIR +1%	VIR -1%	Expenses +10%	Expenses -10%	Expense Inflation +2%	Expense Inflation -2%	Mortality +5%	Mortality -5%
Individual Risk Reserve (Excluding Annuity)	34,789,310	32,988,862	36,782,405	34,993,242	34,585,588	34,842,989	34,737,835	34,889,333	34,689,144
Annuity (PRA)	74,493,564	70,949,940	78,413,296	74,537,980	74,449,147	74,598,467	74,415,638	74,060,794	74,938,821
Annuity (Others)	22,441,904	20,601,890	24,637,555	22,461,875	22,421,965	22,506,578	22,399,103	22,368,047	22,518,114
Investment Linked Products	24,493,875	24,493,875	24,493,875	24,493,875	24,493,875	24,493,875	24,493,875	24,493,875	24,493,875
Group DA	313,373	313,373	313,373	313,373	313,373	313,373	313,373	313,373	313,373
Group Credit Life	107,596	107,596	107,596	107,596	107,596	107,596	107,596	107,596	107,596
Group Life - UPR	1,103,443	1,103,443	1,103,443	1,103,443	1,103,443	1,103,443	1,103,443	1,103,443	1,103,443
Group Life - AURR	48,776	48,776	48,776	48,776	48,776	48,776	48,776	48,776	48,776
Group Life - IBNR	2,335,064	2,335,064	2,335,064	2,335,064	2,335,064	2,335,064	2,335,064	2,335,064	2,335,064
Group Life -OCR	2,054,056	2,054,056	2,054,056	2,054,056	2,054,056	2,054,056	2,054,056	2,054,056	2,054,056
Additional Reserves	7,499,380	7,499,380	7,499,380	7,499,380	7,499,380	7,499,380	7,499,380	7,499,380	7,499,380
	169,680,342	162,496,255	177,788,820	169,948,661	169,412,263	169,903,598	169,508,139	169,273,738	170,101,643
Reinsurance	(1,880,387)	(1,880,387)	(1,880,387)	(1,880,387)	(1,880,387)	(1,880,387)	(1,880,387)	(1,880,387)	(1,880,387)
Net Liability	167,799,955	160,615,868	175,908,433	168,068,274	167,531,876	168,023,211	167,627,753	167,393,351	168,221,256
% change in Net Liability		-	-	-	-	-	-	-	-

Summary	Base	Interest rate +1%	Interest rate -1%	Expenses +10%	Expenses -10%	Expense Inflation +2%	Expense Inflation -2%	Mortality +5%	Mortality -5%
Individual	163,718,033	156,533,946	171,826,512	163,986,352	163,449,954	163,941,289	163,545,831	163,311,429	164,139,334
Group	4,081,922	4,081,922	4,081,922	4,081,922	4,081,922	4,081,922	4,081,922	4,081,922	4,081,922
Net Liability	167,799,955	160,615,868	175,908,433	168,068,274	167,531,876	168,023,211	167,627,753	167,393,351	168,221,256
% change in Liability	-	-	-	-	-	-	-	-	-

All stresses were applied independently
Stresses not applied to individual reinsurance asset due to immateriality
The mortality stress has been applied in the opposite direction for annuities.

(b) Non-life insurance contracts

"The Group principally issues the following types of general insurance contracts: fire, motor, casualty, workmen compensation, personal accident, marine and oil and gas. Risks under non–life insurance policies usually cover twelve months duration. For general insurance contracts, the most significant risks arise from climate changes, natural disasters and terrorist activities. For longer tail claims that take some years to settle, there is also inflation risk. The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography. Furthermore, strict claim review policies and procedures exist to assess all new and on-going claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the Group. The Group further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.The Group has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events (e.g., hurricanes, earthquakes and flood damage).The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes based on the Group's risk appetite as decided by management. The Board may decide to increase or decrease the maximum tolerances based on market conditions and other factors."

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

Key assumptions

"The principal assumption underlying the liability estimates is that the Group's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example: one–off occurrence, changes in market factors such as public attitude to claims, economic conditions, as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates. Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency rates."

Sensitivities

The non–life insurance claim liabilities are sensitive to the key assumptions that follow. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

Claims development table

"The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date. The Group has taken advantage of the transitional rules of IFRS 4 that permit only five years of information to be disclosed upon adoption of IFRS. In general, the uncertainty associated with the ultimate claims experience in an accident year is greatest when the accident year is at an early stage of development and the margin necessary to provide the necessary confidence in the provisions adequacy is relatively at its highest. As claims develop, and the ultimate cost of claims becomes more certain, the relative level of margin maintained should decrease. However, due to the uncertainty inherited in the estimation process, the actual overall claim provision may not always be in surplus."

Claims data

The claims data has seven risk groups – Marine, Motor, Casualty, Fire, Personal Accident, Oil and Gas, Agriculture and Workmen Compensation. The combined claims data for all lines of business between 2012 and 2022 are summarized in the table below:

Incremental chain ladder - yearly projections

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

Accident year	1	2	3	4	5	6	7	8	9	10	11	"Claims paid till date(?'000)"
2012	798,430,384	1,448,406,053	525,271,911	279,439,149	113,328,530	61,907,342	24,332,367	1,377,655	6,259,546	3,368,634	6,130,677	3,268,252,249
2013	921,671,366	981,670,275	185,624,210	46,839,246	53,440,190	17,902,903	1,096,631	5,276,093	5,390,789	927,697		2,219,839,400
2014	1,436,510,536	1,368,124,182	406,244,238	29,727,211	27,753,377	10,319,569	5,416,511	21,356,898	-			3,305,452,522
2015	1,207,317,680	1,410,110,583	110,938,941	149,494,387	65,610,781	13,830,193	18,510,606	14,865,679				2,990,678,849
2016	1,442,222,465	1,337,949,024	304,694,803	109,357,544	90,386,036	112,287,595	4,380,463					3,401,277,932
2017	2,134,993,116	2,158,316,699	691,235,178	677,579,373	119,473,528	386,003						5,781,983,897
2018	2,426,662,125	2,316,706,490	333,282,968	260,389,780	23,396,747							5,360,438,109
2019	2,983,395,788	3,225,047,370	673,341,204	118,712,495								7,000,496,857
2020	4,712,916,225	3,033,215,972	1,340,571,645									9,086,703,843
2021	2,640,978,508	1,632,641,882										4,273,620,390
2022	1,969,782,612											1,969,782,612

For consistency the total gross and reinsurance premium amounts received by line of business have been compared with the amounts recorded in financial accounts as shown below:

"Gross premium data(?'000)"	"Gross premium revenue(?'000)"
2,690,040	2,690,040
4,843,372	4,843,372
3,514,930	3,514,930
4,620,779	4,620,779
9,216,236	9,216,236
1,317,188	1,317,188
238,128	238,128
49,710	49,710
26,490,382	26,490,382

Gross claim reserving

The claims paid are allocated to claim development years. In the Motor line for example, of the claims that arose in 2012, N395million was paid in 2012 (development year 1), N250.7million in 2013 (development year 2) etc.

The tables shown are the step by step output of the Inflation Adjusted Basic Chain Ladder (IABCL) Method in estimating Gross Claims Reserve.

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

Basic chain ladder method - Gross Motor claims

Incremetal Chain ladder (Table of claims paid excluding large claims (Attritional Table)

Accident year	Incremental Chain ladder-Yearly Projections (N'000)										
	1	2	3	4	5	6	7	8	9	10	11
2012	395,039	250,654	3,916	4,073	1,724	281	67	218	-	-	-
2013	489,232	173,416	41,806	2,432	8,915	1,100	954	-	-	600	
2014	558,462	230,849	6,682	2,628	11,547	-	-	-	-		
2015	614,947	152,874	14,460	7,545	-	-	-	-			
2016	550,304	208,225	5,587	625	2,094	-	-				
2017	593,740	238,117	2,566	1,450	1,122	-					
2018	665,796	232,437	13,034	750	-						
2019	591,645	182,261	4,386	13,217							
2020	568,360	260,833	55,527								
2021	690,943	301,428									
2022	567,624										

Accident year	Inflation Adjusted Incremental Chain ladder-Yearly Projections (N'000)										
	1	2	3	4	5	6	7	8	9	10	11
2012	1,321,823	776,577	11,203	10,630	3,798	536	115	335	-	-	-
2013	1,515,738	496,102	109,121	5,358	17,023	1,888	1,464	-	-	600	
2014	1,597,622	602,557	14,721	5,018	19,814	-	-	-	-		
2015	1,605,123	336,790	27,613	12,946	-	-	-	-			
2016	1,212,350	397,618	9,587	959	2,845	-	-				
2017	1,133,779	408,607	3,937	1,970	1,318	-					
2018	1,142,501	356,603	17,708	881	-						
2019	907,696	247,629	5,153	13,217							
2020	772,204	306,478	55,527								
2021	811,858	301,428									
2022											

Projected Inflation Adjusted Chain Ladder Table

Accident year	Inflation Adjusted Cumulative Chain ladder-Yearly Projections (N'000)										
	1	2	3	4	5	6	7	8	9	10	11
2012	1,321,823	2,098,400	2,109,603	2,120,233	2,124,032	2,124,568	2,124,683	2,125,018	2,125,018	2,125,018	2,125,018
2013	1,515,738	2,011,840	2,120,961	2,126,319	2,143,342	2,145,230	2,146,693	2,146,693	2,146,693	2,147,293	2,147,293
2014	1,597,622	2,200,179	2,214,900	2,219,918	2,239,732	2,239,732	2,239,732	2,239,732	2,239,732	2,239,732	2,239,732
2015	1,605,123	1,941,913	1,969,526	1,982,472	1,982,472	1,982,472	1,982,472	1,982,472	1,982,472	1,982,472	1,982,472
2016	1,212,350	1,609,968	1,619,555	1,620,514	1,623,359	1,623,359	1,623,359	1,623,359	1,623,359	1,623,359	1,623,359
2017	1,133,779	1,542,387	1,546,324	1,548,294	1,549,612	1,549,612	1,549,612	1,549,612	1,549,612	1,549,612	1,549,612
2018	1,142,501	1,499,104	1,516,813	1,517,694	1,517,694	1,517,694	1,517,694	1,517,694	1,517,694	1,517,694	1,517,694
2019	907,696	1,155,325	1,160,478	1,173,695	1,173,695	1,173,695	1,173,695	1,173,695	1,173,695	1,173,695	1,173,695
2020	772,204	1,078,683	1,134,210	1,134,210	1,134,210	1,134,210	1,134,210	1,134,210	1,134,210	1,134,210	1,134,210
2021	811,858	1,113,286	1,113,286	1,113,286	1,113,286	1,113,286	1,113,286	1,113,286	1,113,286	1,113,286	1,113,286
2022	567,624	567,624	567,624	567,624	567,624	567,624	567,624	567,624	567,624	567,624	567,624

Projected Inflation Adjusted Chain Ladder Table

Accident year	Inflation Adjusted Cumulative Chain ladder-Yearly Projections (N'000)										
	1	2	3	4	5	6	7	8	9	10	11
2012	1,321,823	2,098,400	2,109,603	2,120,233	2,124,032	2,124,568	2,124,683	2,125,018	2,125,018	2,125,018	2,125,018
2013	1,515,738	2,011,840	2,120,961	2,126,319	2,143,342	2,145,230	2,146,693	2,146,693	2,146,693	2,147,293	2,147,293
2014	1,597,622	2,200,179	2,214,900	2,219,918	2,239,732	2,239,732	2,239,732	2,239,732	2,239,732	2,239,732	2,239,732
2015	1,605,123	1,941,913	1,969,526	1,982,472	1,982,472	1,982,472	1,982,472	1,982,472	1,982,472	1,982,472	1,982,472
2016	1,212,350	1,609,968	1,619,555	1,620,514	1,623,359	1,623,359	1,623,359	1,623,359	1,623,359	1,623,359	1,623,359
2017	1,133,779	1,542,387	1,546,324	1,548,294	1,549,612	1,549,612	1,549,612	1,549,612	1,549,612	1,549,612	1,549,612
2018	1,142,501	1,499,104	1,516,813	1,517,694	1,517,694	1,517,694	1,517,694	1,517,694	1,517,694	1,517,694	1,517,694
2019	907,696	1,155,325	1,160,478	1,173,695	1,173,695	1,173,695	1,173,695	1,173,695	1,173,695	1,173,695	1,173,695
2020	772,204	1,078,683	1,134,210	1,134,210	1,134,210	1,134,210	1,134,210	1,134,210	1,134,210	1,134,210	1,134,210
2021	811,858	1,113,286	1,113,286	1,113,286	1,113,286	1,113,286	1,113,286	1,113,286	1,113,286	1,113,286	1,113,286
2022	567,624	567,624	567,624	567,624	567,624	567,624	567,624	567,624	567,624	567,624	567,624

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

Projected Inflation Adjusted Chain Ladder Table- Discounted Results

Accident year	Discounted Incremental IABCL-Annual Projections (N'000)										
	1	2	3	4	5	6	7	8	9	10	11
2012	1,321,823	2,098,400	2,109,603	2,120,233	2,124,032	2,124,568	2,124,683	2,125,018	2,125,018	2,125,018	2,125,018
2013	1,515,738	2,011,840	2,120,961	2,126,319	2,143,342	2,145,230	2,146,693	2,146,693	2,146,693	2,147,293	2,147,293
2014	1,597,622	2,200,179	2,214,900	2,219,918	2,239,732	2,239,732	2,239,732	2,239,732	2,239,732	2,240,282	2,240,282
2015	1,605,123	1,941,913	1,969,526	1,982,472	1,982,472	1,982,472	1,982,472	1,982,472	1,983,253	1,983,740	1,983,740
2016	1,212,350	1,609,968	1,619,555	1,620,514	1,623,359	1,623,359	1,623,359	1,624,461	1,625,101	1,625,500	1,625,500
2017	1,133,779	1,542,387	1,546,324	1,548,294	1,549,612	1,549,612	1,551,106	1,552,159	1,552,771	1,553,152	1,553,152
2018	1,142,501	1,499,104	1,516,813	1,517,694	1,517,694	1,520,265	1,521,731	1,522,764	1,523,363	1,523,738	1,523,738
2019	907,696	1,155,325	1,160,478	1,173,695	1,177,890	1,179,886	1,181,023	1,181,825	1,182,291	1,182,581	1,182,581
2020	772,204	1,078,683	1,134,210	1,141,774	1,145,856	1,147,797	1,148,903	1,149,683	1,150,136	1,150,419	1,150,419
2021	811,858	1,113,286	1,132,988	1,140,545	1,144,621	1,146,561	1,147,666	1,148,445	1,148,897	1,149,180	1,149,180
2022	567,624	932,295	948,793	955,121	958,535	960,159	961,085	961,737	962,116	962,353	962,353

Basic chain ladder method - casualty

Incremetal Chain ladder (Table of claims paid excluding large claims (Attritional Table)

Accident year	Incremental Chain ladder-Yearly Projections (N'000)										
	1	2	3	4	5	6	7	8	9	10	11
2012	108,972	155,291	70,227	21,321	3,096	5,602	1,032	627	60	78	-
2013	141,592	185,372	35,669	12,063	17,185	3,742	143	3,272	4,294	328	-
2014	155,669	161,912	58,720	11,012	3,024	3,496	4,065	1,219	-	-	-
2015	212,854	177,984	30,524	29,049	8,156	3,449	191	13,098	-	-	-
2016	274,466	184,060	42,504	27,268	5,915	860	39	-	-	-	-
2017	363,357	263,587	102,919	15,228	5,059	92	-	-	-	-	-
2018	427,255	314,206	60,617	18,303	2,133	-	-	-	-	-	-
2019	423,853	421,493	36,914	19,331	-	-	-	-	-	-	-
2020	447,981	489,951	90,595	-	-	-	-	-	-	-	-
2021	411,072	530,605	-	-	-	-	-	-	-	-	-
2022	289,225	-	-	-	-	-	-	-	-	-	-

Inflation Adjusted (Table of claims paid excluding large claims (Attritional Table)

Accident year	Inflation Adjusted Incremental Chain ladder-Yearly Projections (N'000)										
	1	2	3	4	5	6	7	8	9	10	11
2012	364,625	481,123	200,902	55,652	6,822	10,697	1,770	962	81	92	-
2013	438,680	530,304	93,102	26,576	32,816	6,422	219	4,446	5,776	328	-
2014	445,331	422,619	129,364	21,028	5,189	5,363	5,523	1,433	-	-	-
2015	555,588	392,109	58,288	49,847	12,513	4,685	224	13,098	-	-	-
2016	604,664	351,473	72,937	41,834	8,036	1,010	39	-	-	-	-
2017	693,851	452,312	157,897	20,690	5,945	92	-	-	-	-	-
2018	733,166	482,051	82,357	21,506	2,133	-	-	-	-	-	-
2019	650,271	572,662	43,374	19,331	-	-	-	-	-	-	-
2020	608,650	575,692	90,595	-	-	-	-	-	-	-	-
2021	483,010	530,605	-	-	-	-	-	-	-	-	-
2022	289,225	-	-	-	-	-	-	-	-	-	-

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

Projected Inflation Adjusted Chain Ladder Table

Accident year	Inflation Adjusted Cumulative Chain ladder-Yearly Projections (N'000)										
	1	2	3	4	5	6	7	8	9	10	11
2012	364,625	845,748	1,046,650	1,102,302	1,109,124	1,119,821	1,121,592	1,122,554	1,122,635	1,122,727	1,122,727
2013	438,680	968,983	1,062,085	1,088,661	1,121,477	1,127,899	1,128,118	1,132,564	1,138,340	1,138,667	1,138,667
2014	445,331	867,950	997,315	1,018,343	1,023,532	1,028,895	1,034,418	1,035,851	1,035,851	1,035,851	1,035,851
2015	555,588	947,697	1,005,985	1,055,832	1,068,346	1,073,031	1,073,255	1,086,353	1,086,353	1,086,353	1,086,353
2016	604,664	956,137	1,029,073	1,070,908	1,078,944	1,079,954	1,079,993	1,079,993	1,079,993	1,079,993	1,079,993
2017	693,851	1,146,163	1,304,060	1,324,750	1,330,695	1,330,787	1,330,787	1,330,787	1,330,787	1,330,787	1,330,787
2018	733,166	1,215,217	1,297,574	1,319,080	1,321,213	1,321,213	1,321,213	1,321,213	1,321,213	1,321,213	1,321,213
2019	650,271	1,222,933	1,266,306	1,285,637	1,285,637	1,285,637	1,285,637	1,285,637	1,285,637	1,285,637	1,285,637
2020	608,650	1,184,343	1,274,938	1,274,938	1,274,938	1,274,938	1,274,938	1,274,938	1,274,938	1,274,938	1,274,938
2021	483,010	1,013,615	1,013,615	1,013,615	1,013,615	1,013,615	1,013,615	1,013,615	1,013,615	1,013,615	1,013,615
2022	289,225	289,225	289,225	289,225	289,225	289,225	289,225	289,225	289,225	289,225	289,225

Projected Inflation Adjusted Chain Ladder Table - Discounted Results

Accident Year	Discounted Incremental IABCL-Annual Projections (N'000)										
	1	2	3	4	5	6	7	8	9	10	11
2012	364,625	845,748	1,046,650	1,102,302	1,109,124	1,119,821	1,121,592	1,122,554	1,122,635	1,122,727	1,122,727
2013	438,680	968,983	1,062,085	1,088,661	1,121,477	1,127,899	1,128,118	1,132,564	1,138,340	1,138,667	1,138,667
2014	445,331	867,950	997,315	1,018,343	1,023,532	1,028,895	1,034,418	1,035,851	1,035,851	1,035,918	1,035,918
2015	555,588	947,697	1,005,985	1,055,832	1,068,346	1,073,031	1,073,255	1,086,353	1,086,983	1,087,054	1,087,054
2016	604,664	956,137	1,029,073	1,070,908	1,078,944	1,079,954	1,079,993	1,081,418	1,082,046	1,082,117	1,082,117
2017	693,851	1,146,163	1,304,060	1,324,750	1,330,695	1,330,787	1,334,058	1,335,819	1,336,594	1,336,681	1,336,681
2018	733,166	1,215,217	1,297,574	1,319,080	1,321,213	1,328,150	1,331,415	1,333,172	1,333,946	1,334,032	1,334,032
2019	650,271	1,222,933	1,266,306	1,285,637	1,307,023	1,313,885	1,317,115	1,318,853	1,319,619	1,319,705	1,319,705
2020	608,650	1,184,343	1,274,938	1,326,960	1,349,033	1,356,116	1,359,449	1,361,243	1,362,034	1,362,122	1,362,122
2021	483,010	1,013,615	1,132,689	1,178,907	1,198,517	1,204,810	1,207,772	1,209,365	1,210,068	1,210,146	1,210,146
2022	289,225	916,700	1,024,389	1,066,188	1,083,923	1,089,614	1,092,293	1,093,734	1,094,369	1,094,440	1,094,440

Basic chain ladder method - Fire

Incremetal Chain ladder (Table of claims paid excluding large claims (Attritional Table)

Accident year	Incremental Chain ladder-Yearly Projections (N'000)										
	1	2	3	4	5	6	7	8	9	10	11
2012	145,488	138,284	84,494	1,421	7	1,340	78	-	-	-	-
2013	161,371	194,379	24,521	25,317	8,164	-	-	-	-	-	-
2014	175,068	206,422	103,415	11,402	3,784	399	-	-	-	-	-
2015	206,687	222,698	38,360	22,578	57,335	1,546	18,320	1,627	-	-	-
2016	339,325	299,948	55,487	50,627	5,477	60,084	1,734	-	-	-	-
2017	316,219	118,487	39,658	57,756	77,696	-	-	-	-	-	-
2018	442,329	432,436	45,843	49,310	87	-	-	-	-	-	-
2019	519,444	326,613	85,965	38,341	-	-	-	-	-	-	-
2020	362,116	477,354	137,436	-	-	-	-	-	-	-	-
2021	329,591	297,128	-	-	-	-	-	-	-	-	-
2022	447,780	-	-	-	-	-	-	-	-	-	-

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

Inflation Adjusted (Table of claims paid excluding large claims (Attritional Table)

Accident year	Inflation Adjusted Incremental Chain ladder-Yearly Projections (N'000)										
	1	2	3	4	5	6	7	8	9	10	11
2012	486,810	428,432	241,717	3,708	17	2,560	133	-	-	-	-
2013	499,961	556,070	64,004	55,775	15,589	-	-	-	-	-	
2014	500,828	538,799	227,829	21,772	6,493	612	-	-	-		
2015	539,489	490,615	73,251	38,743	87,963	2,101	21,526	1,627			
2016	747,551	572,767	95,215	77,671	7,442	70,599	1,734				
2017	603,839	203,323	60,842	78,471	91,293	-					
2018	759,033	663,439	62,284	57,939	87						
2019	796,926	443,754	101,009	38,341							
2020	491,989	560,891	137,436								
2021	387,269	297,128									
2022	447,780										

Projected Inflation Adjusted Chain Ladder Table

Accident Year	Inflation Adjusted Cumulative Chain ladder-Yearly Projections (N'000)										
	1	2	3	4	5	6	7	8	9	10	11
2012	486,810	915,241	1,156,958	1,160,666	1,160,682	1,163,242	1,163,375	1,163,375	1,163,375	1,163,375	1,163,375
2013	499,961	1,056,031	1,120,035	1,175,810	1,191,399	1,191,399	1,191,399	1,191,399	1,191,399	1,191,399	
2014	500,828	1,039,626	1,267,455	1,289,227	1,295,720	1,296,332	1,296,332	1,296,332	1,296,332		
2015	539,489	1,030,105	1,103,356	1,142,099	1,230,062	1,232,162	1,253,688	1,255,315			
2016	747,551	1,320,318	1,415,533	1,493,204	1,500,645	1,571,244	1,572,978				
2017	603,839	807,161	868,004	946,475	1,037,768	1,037,768					
2018	759,033	1,422,472	1,484,756	1,542,695	1,542,783						
2019	796,926	1,240,681	1,341,689	1,380,030							
2020	491,989	1,052,881	1,190,317								
2021	387,269	684,397									
2022	447,780										

Projected Inflation Adjusted Chain Ladder Table -Discounted Results

Accident Year	Discounted Incremental IABCL -Annual Projections (N'000)										
	1	2	3	4	5	6	7	8	9	10	11
2012	486,810	915,241	1,156,958	1,160,666	1,160,682	1,163,242	1,163,375	1,163,375	1,163,375	1,163,375	1,163,375
2013	499,961	1,056,031	1,120,035	1,175,810	1,191,399	1,191,399	1,191,399	1,191,399	1,191,399	1,191,399	1,191,399
2014	500,828	1,039,626	1,267,455	1,289,227	1,295,720	1,296,332	1,296,332	1,296,332	1,296,332	1,296,332	1,296,332
2015	539,489	1,030,105	1,103,356	1,142,099	1,230,062	1,232,162	1,253,688	1,255,315	1,255,657	1,255,657	1,255,657
2016	747,551	1,320,318	1,415,533	1,493,204	1,500,645	1,571,244	1,572,978	1,574,508	1,574,936	1,574,936	1,574,936
2017	603,839	807,161	868,004	946,475	1,037,768	1,037,768	1,040,272	1,041,284	1,041,567	1,041,567	1,041,567
2018	759,033	1,422,472	1,484,756	1,542,695	1,542,783	1,550,043	1,553,784	1,555,295	1,555,718	1,555,718	1,555,718
2019	796,926	1,240,681	1,341,689	1,380,030	1,406,122	1,412,740	1,416,149	1,417,527	1,417,913	1,417,913	1,417,913
2020	491,989	1,052,881	1,190,317	1,225,834	1,249,011	1,254,890	1,257,918	1,259,141	1,259,484	1,259,484	1,259,484
2021	387,269	684,397	761,824	784,556	799,390	803,152	805,090	805,873	806,093	806,093	806,093
2022	447,780	1,294,792	1,441,275	1,484,281	1,512,345	1,519,462	1,523,129	1,524,610	1,525,025	1,525,025	1,525,025

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

Basic chain ladder method - Personal Accident

Incremetal Chain ladder (Table of claims paid excluding large claims (Attritional Table)

Accident	Incremental Chain ladder-Yearly Projections (N'000)										
Year	1	2	3	4	5	6	7	8	9	10	11
2012	4,661	7,671	1,005	3,541	1,357	150	-	-	-	-	-
2013	7,878	6,264	839	471	1,109	-	-	-	-	-	-
2014	5,887	4,526	1,303	146	-	26	-	-	-	-	-
2015	4,799	11,891	2,399	-	-	-	-	-	-	-	-
2016	13,470	13,880	4,318	1,844	-	-	-	-	-	-	-
2017	5,468	5,061	46	-	293	-	-	-	-	-	-
2018	9,304	6,053	1,895	283	267	-	-	-	-	-	-
2019	11,784	10,089	6,599	92	-	-	-	-	-	-	-
2020	17,888	14,708	98	-	-	-	-	-	-	-	-
2021	30,000	14,237	-	-	-	-	-	-	-	-	-
2022	20,278	-	-	-	-	-	-	-	-	-	-

Inflation Adjusted (Table of claims paid excluding large claims (Attritional Table)

Accident	Inflation Adjusted Incremental Chain ladder-Yearly Projections (N'000)										
Year	1	2	3	4	5	6	7	8	9	10	11
2012	15,595	23,767	2,874	9,244	2,990	286	-	-	-	-	-
2013	24,407	17,920	2,191	1,037	2,118	-	-	-	-	-	-
2014	16,840	11,813	2,870	279	-	39	-	-	-	-	-
2015	12,526	26,197	4,582	-	-	-	-	-	-	-	-
2016	29,675	26,506	7,409	2,829	-	-	-	-	-	-	-
2017	10,442	8,684	70	-	344	-	-	-	-	-	-
2018	15,966	9,287	2,575	332	267	-	-	-	-	-	-
2019	18,079	13,707	7,753	92	-	-	-	-	-	-	-
2020	24,304	17,282	98	-	-	-	-	-	-	-	-
2021	35,250	14,237	-	-	-	-	-	-	-	-	-
2022	20,278	-	-	-	-	-	-	-	-	-	-

Projected Inflation Adjusted Chain Ladder Table

Accident	Inflation Adjusted Cumulative Chain ladder-Yearly Projections (N'000)										
year	1	2	3	4	5	6	7	8	9	10	11
2012	15,595	39,362	42,236	51,480	54,470	54,757	54,757	54,757	54,757	54,757	54,757
2013	24,407	42,327	44,518	45,554	47,672	47,672	47,672	47,672	47,672	47,672	47,672
2014	16,840	28,653	31,522	31,802	31,802	31,841	31,841	31,841	31,841	31,841	31,841
2015	12,526	38,723	43,305	43,305	43,305	43,305	43,305	43,305	43,305	43,305	43,305
2016	29,675	56,180	63,590	66,419	66,419	66,419	66,419	66,419	66,419	66,419	66,419
2017	10,442	19,126	19,196	19,196	19,540	19,540	19,540	19,540	19,540	19,540	19,540
2018	15,966	25,253	27,828	28,160	28,428	28,428	28,428	28,428	28,428	28,428	28,428
2019	18,079	31,786	39,540	39,632	39,632	39,632	39,632	39,632	39,632	39,632	39,632
2020	24,304	41,586	41,684	41,684	41,684	41,684	41,684	41,684	41,684	41,684	41,684
2021	35,250	49,486	49,486	49,486	49,486	49,486	49,486	49,486	49,486	49,486	49,486
2022	20,278	20,278	20,278	20,278	20,278	20,278	20,278	20,278	20,278	20,278	20,278

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

Projected Inflation Adjusted Chain Ladder Table- Discounted Results

Accident year	Discounted Incremental IABCL-Annual Projections (N'000)										
	1	2	3	4	5	6	7	8	9	10	11
2012	15,595	39,362	42,236	51,480	54,470	54,757	54,757	54,757	54,757	54,757	54,757
2013	24,407	42,327	44,518	45,554	47,672	47,672	47,672	47,672	47,672	47,672	47,672
2014	16,840	28,653	31,522	31,802	31,802	31,841	31,841	31,841	31,841	31,841	31,841
2015	12,526	38,723	43,305	43,305	43,305	43,305	43,305	43,305	43,305	43,305	43,305
2016	29,675	56,180	63,590	66,419	66,419	66,419	66,419	66,515	66,515	66,515	66,515
2017	10,442	19,126	19,196	19,196	19,540	19,540	19,668	19,696	19,696	19,696	19,696
2018	15,966	25,253	27,828	28,160	28,428	28,821	29,010	29,052	29,052	29,052	29,052
2019	18,079	31,786	39,540	39,632	40,456	41,017	41,285	41,345	41,345	41,345	41,345
2020	24,304	41,586	41,684	43,854	44,766	45,386	45,683	45,749	45,749	45,749	45,749
2021	35,250	49,486	56,231	59,158	60,388	61,225	61,626	61,715	61,715	61,715	61,715
2022	20,278	99,007	108,105	112,292	114,409	114,533	114,533	114,533	114,533	114,533	114,533

Basic chain ladder method - Workmen Compensation

Incremetal Chain ladder (Table of claims paid excluding large claims (Attritional Table)

Accident year	Incremental Chain ladder-Yearly Projections (N'000)										
	1	2	3	4	5	6	7	8	9	10	11
2012	10,143	29,463	9,200	1,055	-	-	-	-	-	-	-
2013	15,137	16,189	9,706	4,384	149	-	-	602	521	-	-
2014	33,154	22,427	7,140	2,785	4,312	-	-	-	-	-	-
2015	21,469	24,898	5,308	-	-	5,340	-	-	-	-	-
2016	13,711	24,361	1,261	1,152	-	2	2,607	-	-	-	-
2017	18,000	22,351	3,183	2,794	512	-	-	-	-	-	-
2018	16,873	16,416	2,926	273	-	-	-	-	-	-	-
2019	22,825	21,059	10,183	5,470	-	-	-	-	-	-	-
2020	11,129	27,859	1,054	-	-	-	-	-	-	-	-
2021	17,863	24,190	-	-	-	-	-	-	-	-	-
2022	8,984	-	-	-	-	-	-	-	-	-	-

Inflation Adjusted (Table of claims paid excluding large claims (Attritional Table)

Accident year	Inflation Adjusted Incremental Chain ladder-Yearly Projections (N'000)										
	1	2	3	4	5	6	7	8	9	10	11
2012	33,939	91,281	26,320	2,754	-	-	-	-	-	-	-
2013	46,898	46,312	25,334	9,659	285	-	-	817	701	-	-
2014	94,847	58,539	15,730	5,317	7,399	-	-	-	-	-	-
2015	56,038	54,851	10,135	-	-	7,255	-	-	-	-	-
2016	30,205	46,518	2,164	1,767	-	2	2,607	-	-	-	-
2017	34,372	38,355	4,883	3,796	602	-	-	-	-	-	-
2018	28,955	25,185	3,975	321	-	-	-	-	-	-	-
2019	35,018	28,612	11,965	5,470	-	-	-	-	-	-	-
2020	15,121	32,735	1,054	-	-	-	-	-	-	-	-
2021	20,989	24,190	-	-	-	-	-	-	-	-	-
2022	8,984	-	-	-	-	-	-	-	-	-	-

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

Projected Inflation Adjusted Chain Ladder Table

Accident year	Inflation Adjusted Cumulative Chain ladder-Yearly Projections (N'000)										
	1	2	3	4	5	6	7	8	9	10	11
2012	33,939	125,219	151,539	154,293	154,293	154,293	154,293	154,293	154,293	154,293	154,293
2013	46,898	93,209	118,543	128,202	128,487	128,487	128,487	129,304	130,005	130,005	130,005
2014	94,847	153,386	169,116	174,433	181,832	181,832	181,832	181,832	181,832	181,832	181,832
2015	56,038	110,889	121,024	121,024	121,024	128,280	128,280	128,280	128,280	128,280	128,280
2016	30,205	76,723	78,888	80,655	80,655	80,657	83,264	83,264	83,264	83,264	83,264
2017	34,372	72,727	77,610	81,406	82,008	82,008	82,008	82,008	82,008	82,008	82,008
2018	28,955	54,140	58,116	58,436	58,436	58,436	58,436	58,436	58,436	58,436	58,436
2019	35,018	63,630	75,595	81,065	81,065	81,065	81,065	81,065	81,065	81,065	81,065
2020	15,121	47,855	48,909	48,909	48,909	48,909	48,909	48,909	48,909	48,909	48,909
2021	20,989	45,180	45,180	45,180	45,180	45,180	45,180	45,180	45,180	45,180	45,180
2022	8,984	8,984	8,984	8,984	8,984	8,984	8,984	8,984	8,984	8,984	8,984

Projected Inflation Adjusted Chain Ladder Table-Discounted Results

Accident year	Discounted Incremental IABCL-Annual Projections (N'000)										
	1	2	3	4	5	6	7	8	9	10	11
2012	33,939	125,219	151,539	154,293	154,293	154,293	154,293	154,293	154,293	154,293	154,293
2013	46,898	93,209	118,543	128,202	128,487	128,487	128,487	129,304	130,005	130,005	130,005
2014	94,847	153,386	169,116	174,433	181,832	181,832	181,832	181,832	181,832	181,832	181,832
2015	56,038	110,889	121,024	121,024	121,024	128,280	128,280	128,280	128,280	128,280	128,280
2016	30,205	76,723	78,888	80,655	80,655	80,657	83,264	83,399	83,399	83,399	83,399
2017	34,372	72,727	77,610	81,406	82,008	82,008	82,283	82,416	82,416	82,416	82,416
2018	28,955	54,140	58,116	58,436	58,436	58,834	59,032	59,127	59,127	59,127	59,127
2019	35,018	63,630	75,595	81,065	82,152	82,712	82,989	83,123	83,123	83,123	83,123
2020	15,121	47,855	48,909	50,647	51,326	51,676	51,849	51,933	51,933	51,933	51,933
2021	20,989	45,180	51,617	53,451	54,168	54,537	54,720	54,808	54,808	54,808	54,808
2022	8,984	20,857	23,828	24,675	25,006	25,176	25,261	25,302	25,302	25,302	25,302

Basic chain ladder method - Marine

Incremetal Chain ladder (Table of claims paid excluding large claims (Attritional Table)

Accident year	Incremental Chain ladder-Yearly Projections (N'000)										
	1	2	3	4	5	6	7	8	9	10	11
2012	34,699	60,006	26,838	20,409	3,127	-	-	-	-	3,291	6,131
2013	84,356	68,150	18,402	1,247	2,030	20	-	-	576	-	
2014	68,187	42,366	12,928	1,483	4,438	5,528	-	-	-		
2015	69,435	88,165	10,780	2,147	120	3,495	-	-			
2016	60,926	49,316	19,007	23,565	101	-	-				
2017	94,807	105,888	1,987	6,293	541	294					
2018	61,980	53,932	3,559	24,093	2,477						
2019	75,244	80,465	14,134	31,837							
2020	41,882	99,602	3,048								
2021	41,882	87,884									
2022	61,882										

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

Inflation Adjusted (Table of claims paid excluding large claims (Attritional Table)

Accident	Inflation Adjusted Incremental Chain ladder-Yearly Projections (N'000)										
year	1	2	3	4	5	6	7	8	9	10	11
2012	116,105	185,911	76,777	53,271	6,889	-	-	-	-	3,866	6,131
2013	261,352	194,961	48,033	2,747	3,876	34	-	-	774	-	
2014	195,066	110,583	28,481	2,832	7,616	8,481	-	-	-		
2015	181,238	194,232	20,585	3,684	183	4,749	-	-			
2016	134,223	94,172	32,616	36,154	137	-	-				
2017	181,039	181,703	3,049	8,549	635	294					
2018	106,357	82,742	4,835	28,310	2,477						
2019	115,438	109,324	16,608	31,837							
2020	56,903	117,032	3,048								
2021	49,211	87,884									
2022	61,882										

Projected Inflation Adjusted Chain Ladder Table

Accident	Cumulative Chain ladder-Yearly Projections (N'000)										
year	1	2	3	4	5	6	7	8	9	10	11
2012	116,105	302,015	378,792	432,063	438,952	438,952	438,952	438,952	438,952	442,819	448,949
2013	261,352	456,312	504,345	507,092	510,968	511,003	511,003	511,003	511,777	511,777	
2014	195,066	305,649	334,130	336,962	344,578	353,059	353,059	353,059	353,059		
2015	181,238	375,470	396,055	399,739	399,923	404,672	404,672	404,672			
2016	134,223	228,395	261,011	297,165	297,302	297,302	297,302				
2017	181,039	362,742	365,791	374,340	374,976	375,270					
2018	106,357	189,099	193,934	222,244	224,721						
2019	115,438	224,763	241,370	273,207							
2020	56,903	173,935	176,983								
2021	49,211	137,095									
2022	61,882										

Projected Inflation Adjusted Chain Ladder Table- Discounted Results

Accident	Discounted Incremental IABCL -Annual Projections (N'000)										
year	1	2	3	4	5	6	7	8	9	10	11
2012	116,105	302,015	378,792	432,063	438,952	438,952	438,952	438,952	438,952	442,819	448,949
2013	261,352	456,312	504,345	507,092	510,968	511,003	511,003	511,003	511,777	511,777	511,777
2014	195,066	305,649	334,130	336,962	344,578	353,059	353,059	353,059	353,059	353,059	353,059
2015	181,238	375,470	396,055	399,739	399,923	404,672	404,672	404,672	404,672	404,672	404,672
2016	134,223	228,395	261,011	297,165	297,302	297,302	297,302	297,302	297,302	297,302	297,302
2017	181,039	362,742	365,791	374,340	374,976	375,270	375,270	375,270	375,270	375,270	375,270
2018	106,357	189,099	193,934	222,244	224,721	226,009	226,009	226,009	226,009	226,009	226,009
2019	115,438	224,763	241,370	273,207	282,536	284,155	284,155	284,155	284,155	284,155	284,155
2020	56,903	173,935	176,983	188,056	194,477	195,592	195,592	195,592	195,592	195,592	195,592
2021	49,211	137,095	149,349	158,692	164,111	165,051	165,051	165,051	165,051	165,051	165,051
2022	61,882	318,539	347,010	368,720	381,310	383,495	383,495	383,495	383,495	383,495	383,495

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

Expected Loss Ratio - Special Oil

Accident Year	Gross Earned Premium	Claims Paid Till Date	Total O/S as at 31 Dec 2022	Current Incurred	Current Loss Ratio	Ultimate Loss Ratio	Ultimate Losses	Outstanding Claim Reserves
	(N'000)	(N'000)	(N'000)	(N'000)	(N'000)	(N'000)	(N'000)	(N'000)
2012	3,077,246	2,573,457	9	2,573,465	0.8362884	0.836288437	2,573,465	-
2013	1,743,435	328,312	-	328,312	0.1883131	0.188313066	328,312	-
2014	1,714,798	116,952	126	117,077	0.0682747	0.068274724	117,077	-
2015	1,885,938	434,892	98	434,990	0.2306493	0.230649341	434,990	98
2016	1,138,129	438,110	133,790	571,900	0.5024916	0.45	512,158	74,048
2017	1,347,236	2,044,811	4,939	2,049,750	1.5214482	1.521448159	2,049,750	4,939
2018	1,707,782	511,175	93,057	604,232	0.3538109	0.345	589,185	78,010
2019	2,237,838	522,503	154,366	676,870	0.3024660	0.295	660,162	137,659
2020	2,853,122	326,612	724,610	1,051,222	0.3684462	0.365	1,041,390	714,778
2021	4,045,591	4,041	237,463	241,503	0.0596955	0.195	788,890	784,849
2022	7,351,687	-	50,138	50,138	0.0068199	0.1756	1,290,956	1,290,956
Total			1,398,595					3,085,337
Discounted								2,732,712

Expected Loss Ratio - Agriculture

Accident Year	Gross Earned Premium	Claims Paid Till Date	Total O/S as at 31 Dec 2022	Current Incurred	Current Loss Ratio	Ultimate Loss Ratio	Ultimate Losses	Outstanding Claim Reserves
	(N'000)	(N'000)	(N'000)	(N'000)	%	%	(N'000)	(N'000)
2019	88,822	40,159	-	40,159	45%	45%	40,159	-
2020	122,752	114,634	-	114,634	93%	103%	126,909	12,275
2021	121,734	76,154	12,798	88,952	73%	73%	88,952	12,798
2022	52,572	4,079	4,632	8,711	17%	32%	16,596	12,518
Total			17,430					37,591
Discounted								33,528

48 (a) PRA Regulated Annuity Fund

The Company had 18,219 PRA regulated annuity policies (2021: 11,132) as at 31 December 2022 with annual annuity payment of N11,504,269,136 (2021: N6,373,982,403).We have valued each annuity policy adopting IFRS 4 requirements in estimating the present value (at the review date) of the Company's future annuity payment obligations. Each annuity policy has been valued using a monthly discounted cash flow method and the reserves are set equal to the present value of future annuity payments and attending expenses. We have recognised the 10 year annuity guaranteed minimum payment period in our calculations.

The valuation interest rate is based on current risk free yields with adjustments. This is in line with the requirements of IFRS 4 (paragraph 24). The use of a risk free rate also implies that future investment margins in excess of the risk free return will not be capitalised upon, which satisfies paragraph 27 of IFRS 4. Furthermore, the result is a 'fair value' liability calculation which aids the comparability of accounts between insurers.

We illustrate below the movement of the annuity portfolio in 2022:

	Number of annuity policies	Annual Annuity (N)	Number of annuity policies	Annual Annuity (N)
	Dec-2022		Dec-2021	
Opening as at 1 January	11,132	6,373,982,403	10,712	6,186,227,387
· New Entrants	7,196	5,204,935,355	541	254,677,660
· Deaths	(106)	(71,848,115)	(121)	(66,922,644)
· Cancelled	(3)	(2,800,507)	-	-
As at 31 December	18,219	11,504,269,136	11,132	6,373,982,403

Mortality assumptions

We have assumed the following sample average expectation of life in line with the PA(90) UK published tables (as adjusted in line with the internal experience):

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

Expectation of Life (in years)

Age	Male	Female
50	29	34
60	20	25
70	14	17
80	7	9

PENCOM REGULATED ANNUITY
STATEMENT OF ASSETS AND LIABILITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

Bonds

Description	**Maturity Date**	**Coupon Rate**	**Amortized Cost**
12.1493% FGN JUL 34	18-Jul-34	12.1493%	3,894,619,551
12.4% FGN MAR 2036	18-Mar-36	12.4000%	2,297,870,145
12.98% FGN MAR 2050	27-Mar-50	12.9800%	1,028,583,358
13.00% FGN JAN 2042	21-Jan-42	13.0000%	1,079,213,907
13.98% FGN FEB 2028	23-Feb-28	13.9800%	1,000,589,917
14.20% FGN MAR 2024	14-Mar-24	14.2000%	689,553,784
14.80% FGN APR 2049	26-Apr-49	14.8000%	4,908,134,120
16.2499% APR 2037	18-Apr-37	16.2499%	1,241,328,650
9.8%FGN JUL 2045	24-Jul-45	9.8000%	990,040,801
			17,129,934,234

Corporate Bonds

Description	**Maturity Date**	**Coupon Rate**	**Amortized Cost**
5.50% FLOUR MILLS OF NIGERIA PLC BOND 15 DEC 2025	15-Dec-25	5.5000%	44,361,132
8.5% FIDELITY 07 JAN 2031 (FID2031S1)	7-Jan-31	8.5000%	406,574,060
10.00% EMZOR PHARMA 20 JAN 2026	20-Jan-26	10.0000%	365,720,006
10%TSL SPVBOND2030	28-Sep-30	10.0000%	181,925,007
LFZC-S1	16-Sep-41	13.2500%	519,178,533
			1,517,758,738

Description	**Maturity Date**	**Coupon Rate**	**Fair value**
12.98% FGN MAR 2050	27-Mar-50	12.9800%	9,813,086,924
13.00% FGN JAN 2042	21-Jan-42	13.0000%	25,738,831,644
14.80% FGN APR 2049	26-Apr-49	14.8000%	20,548,845,425
16.2499% APR 2037	18-Apr-37	16.2499%	1,897,375,545
			57,998,139,537

Total Assets	**76,645,832,510**
Liabilities - Annuity Reserves	**74,493,563,789**

Notes to the Consolidated and Separate Financial Statements (continued)

For the year ended 31 December 2022

	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Share Capital	18,302,639	18,302,639	18,302,639	18,302,639
Share Premium	64,745	64,745	64,745	64,745
Retained Earnings	16,540,784	11,051,695	14,073,037	9,139,930
Contingency Reserve	9,710,046	8,304,604	9,710,046	8,304,604
Excess of admissible assets over liabilities	44,618,214	37,723,683	42,150,467	35,811,918
Less the amount of own shares held (Treasury shares)	-	-	-	-
	44,618,214	37,723,683	42,150,467	35,811,918
Subordinated liabilities subject to approval by the Commission	-	-	-	-
Any other financial instrument as prescribed by the Commission	-	-	-	-
Capital Requirement	44,618,214	37,723,683	42,150,467	35,811,918

Other National Disclosures

In this section

Value Added Statement

	Group				Company			
In thousands of Naira	2022		2021		2022		2021	
		%		%		%		%
Gross Premium Written:								
Local	88,275,920		71,625,943		87,562,251		71,001,519	
Investment and other income	13,842,885		(16,577,034)		12,725,577		(18,119,608)	
	102,118,805		**55,048,909**		**100,287,828**		**52,881,911**	
Impairment (charge)/reversal on financial assets	(170,440)		34,272		(71,916)		11,100	
	101,948,365		**55,083,181**		100,215,912		**52,893,011**	
Bought in materials and services:								
Local	(84,820,118)		(42,827,458)		(84,790,385)		(41,511,437)	
Foreign	(3,713,549)		(2,917,055)		(3,713,549)		(2,917,055)	
Value Added	**13,414,698**	**100%**	**9,338,669**	**100%**	**11,711,978**	**100%**	**8,464,519**	**100%**
Distribution								
Employees								
Salaries and other employees benefits	4,664,025	35%	3,524,470	38%	4,004,147	34%	2,844,463	34%
Government								
Income tax	405,006	3%	257,905	3%	198,370	2%	120,548	1%
Retained in the Group								
Replacement of property and equipment	753,112	6%	610,047	7%	592,713	5%	506,718	6%
Replacement of intangible assets	39,719	0%	30,238	0%	21,694	0%	24,126	0%
Contingency reserve	1,405,442	10%	1,091,010	12%	1,405,442	12%	1,091,010	13%
To Non controlling interest	112,104	1%	62,725	1%	-	-	-	-
To pay proposed dividend	1,098,158	8%	732,106	8%	1,098,158	9%	732,106	9%
Retained profits for the year	4,937,132	37%	3,030,168	32%	4,391,454	37%	3,145,548	37%
Value Added	**13,414,698**	**100%**	**9,338,669**	**100%**	**11,711,978**	**100%**	**8,464,519**	**100%**

Five-year Financial Summary - Group

In thousands of naira	2022	2021	2020	2019	2018
Assets					
Cash and cash equivalents	15,915,258	25,490,105	31,913,335	10,080,164	5,324,739
Financial assets	225,460,028	172,501,020	188,342,047	126,827,073	89,240,430
Trade receivables	866,977	728,518	937,078	386,749	417,102
Reinsurance assets	11,913,776	10,387,924	7,496,395	5,460,569	4,686,029
Deferred acquisition costs	858,307	739,223	582,265	488,884	465,991
Other receivables and prepayments	4,685,426	2,411,790	2,426,871	6,227,700	580,618
Deferred tax assets	21,501	1,252	6,168	149,379	149,379
Investment in associate	-	705,629	-	-	-
Investment property	-	806,000	758,000	772,000	555,000
Property and equipment	928,672	7,068,787	7,009,404	7,597,843	7,025,197
Statutory deposits	8,359,520	500,000	500,000	500,000	530,000
Assets classified as held for sale	500,000	-	2,237,780	-	-
Right of use asset	60,055	105,855	-	-	-
Goodwill and other intangible assets	760,000	934,748	889,082	985,862	1,014,085
Total Assets	**270,329,520**	**222,380,851**	**243,098,425**	**159,476,223**	**109,988,570**
Liabilities					
Insurance contract liabilities	165,404,474	119,776,331	136,078,388	84,986,351	65,540,532
Investment contract liabilities	21,907,727	22,829,871	21,835,376	16,201,367	12,319,617
Trade payables	6,461,628	3,779,049	2,020,724	1,839,238	1,013,475
Fixed income liabilities	22,781,598	33,506,178	43,046,848	20,143,047	10,181,251
Other payables and accruals	8,088,876	3,700,219	4,774,609	3,650,286	2,213,547
Current income tax payable	669,543	407,282	358,099	487,112	590,976
Deferred tax liabilities	7,666	7,666	8,837	629,282	533,836
Long term borrowing	-	-	-	2,629,477	2,324,733
Liabilities attributable to assets held for sale	-	-	**316,462**	-	-
Total liabilities	**225,321,512**	**184,006,596**	**208,439,343**	**130,566,159**	**94,717,967**
Net assets	**45,008,008**	**38,374,255**	**34,659,082**	**28,910,064**	**15,270,603**
Equity					
Issued share capital	18,302,639	18,302,638	7,843,988	3,465,102	3,465,102
Share premium	64,745	64,745	7,037,181	2,824,389	2,824,389
Revaluation reserves	2,764,016	1,812,707	1,812,707	1,812,707	1,802,662
Fair value reserve	(2,796,624)	(1,683,037)	(507,416)	1,995,336	(1,143,847)
Foreign exchange gains reserve	-	175,600	175,600	159,677	147,443
Statutory reserve	-	-	-	167,874	143,882
Contingency reserve	9,710,046	8,304,604	7,213,594	6,320,410	5,807,411
Retained earnings	16,540,784	11,051,695	9,924,143	5,888,970	1,479,002
Deposit for shares	-	-	-	5,280,000	-
Statutory reserve of disposed assets classified as held for sale	-	-	202,042	-	-
Shareholders' fund	**44,585,606**	**38,028,952**	**33,701,838**	**27,914,464**	**14,526,044**
Non-controlling interests	**422,402**	**345,303**	**957,243**	**995,599**	**744,559**
Total equity	**45,008,008**	**38,374,255**	**34,659,081**	**28,910,063**	**15,270,603**
Total liabilities and equity					

In thousands of naira	2022	2021	2020	2019	2018
Gross premium written	88,275,920	71,625,943	61,979,667	50,138,467	32,097,692
Gross premium income	86,043,096	70,655,049	60,680,800	50,008,831	37,046,927
Net premium income	70,712,118	58,521,828	52,779,760	43,776,021	31,865,701
Other revenue	17,160,277	(13,995,285)	54,470,988	27,026,130	12,774,437
Total revenue	**87,872,395**	**44,526,543**	**107,250,748**	**70,802,151**	**44,640,138**
Net benefits and claims	(44,987,212)	(39,914,664)	(31,656,713)	(25,380,608)	(23,869,154)
Underwriting expenses	(24,257,408)	9,155,941	(59,357,718)	(27,992,987)	(7,706,587)
Operating expenses	(13,542,619)	(10,960,820)	(11,604,244)	(11,443,311)	(9,568,528)
Profit before income tax expense	**5,085,156**	**2,807,000**	**4,632,074**	**5,985,244**	**3,495,869**
Company income tax	(405,006)	(257,905)	348,262	(266,836)	(344,280)
Profit after tax	**4,680,150**	**2,549,095**	**4,980,336**	**5,718,408**	**3,151,589**
Profit from discountinued operation	2,872,686	2,366,914	269,490	191,931	-
Other comprehensive (loss)/ income net of tax	(188,002)	(1,332,802)	(2,701,346)	2,863,291	(399,332)
Total comprehensive income/(loss), for the year	**7,364,833**	**3,583,207**	**2,548,480**	**8,773,630**	**2,752,257**
Basic earnings per share (kobo)	20	13	14	83	44
Diluted earnings per share (kobo)	20	13	14	83	35

Five-year Financial Summary - Company

In thousands of naira	2022	2021	2020	2019	2018
Assets					
Cash and cash equivalents	6,521,824	9,062,962	9,279,385	8,166,352	4,519,953
Financial assets	208,421,569	152,718,223	166,074,396	103,414,529	76,757,634
Trade receivables	852,113	689,375	897,596	303,106	131,841
Reinsurance assets	11,913,776	10,387,924	7,496,395	5,460,569	4,686,029
Deferred acquisition costs	858,307	739,223	582,265	488,884	465,991
Other receivables and prepayments	4,141,826	2,140,480	726,262	5,762,765	408,428
Investment in subsidiaries	1,087,317	1,087,317	1,087,317	2,452,359	2,452,359
Investment in associate	-	705,691	-	772,000	555,000
Investment property	760,000	806,000	758,000	906,680	965,905
Property and equipment	8,064,528	6,847,439	6,705,570	500,000	530,000
Statutory deposits	500,000	500,000	500,000	-	-
Assets classified as held for sale	-	-	1,365,042	-	-
Right of use asset	60,055	105,855	-	-	-
Goodwill and other intangible assets	846,825	838,252	862,379	7,036,211	6,697,108
Total Assets	**244,028,140**	**186,628,741**	**196,334,607**	**135,263,455**	**98,170,248**
Liabilities					
Insurance contract liabilities	165,088,774	119,565,299	135,856,973	84,766,122	65,341,550
Investment contract liabilities	21,907,727	22,829,871	21,835,376	16,201,367	12,319,617
Trade payables	6,461,628	3,748,134	1,963,893	1,512,394	839,400
Other payables and accruals	7,054,663	3,394,547	3,892,160	3,406,751	2,002,558
Current income tax payable	422,562	307,392	307,621	361,505	507,241
Deferred tax liabilities	-	-	-	441,416	487,836
Long term borrowing	-	-	-	2,629,477	2,324,733
Total liabilities	**200,935,354**	**149,845,243**	**163,856,023**	**109,319,031**	**83,822,935**
Net assets	**43,092,786**	**36,783,498**	**32,478,584**	**25,944,424**	**14,347,313**
Equity					
Issued share capital	18,302,639	18,302,639	7,843,988	3,465,102	3,465,102
Share premium	64,745	64,745	7,037,181	2,824,389	2,824,389
Revaluation reserves	2,764,016	1,812,707	1,812,707	1,812,707	1,802,662
Fair value reserve	(1,821,697)	(1,016,727)	(438,586)	828,179	(952,902)
Foreign exchange gains reserve	-	175,600	175,600	159,677	147,443
Contingency reserve	9,710,046	8,304,604	7,213,594	6,320,410	5,807,411
Retained earnings	14,073,037	9,139,930	8,834,100	5,253,959	1,253,208
Deposit for shares	-	-	-	5,280,000	-
Shareholders' fund	43,092,786	36,783,498	32,478,585	25,944,424	14,347,313

In thousands of naira	2022	2021	2020	2019	2018
Gross premium written	87,562,251	71,001,519	61,318,398	49,440,231	37,002,279
Gross premium income	85,292,276	70,009,673	60,038,913	49,376,338	36,441,690
Net premium income	69,961,298	57,876,452	52,137,873	43,143,528	31,260,465
Other revenue	**15,158,678**	**(15,834,927)**	**52,207,519**	**24,978,643**	**9,988,888**
Total revenue	85,119,976	42,041,525	104,345,392	68,122,171	41,249,353
Net benefits and claims	(44,206,091)	(39,397,775)	(31,211,819)	(24,923,539)	(23,355,837)
Underwriting expenses	(24,105,861)	9,207,262	(59,316,770)	(27,921,472)	(7,622,243)
Operating expenses	(12,587,286)	(9,769,234)	(9,441,077)	(10,053,205)	(7,304,758)
Profit before income tax	**4,220,738**	**2,081,778**	**4,375,726**	**5,223,956**	**2,966,515**
Company income tax	(198,370)	(120,548)	388,869	(66,696)	(362,103)
Profit after income tax	4,022,368	1,961,230	4,764,595	5,157,260	2,604,412
Profit after tax from discountinued operation	2,872,686	3,007,434	-	-	-
Other comprehensive (loss)/ income, net of tax	146,339	(663,750)	(1,542,113)	1,575,663	(186,429)
Total comprehensive (loss)/ income for the year	**7,041,393**	**4,304,914**	**3,222,482**	**6,732,923**	**2,417,983**
Basic earnings per share (kobo)	19	14	32	74	38
Diluted earnings per share (kobo)	19	14	32	74	30

Revenue Account of General Business

In thousands of naira	Fire	Motor	Casualty	Employer's liability	Marine	Personal accident	Special oil	Agriculture	Total 2022	Total 2021
Income										
Direct premium	4,814,873	2,668,763	3,491,410	235,973	4,599,534	1,312,338	9,218,686	47,337	26,388,914	18,893,561
Inward premium	28,499	21,277	23,521	2,154	21,245	4,850	(2,449)	2,373	101,470	156,150
Gross written premium	4,843,372	2,690,040	3,514,931	238,127	4,620,779	1,317,188	9,216,237	49,710	26,490,384	19,049,711
Changes in unexpired risk premium	(500,990)	40,761	(239,940)	(2,124)	82,595	(12,803)	(1,864,836)	2,910	(2,494,427)	(758,081)
Gross premium income	4,342,382	2,730,801	3,274,991	236,003	4,703,374	1,304,385	7,351,401	52,620	23,995,957	18,291,630
Reinsurance cost	(3,218,232)	(152,784)	(2,061,005)	(67,206)	(2,578,233)	(245,407)	(4,905,985)	(9,465)	(13,238,317)	(10,408,870)
Net premium income	1,124,150	2,578,017	1,213,986	168,797	2,125,141	1,058,978	2,445,416	43,155	10,757,640	7,882,760
Commission received	693,040	36,060	560,162	22,834	402,296	93,427	9,254	32	1,817,105	1,789,177
Total underwriting income	1,817,190	2,614,077	1,774,148	191,631	2,527,437	1,152,405	2,454,670	43,187	12,574,745	9,671,937
Expense										
Claims	1,055,848	1,129,917	1,184,962	78,533	131,933	114,635	86,602	(11,195)	3,771,235	7,600,388
Increase/(decrease) in claims incurred										
but not reported (IBNR)	-101,950	62,179	199,220	55,324	47,800	33,855	474,953	(7,286)	764,095	895,768
Gross claims incurred	953,898	1,192,096	1,384,182	133,857	179,733	148,490	561,555	(18,481)	4,535,330	8,496,156
Reinsurance claims recoveries	(294,756)	(118,366)	(618,293)	(17,122)	188,446	10,859	8,704	8,333	(832,195)	(4,702,612)
Net claims incurred	659,142	1,073,730	765,889	116,735	368,179	159,349	570,259	-10,148	3,703,135	3,793,544
Commission	740,587	275,997	580,286	44,283	664,301	240,688	832,462	5,173	3,383,778	2,903,109
Maintenance costs	188,650	277,078	357,906	35,202	183,071	426,908	339,308	777	1,808,899	1,481,759
Total underwriting expenses	1,588,380	1,626,806	1,704,081	196,220	1,215,551	826,945	1,742,028	(4,198)	8,895,812	8,178,412
Underwriting profit/(loss)	228,810	987,271	70,067	(4,589)	1,311,886	325,460	712,642	47,385	3,678,933	1,493,525

Revenue Account of Life Business

In thousands of naira	Ordinary life	Annuity	Group life	Total 2022	Total 2021
Income					
Gross premium written	46,942,032	6,621,560	7,508,275	61,071,867	51,951,809
Changes in unearned premium	-	-	224,452	224,452	(233,765)
Gross premium income	46,942,032	6,621,560	7,732,727	61,296,319	51,718,044
Less: Reinsurance costs	(90,630)	-	(2,002,031)	(2,092,661)	(1,724,351)
Net premium income	46,851,402	6,621,560	5,730,696	59,203,658	49,993,693
Commission received	38,791	-	577,207	615,998	495,505
Total underwriting income	**46,890,193**	**6,621,560**	**6,307,903**	**59,819,656**	**50,489,198**
Expenses					
Claims Expenses					
Direct claims	509,373	238,019	4,116,833	4,864,225	6,406,872
Withdrawals	719,549	7,782,159	-	8,501,708	6,710,796
Maturity	21,269,696	-	-	21,269,696	19,875,282
Surrender	6,695,218	-	-	6,695,218	5,445,786
Increase/decrease in Outstanding Claims/IBNR	250,402	-	1,294,272	1,544,674	(125,390)
Gross claims incurred	29,444,238	8,020,178	5,411,105	42,875,521	38,313,346
Recoveries on claims paid	(50,187)	-	(2,322,379)	(2,372,566)	(2,709,114)
Net claims incurred	**29,394,051**	**8,020,178**	**3,088,726**	**40,502,955**	**35,604,232**
Underwriting expenses:				-	
Acquisition	4,628,043	281,887	598,848	5,508,778	4,563,594
Maintenance	362,194	4,434	975,480	1,342,108	1,579,081
Change in Life Fund	10,018,306	2,043,994	-	12,062,300	(19,734,803)
Total underwriting expenses	**44,402,594**	**10,350,493**	**4,663,054**	**59,416,141**	**22,012,104**
Underwriting Profit/(loss)	**2,487,600**	**(3,728,933)**	**1,644,849**	**403,516**	**28,477,094**

Electronic Delivery Mandate Form

For The Year Ended 31 December 2022

Dear Sir/Madam

To enable you receive your Annual Report promptly, our company wishes to introduce electronic delivery of Annual Report and Accounts, Proxy Form and other statutory documents to shareholders.

With this service, instead of receiving the hard copy of our Annual Report and other corporate documents in the future, you can elect to receive a soft copy of the Annual Report, Proxy Form, etc, through the electronic link to be forwarded to your email address.

Please complete this self addressed form to capture your preference and return the completed form to:

The Managing Director
Coronation Registrars Limited
Plot 009, Amodu Ojikutu Street
Off Bishop Oluwole Street
Victoria Island
Lagos

Or any of their branch offices nationwide

DONALD KANU, PhD
Company Secretary

I,..

OF...

HEREBY AGREE TO THE ELECTRONIC DELIVERY OF ANNUAL REPORT, PROXY FORM, PROSPECTUS, NEWSLETTER AND STATUTORY DOCUMENTS OF AIICO INSURANCE PLC TO ME THROUGH:

☐ I WILL DOWNLOAD FROM THE WEB ADDRESS FORWARDED TO MY EMAIL ADDRESS STATED BELOW.

MY EMAIL ADDRESS:...

DESCRIPTION OF SERVICE

By enrolling in electronic delivery service, you have agreed to receive future announcements/shareholder communication materials stated above by Email/Internet Address (URL). These materials can be made available to you electronically either semi annual or annually. Annual Report, Proxy Form, Prospectus and Newsletter are examples of shareholder communication that can be made available to you electronically. The subscription enrolment will be effective for all your holdings in AIICO INSURANCE PLC on an ongoing basis unless you change or cancel your enrolment.

This initiative is in line with our determination to help protect and sustain our planet's environment and the consolidated SEC Rule 128 (6) of September 2011 which states that A Registrar of a public company may dispatch Annual Reports and Notices of General Meetings to shareholders by electronic means.

....
Name (Surname First) Signature and Date

Affix N50.00
Poster Stamp
Here

The Managing Director
Coronation Registrars Limited
Plot 009, Amodu Ojikutu Street,
Off Bishop Oluwole Street,
Victoria Island,
Lagos.

Complaints Management Process
For The Year Ended 31 December 2022

Coronation Registrars Limited

In a bid to meet the expectations of our customers, Coronation Registrars Limited has a standardized Complaints Management Framework to cater for prompt resolution of complaints.
Our aim of satisfying and delighting our stakeholders is critical to our business model where we view complaints as an opportunity to improve on our service delivery.

To this end, it is of utmost importance that our customers know how to communicate their complaints for prompt and satisfactory resolution.

BENEFITS OF COMPLAINTS MANAGEMENT PROCESS

- Achieve operational efficiency to identify trends and causes of complaints
- Resolve more complaints by adopting a more customer-focused approach
- Monitor and continually improve our complaints handling process

For complaints resolution relating to AIICO Insurance Plc shares, the under-listed channels may be explored.

Website: www.coronationregistrars.com
To view our Frequently Asked Questions (FAQ)
E-Mail: info@coronationregistrars.com
Phone No: +234 (1) 271 4566, +234 (1) 271 4567
Visit our Office: Plot 009, Amodu Ojikutu Street,
Off Saka Tinubu Street, Victoria Island
Lagos.

Coronation Registrars Limited is assuring our esteemed customers of a valued experience as Shareholders in AIICO Insurance PLC.

Blank Page
Intentional

Application Form
For E-bonus and E-dividend

Dear Shareholder(s)

Shareholder's Data Update

In our quest to update shareholders data with the current technology in the capital market (i.e. e-bouns and e-dividend), we request you to complete this form with the following information:

Name Of Shareholder/corporate Shareholder And Current Address	REGISTRARS' USE

NAME OF COMPANY IN WHICH YOU HAVE SHARES
AIICO Insurance Plc.

Please notify our Registrars, Coronation Registrars Limited of any change in telephone, address and bank whenever it occurs.

Yours faithfully,
AIICO INSURANCE PLC

DONALD KANU, PhD
Company Secretary

Note: **Please be informed that by filling and sending this to our Registrars, Coronation Registrars Limited, for processing, you have applied for the e-dividend and e-bonus; Thereby, authorizing AIICO Insurance Plc to credit your account (in respect of dividends and bonuses electronically.)

SIGNATURE/RIGHT THUMBPRINT OF SHAREHOLDER

In case of Corporate Shareholder, use Company seal

PLEASE COMPLETE AND RETURN TO:
Coronation Registrars Limited
Plot 009, Amodu Ojikutu Street, Off Bishop OLuwole Street
Victoria Island, Lagos.

Affix N50.00
Poster Stamp
Here

The Managing Director
Coronation Registrars Limited
Plot 009, Amodu Ojikutu Street,
Off Bishop Oluwole Street,
Victoria Island,
Lagos.

Proxy Form

The 53rd Annual General Meeting ("Meeting") of AIICO Insurance Plc (the "Company") will be held on Thusday, June 8, 2023, at The Shell Hall, Muson Centre, Marina, Lagos, Lagos State at 12.00pm .

I/We..

Being a member/members of AIICO Insurance Plc hereby appoint*

....

Or failing him the Chairman of the Company as my/our proxy to act and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday 8th June 2023 and at any adjournment thereof.

Dated this..............................Day of....................................2023

Shareholder's Signature..

*Delete as necessary

(i) A member (Shareholder) entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy in his stead. All proxy forms should be deposited at the Company Secretary's Office not later than 48 hours before the time of holding the meeting.

(ii) In the case of joint Shareholders, any of such may complete the form, but names of all joint Shareholders must be stated.

(iii) If the Shareholder is a corporation, this form must be under its common seal or under the hand of an officer or attorney duly authorized.

(iv) Provision has been made on this form for the Chairman of the Company to act as proxy, but if you wish, you may insert in the blank space on the form (marked**) the name of any person whether a Member of the Company or not, who will attend the meeting and vote on your behalf instead of the Chairman.

(v) The Stamp Duties Act, Cap 411, Laws of the Federation of Nigeria, 1990 requires that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of Shareholders must bear a Stamp Duty of three (3) kobo.

(vi) The proxy must produce the Admission Slip sent with the Notice of Meeting to obtain entrance to the Meeting

....ADMISSION SLIP...

AIICO INSURANCE PLC

Please admit...to the Annual General Meeting of AIICO Insurance Plc will be held at the Shell Hall, Muson Centre, Marina Lagos on 8th June 2023 at 12noon. The Admission Slip must be produced by the Shareholder or his proxy in order to obtain entrance to the Annual General Meeting.

Donald Kanu, PhD
Company Secretary

Name & Address of Shareholder..

Number of Shareholders

....

	Resolutions	For	Against
1.	To receive the Reports and Financial Statements		
2.	To declare a dividend		
3.	To Elect Mr. Rotimi Okpaise as a Director		
4.	To re- elect Mrs. Folakemi Edun as a Director		
5.	To re - elect Mr. Ademola Adebise as a Director		
6.	To re-appoint Ernst and Young (E&Y) as auditors		
7.	To authorize the Directors to fix the remuneration of the Auditors		
8.	To disclose remuneration of Managers		
9.	To Elect/re-elect shareholders as members of the Statutory Audit Committee		

Affix N50.00
Poster Stamp
Here

The Managing Director
Coronation Registrars Limited
Plot 009, Amodu Ojikutu Street,
Off Bishop Oluwole Street,
Victoria Island,
Lagos.

Unclaimed Dividends And Share Certificates

For The Year Ended 31 December 2022

AIICO had declared the following dividends and made public issues including bonuses since it became a public company in July 1989

DIVIDEND No.	DATE
01	November 15, 1990
02	November 20, 1991
03	August 23, 1993
04	October 17, 1994
05	May 29, 1995
06	October 5, 1998
07	September 20, 2001
08	August 18, 2003
09	September 8, 2004
10	October 25, 2010
11	July 27, 2011
12	July 2, 2012
13	September 18, 2013
14	May 06, 2016
15	May 19, 2017
16	May 25, 2018
17	May 20, 2019
18	May 27, 2022

ISSUES
Allotment '90
Rights '93
Bonus '95
Bonus '96
Bonus '97
Bonus 2001
Bonus 2003
Rights 2003
Bonus 2005
Public offer 2005
Rights 2005
Bonus 2006
Public offer 2007
Bonus 2008
Private placement 2020
Right Issue 2020
Bonus 2021

According to our record, some unpaid dividend warrants have not been returned to the company for revalidation and subsequent payment.

Affected AIICO shareholders are hereby requested to contact the following address for collection of their dividend warrants or/and certificates yet unclaimed.

For dividend warrants and share certificates, please contact:

The Registrar
Coronation Registrars Limited
Plot 009, Amodu Ojikutu Street
Off Bishop Oluwole Street
Victoria Island
Lagos.

Share Capital History

For The Year Ended 31 December 2022

1	AUTHORIZED SHARE CAPITAL		2	PAID UP SHARE CAPITAL		OUTSTANDING SHARES	PRIVATE PLACEMENT	BONUS ISSUE		RIGHTS ISSUE	SCHEME SHARES	FREE FLOAT POSITION	CANCELLATION OF SHARES
DATE	₦	VOLUME		Paid up share capital issued, subscribed and paid up by shareholders in monetary terms (VOLUME)	Paid up share capital issued, subscribed and paid up by shareholders in monetary terms (N)	The volume of outstanding shares issued and fully paid up	Private placement from date of listing	Bonus issue from date of listing	Bonus issue from date of listing	Rights Issue of the Company from the date of listing	Scheme Shares issued to members of a scheme of arrangement in exchange for value/shares which they lost/gave up in the scheme of arrangement from date of listing	Usually expressed in % of the issued shares of a particular quoted company that is tradable at any point in time	
1970	100,000	200,000		114,608	57,304	114,608				1993 RIGHTS ISSUE		N/A	
1976	300,000	600,000		903,032	451,516	903,032							
1977	1,000,000	2,000,000		2,400,000	1,200,000	2,400,000							
1987	1,000,000	2,000,000		4,000,000	2,000,000	4,000,000							
1989	5,000,000	10,000,000		8,000,000	4,000,000	8,000,000							
1993	12,500,000	25,000,000		20,000,000	10,000,000	20,000,000		BONUS 93					
1994	50,000,000	100,000,000		40,000,000	20,000,000	40,000,000		Bonus '94					
1995	50,000,000	100,000,000		60,000,000	30,000,000	60,000,000		Bonus '95					
1996	50,000,000	100,000,000		100,000,000	50,000,000	100,000,000		'96 BONUS					
1997	100,000,000	200,000,000		200,000,000	100,000,000	200,000,000							
2002	250,000,000	500,000,000		300,000,000	150,000,000	300,000,000		BONUS 2002	1 FOR 2				
2003	250,000,000	500,000,000		700,000,000	350,000,000	700,000,000		BONUS 2003	1 FOR 3				
2004	500,000,000	1,000,000,000		700,000,000	350,000,000	700,000,000				2003 RIGHTS ISSUE			
2005	1,250,000,000	2,500,000,000		1,400,000,000	700,000,000	1,400,000,000		BONUS 2005	1 FOR 1				
2006	1,250,000,000	2,500,000,000		2,315,531,103	1,157,765,688	2,315,531,103				2006 RIGHTS ISSUE			
2006	1,250,000,000	2,500,000,000		2,665,531,376	1,332,765,688	2,665,531,376		BONUS 2006	1 FOR 4				
2007	2,500,000,000	5,000,000,000		2,665,531,103	1,651,629,688	2,665,531,103		BONUS 2007	1 FOR 6				
2007	2,500,000,000	5,000,000,000		3,280,843,005	1,873,757,688	3,280,843,005		BONUS 2008	1 FOR 4				
2008	5,000,000,000	10,000,000,000		6,504,004,730	3,485,337,688	6,504,004,730							
2009	5,000,000,000	10,000,000,000		7,040,163,584	3,520,082 480.00	7,040,163,584					LAMDA/NFI/AIICO MERGER; **536,158,854 UNITS**		
2009	5,000,000,000	10,000,000,000		8,800,204,480	4,400,102,240	8,800,204,480							
2010	5,000,000,000	10,000,000,000		8,800,204,480	4,400,102,240	8,800,204,480							
2011	5,000,000,000	10,000,000,000		6,930,204,480	3,465,102,240	6,930,204,480					Share Capital Reduction-Internal corporate Restructuring;**1,870,000,000**		
2012	5,000,000,000	10,000,000,000		6,930,204,480	3,465,102,240	6,930,204,480							
2013	5,000,000,000	10,000,000,000		6,930,204,480	3,465,102,240	6,930,204,480							
2014	5,000,000,000	10,000,000,000		6,930,204,480	3,465,102,240	6,930,204,480							
2015	7,500,000,000	15,000,000,000		6,930,204,480	3,465,102,240	6,930,204,480							
2016	7,500,000,000	15,000,000,000		6,930,204,480	3,465,102,240	6,930,204,480							
2017	7,500,000,000	15,000,000,000		6,930,204,480	3,465,102,240	6,930,204,480							
2018	7,500,000,000	15,000,000,000		6,930,204,480	3,465,102,240	6,930,204,480							
2019	18,000,000,000	36,000,000,000		6,930,204,480	3,465,102,240	6,930,204,480							
2020	18,000,000,000	36,000,000,000		11,330,204,480	5,665,102,240	11,330,204,480							
2020	18,800,000,000	37,600,000,000		15,687,975,434	7,843,987,717	15,687,975,434	2020 PRIVATE PLACEMENT			2020 RIGHTS ISSUE			
2021	18,800,000,000	37,600,000,000		36,605,276,013	18,302,638,007	36,605,276,013		BONUS 2021					
2022	18,302,638,007	36,605,276,013		36,605,276,013	18,302,638,007	36,605,276,013							CANCELLATION OF 994,723,987 UNISSUED SHARES

AIICO

...your stable partner, yesterday, today and always.

Life Insurance | General Insurance | Investments

AIICO INSURANCE
AMERICAN INTERNATIONAL
...stability assured

bsi. ISO 22301 Business Continuity Management

AIICO Plaza, Plot PC 12 Churchgate Street, Victoria Island, P.O. Box 2677, Lagos, Nigeria
0700 AIIContact (0700 2442 6682 28) | aiicontact@aiicoplc.com | www.aiicoplc.com

Authorized and Regulated by the National Insurance Commission. RIC No. 004
NAICOM/CA/ADV/2016/1521