

SANLAM LIFE INSURANCE NIGERIA LIMITED
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

SANLAM LIFE INSURANCE NIGERIA LIMITED

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
31 DECEMBER 2022**

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SANLAM LIFE INSURANCE NIGERIA LIMITED

CORPORATE INFORMATION

31 DECEMBER 2022

Company details

Registered address: 34 Marina, Lagos, Nigeria

RC Number 707564

FRC Number FRC/2013/00000000001223

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Email: wecare@sanlam.com.ng

Postal address: P. O. Box 5216
Lagos, Nigeria

Company secretary: Anne Edeogu

Auditor KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
Lagos
Nigeria
www.kpmg.com/ng

Shareholders Sanlam Emerging Markets (Pty) Ltd
Susarah Magaretha Coetzee

Bankers First Bank of Nigeria Limited
Guaranty Trust Bank Plc
Zenith Bank Plc
Stanbic IBTC Bank Plc
Access Bank Plc
Ecobank Nigeria Limited
United Bank for Africa Plc
Fidelity Bank Plc
Union Bank of Nigeria Plc
Sterling Bank Plc

Re-insurers African Reinsurance Corporation
Continental Reinsurance plc.
WAICA Reinsurance Corporation Plc
FBS Reinsurance Limited

Actuary Alexander Forbes
FRC/2012/0000000000504

TIN 10640560-0001

SANLAM LIFE INSURANCE NIGERIA LIMITED

VISION, MISSION AND VALUES 31 DECEMBER 2022

Vision

We will distinguish Sanlam as the most admired insurance services player in Nigeria.

Mission

Empowering generations to be financially secure, confident and prosperous.

Core Values

Collaboration

Unlocking our Winning As One spirit by focusing on a better outcome for all, achieved through partnership and an open-minded approach to everything.

Innovation

Always striving for continuous improvement in order to create value for our stakeholders, our society and our world at large.

Integrity

Unwavering in our pursuit to do the right thing, resolute in our commitment to what's good for all our stakeholders.

Care

Serving with empathy and consideration, knowing that everything we do leaves a lasting impact and legacy.

SANLAM LIFE INSURANCE NIGERIA LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

For the preparation and approval of the Consolidated and Separate Financial statements

The Directors of Sanlam Life Insurance Nigeria Limited accept responsibility for the preparation of the Consolidated and Separate Financial statements that gives a true and fair view of the financial position of the Group and of the Company's as at 31 December 2022 and the result of its operation, cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act (CAMA) 2020, the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission (NAICOM) Circulars.

In preparing the financial statements, the Directors are responsible for:

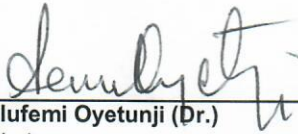
- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in the IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance.

Going Concern:

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

The financial statements of the Group and Company's for the year ended 31 December 2022 were approved by the directors on 9 February 2023.

By order of the Board



Olufemi Oyetunji (Dr.)
Chairman
FRC/2013/NAS/00000000685

9 February 2023



Babatunde Mimiko (Mr.)
Managing Director
FRC/2016/CIIN/00000013719

9 February 2023

SANLAM LIFE INSURANCE NIGERIA LIMITED

STATEMENT OF CORPORATE RESPONSIBILITIES

For the Consolidated and Separate Financial statements for the year ended 31 December 2022

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Managing Director/Financial Controller, hereby certify the Consolidated and Separate Financial statements of the Sanlam Life Insurance Nigeria Limited for the year ended 31 December 2022 as follows:

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



Babatunde Mimiko (Mr.)
Managing Director
FRC/2016/CIIN/00000013719

9 February 2023



Jubril O. Ajose (Mr.)
Financial Controller
FRC/2013/ICAN/00000003148

9 February 2023

SANLAM LIFE INSURANCE NIGERIA LIMITED

**CERTIFICATION BY COMPANY SECRETARY
31 DECEMBER 2022**

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



Anne Edeogu

Company Secretary

FRC/2017/NBA/00000016137

Lagos, Nigeria

9 February 2023

SANLAM LIFE INSURANCE NIGERIA LIMITED

CORPORATE GOVERNANCE

31 DECEMBER 2022

The Group is committed to high standards of Corporate Governance. Corporate Governance practice in the Group is drawn from various applicable codes of corporate governance issued by NAICOM and the Code of Governance codes available in the Country. This ensures compliance with regulatory requirements as well as the core values on which the Group was established.

The Group has developed corporate policies and standards to encourage good and transparent corporate governance framework to avoid potential conflicts of interest between all stakeholders whilst promoting ethical business practices.

The activities of the Group are at all times conducted with high standards of professionalism, accountability and integrity with due regard to the genuine interests of all our stakeholders. This is the foundation of our history, values and culture as a Group for building and sustaining an enduring institution that guarantees profitability and professionalism whilst enhancing shareholders' value.

The continued partnership with Sanlam Emerging Markets (SEM), a leading South African Insurance company led to the full acquisition of the Group by SEM in June 2020 and has further ensured the improvement of our processes, procedures and operations particularly in the areas of Corporate Governance that are in line with global best practice thus ensuring the highest standards of accountability of its officers, continuous transparency of the Board and disclosure of information to all stakeholders.

Sanlam Life Insurance Nigeria Limited is committed to the continuous management of its business operations by identifying and implementing key governance indicators which aid sustainable development and guarantee shareholders excellent return on investment.

Governance Structure

The governance of the Group resides with the Board of Directors who are accountable to shareholders for creating and delivering sustainable values through the management of the Group's business. The Board of Directors is responsible for the efficient operation of the Group and to ensure the Group fully discharges its legal, financial and regulatory responsibilities.

The membership of the Board is a mix of executive and non-executive directors based on integrity, professionalism, career success, recognition and the ability to add value to the organisation. In reviewing Board composition, the Board ensures a mix with representatives from different industry sectors.

The Group's financial performance is reviewed at each Board meeting. The Board reviews all financial reports before they are released. The effectiveness of the process for assessing risks and the execution of control activities are monitored continuously at various levels. This involves reviews of results in comparison with budgets and plans. Responsibility for maintaining an effective control environment and operating the system for risk management and internal control of financial reporting is delegated to the Chief Executive Officer (CEO).

The Group has a compliance program. Standard requirements have been defined for internal control over financial reporting. The management expects all employees to maintain high moral and ethical standards and those expectations are communicated to the employees through internal channels.

The Board monitors the effectiveness of its governance practices, manages potential conflict and provides general direction to management. These oversight functions of the Board of Directors are exercised through its various Committees. In the course of the period under review, the Board has three (3) standing Committees to ensure the proper management and direction of the Group via interactive dialogue on a regular basis.

The Board comprises of 8 (Eight) members led by a Chairman, 2 (Two) Executive Directors, the Managing Director/Chief Executive Officer and Executive Director (Retail), 3 (Three) non-Nigerian Non-Executive Directors who represent Sanlam Emerging Markets and 1 (one) Nigerian Independent Non-Executive Director. One (1) additional Nigerian Non-Executive Director has been nominated to join the Board and his appointment awaits final Regulatory confirmation.

The Board derives its effectiveness from the various skills and vast experiences of each Director.

The members of the Board bring various and varied competencies to bear on all Board deliberations. The Directors have attained the highest pinnacle of their various professions. The Board meets quarterly and other meetings are convened when necessary and is responsible for the effective control and monitoring of the Group's strategies.

The Directors are provided with comprehensive information at each of the quarterly Board meetings and are also briefed on business developments.

The primary responsibility of the Board of Directors is to build long-term shareholders value and ensure oversight of management. The Board ensures that adequate systems, policies and procedures are in place to safeguard the assets of the Group. The Board is also responsible to the shareholders for creating and delivering sustainable shareholders value through the management of the Group's business.

Responsibilities of the Board

- 1 The Board determines the Group's objectives and strategies as well as the plans to achieve them.
- 2 The Board approves mergers and acquisitions, equity investments, branch expansion and establishment of subsidiaries; approval of remuneration policy and packages of the Board members.
- 3 The Board considers and approves the annual budget, monitors performance and ensures that the Group remains a going concern.
- 4 The Board approves resolutions and corresponding documentation for shareholders in general meeting(s), shareholders circulars, prospectus and principal regulatory filings with the regulators.
- 5 The Board ensures that a risk culture and effective risk management process exists and is maintained.
- 6 The Board approves changes to the Group's corporate structure and changes relating to the Group capital structure.
- 7 The Board approves audited financial statements (both interim and annual).
- 8 The Board monitors the statutory audit of the financial statements, evaluates the independence of the statutory auditor or audit firm, particularly the provision of related services to the Group and prepares the proposal for resolution on the election of the auditor. It performs this function through the Board Audit and Compliance Committee.
- 9 The Board determines the terms of reference and procedures of the Board committees, including reviewing and approving the reports of such committees where appropriate.
- 10 The Board ensures that an adequate budgetary and planning process exists such that performance is measured against budgets and plans.
- 11 The Board reviews annually the description of the main features of the internal control and risk management systems in relation to the financial reporting process.

Composition of the Board

Dr. Olufemi Oyetunji	- Chairman [Appointed W.E.F. 6 May 2022]
Mr. Babatunde Mimiko	- Managing Director/CEO (Appointed W.E.F. 1 September 2022)
Mr. Nelius Bezuidenhout	- Non-Executive Director
Mr. Robert Dommissie	- Non-Executive Director
Mr. Kobus Vlok	- Non-Executive Director
Alhaji Tijjani Borodo	- Independent/Non-Executive Director (Appointed W.E.F 6 May 2022)
Mr. Valentine O. Ojumah*	- Non-Executive Director (Nominee)
Mr. Odinakachi Umekwe	- Executive Director
Mrs. Adenrele Kehinde**	- Non-Executive Director (Resigned W.E.F 31 March 2022)
Mr. Oyewale Ariyibi	- Non-Executive Director (Resigned W.E.F 30 June 2022)
Mr. Festus Izevbizua	- Executive Director (Resigned W.E.F 12 August 2022)
Mr. Moruf Apampa	- Executive Director (Resigned W.E.F 12 August 2022)

SANLAM LIFE INSURANCE NIGERIA LIMITED

CORPORATE GOVERNANCE

31 DECEMBER 2022

* Mr. Valentine O. Ojumah served as the Managing Director/CEO till 31 August 2022

** Mrs. Adenrele Kehinde served as the Board Chairperson till 31 March 2022

The Chairman of the Board

The Chairman has the responsibility to lead and manage the Board to ensure that it operates effectively and fully discharges all its legal and regulatory responsibilities whilst promoting effective relationship and open communication within the boardroom.

The Chief Executive Officer

The Chief Executive Officer (CEO) is charged with the strategic and supervisory role over all core operations of the Group which involves risk management, formulation of policies and the implementation of operational decisions. The CEO is the first line of reference for issues to be discussed at the Board and is charged with ensuring compliance with regulations and policies of both the Board and Regulatory Authorities.

Board Meetings

The Board of Directors meetings are held every quarter or as the need arises to consider the Financial Statements of the Group for the period, review of management accounts for the quarter, consider the reports and minutes of Board committees and any other reports pertaining to issues within the purview of the Board's responsibilities.

Board Committees

The Board discharges its responsibilities through different committees and is regularly informed about the work of the committees by their respective chairpersons.

The Board has three standing (3) Committees in line with the approved Nigerian Code of Corporate Governance (NCCG) 2018. The Board Committees are as follows;

- 1 Board Audit, Enterprise Risk Management (ERM) and Compliance Committee
- 2 Board Finance, Investment and Actuarial Committee
- 3 Board Establishment, Nomination/Governance and General Purpose Committee

The Committees make recommendations to the Board, which retains responsibility for final decision making.

All Committees report to the Board and as such must conform to the regulations laid down by the Board, with well-defined terms of reference contained in the charter of each Committee. The Committees render reports to the Board at the Board's quarterly meetings.

A summary of the functions of each committee is stated below:

Board Audit, ERM and Compliance Committee

The Audit, Enterprise Risk Management and Compliance Committee provides oversight responsibility for the audit, Risk, regulatory and compliance functions of the Group. The Committee also discusses the quarterly compliance reports and takes delivery of the audit reports, risk reports and other reports and statements by the external auditors. The Committee monitors the effectiveness of the Group's internal control system, compliance system and internal audit system. The Committee recommends the appointment of external auditors and monitors its independence and quality and review external auditor's fee arrangements. The Committee assists the Board in the development and implementation of a comprehensive Enterprise Risk Management framework in line with NAICOM's risk management guidelines. It reviews and monitors the Enterprise Risk Management practices of the Company.

Objectives of the Committee include:

- 1 Monitoring the integrity of the financial statements and any formal announcements relating to the Company's financial performance.
- 2 Monitoring the effectiveness of the company's internal audit and control functions.
- 3 Assessing the internal and external auditors' independence and objectivity in their respective audit processes.
- 4 Making recommendations to the board in relation to the appointment, remuneration and terms of engagement of the external auditor.

SANLAM LIFE INSURANCE NIGERIA LIMITED

CORPORATE GOVERNANCE

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- 5 Ensuring that the Company maintains strict compliance with legal and regulatory requirements.
- 6 Oversee the development of Enterprise Risk Framework, its policies and procedures and ensure the constant review of the adequacy of risk control activities.
- 7 Overseeing the development and implementation of a Business Continuity Plan for the Company relative to existing and emerging risks.
- 8 Ensure the Enterprise Risk Management process includes process for identification, assessment, control and mitigation of all categories
- 9 Overseeing the development of internal control measures and when necessary, the periodic modifications of same in line with changes in business trends and business priorities.

Core responsibilities of the Committee include:

- 1 Ascertain that the accounting and reporting policies of the Group are in accordance with relevant regulatory, statutory and ethical requirements.
- 2 Recommend to the Board for approval, the terms of engagement and fees to be paid to the external auditor in respect of services provided.
- 3 Review and report to the Board on the significant financial reporting issues and judgments made in connection with the preparation of the company's financial statements reporting, risk management and internal control.
- 4 Review related information presented with the financial statements, including the business review, and corporate governance statements relating to the audit.
- 5 Review the annual audit plan and where the Committee is not satisfied as to its adequacy, it should make recommendations accordingly.
- 6 Consider the Group's audited financial reports to ensure transparency and compliance with Section 359(6) of the Companies and Allied Matters Act.
- 7 Ensure that the engagement letter issued by the external auditor at the start of each audit has been updated to reflect changes in circumstances arising from the previous year.
- 8 Escalate high impact risks to the Board as deemed necessary for further consideration with a view to promptly intervening in the mitigation of such risks.
- 9 Assess the risks across the risk categories detailing business impacts of the risks, measures for controlling them, the risk owner(s) and the progress made in managing of the risks.

Quorum

Two members will constitute a quorum, provided that one of the members is a Sanlam nominee.

Board Finance, Investment and Actuarial Committee

The Finance, Investment and Actuarial Committee monitors and reviews the Group's investment policies, it ensures at all times that the Group's finance and investment policies reflect the objectives of safety and maintenance of fair returns on investments. The Committee equally establishes standards, rules and guidelines for the Group's investment management operations while also reviewing the Group's Investment strategy with a view to sustaining medium to long term competitive edge. The value of the Group's marked-to-market portfolios is also evaluated by this Committee.

Objectives of the Committee include :

- 1 Assist the Board to oversee the overall management of the company's finances.
- 2 Support the Board in overseeing the company's investment strategy and portfolios to ensure consistency and compliance with set objectives.
- 3 Review and monitor Actuary Valuation process to ascertain the reasonableness of assumptions made.
- 4 Provide broad guidance to the Board on other generic but strategic matters including but not limited to customer satisfaction, corporate communications etc.
- 5 Assess the company's financial statements including the income statement, statement of financial position, statement of changes in equity and the statement of cash flow.

SANLAM LIFE INSURANCE NIGERIA LIMITED

CORPORATE GOVERNANCE

31 DECEMBER 2022

- 6 Review the quality of the company's investment portfolio with a view to appraising performance and recommending necessary improvements.
- 7 Review the process for determining provision for investment losses and the adequacy of provisions made.

Core responsibilities of the Committee include:

- 1 The committee reviews and recommends for the board's approval the company's annual operating budget.
- 2 The committee reviews the capital adequacy and requirements of the company and make recommendations.
- 3 Ensure that the Company's Investment Portfolio is structured to meet the minimum requirement for Investments as per Insurance Act 2003.
- 4 Review and make recommendations to the Board regarding Sanlam Life investment strategy, policy and guidelines, its implementation and compliance with those policies and guidelines.
- 5 Ensure that the liabilities of insurance contracts are adequately matched against their maturity profiles.
- 6 Periodically review the performance of the major securities and financial instruments relative to the investment portfolio of the company.
- 7 Review product profitability and make recommendations on product modifications.
- 8 The committee annually reviews the company' policies with respect to financial risk assessment and financial risk management.

Quorum

Quorum of meetings shall be at least two (2) directors provided one of the directors is a Sanlam nominee.

Board Establishment, Nomination/Governance and General Purpose Committee

The Establishment, Nomination/Governance and General Purpose Committee assist on its oversight responsibilities in relation to human capital issues in general, and in specific, the recruitment, compensation and benefits and assist the Board in the implementation of an appropriate corporate governance framework for the Company while it also reviews and monitors the corporate governance practices and the implementation of the corporate strategy in the context of prevailing trends in the business landscape.

Objectives of the Committee include :

- 1 Assist the Board to fulfill its responsibilities in reviewing, monitoring and making recommendations to the Board on Human Resources Strategy and policies.
- 2 Advise the Board on its oversight responsibilities in relation to recruitment, compensation and benefits, promotions and disciplinary issues affecting senior officers of the Company on Assistant General Manger grade up to General Manager.
- 3 Providing broad guidance to the Board on other generic but strategic matters including but not limited to customer satisfaction, corporate communications, IT Infrastructure and corporate social responsibility.
- 4 Ensuring the development and implementation of an appropriate corporate governance framework for the Company in line with NAICOM's code of corporate governance and international best practices.
- 5 Reviewing and monitoring the corporate governance practices and providing improvement recommendations where necessary.
- 6 Monitoring the implementation of the corporate strategy in the context of prevailing trends in the business landscape.
- 7 Supervising the strategic activities and initiatives of key operational functions of the Company.

Core responsibilities of the Committee include:

- 1 Review and make recommendations to the Board for approval of the Company's organization structure, remuneration policy and the Company's policies on performance appraisal, compensation and provision of benefits of its employees and any other human capital issues.
- 2 Review and make recommendations to the Board for approval of the Company 's Annual Training Plan and implementation of same.
- 3 Review and make recommendations to the Board for approval of the terms and conditions of employment of the Company's staff, its staff Handbook and any proposed amendment.
- 4 Review compliance with mandatory and best practice Corporate Governance principles and disclosure.

SANLAM LIFE INSURANCE NIGERIA LIMITED

CORPORATE GOVERNANCE

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- 5 Support the Board and Management in the process of defining short to medium term strategic aspirations and objectives for the Company.
- 6 Review the implementation status of key strategic initiatives as defined in the approved corporate strategy and make necessary recommendations.
- 7 Continuously monitor conflict of interests within Management and Board Members and advise the Board on addressing same.
- 8 Oversee the general information management system and cybersecurity strategies of the Company.
- 9 Review the Company's technology strategy concerning changes, trends and emerging technologies and providing feedback on the strategy.

Quorum

At least two (2) directors provided one of the directors is a Sanlam nominee.

The composition of the committees are as follows:

Board Audit, ERM and Compliance Committee

Alhaji Tijjani Borodo	- Chairman [W.E.F. 10 August 2022]
Mr. Kobus Vlok	- Member
Mr. Nelius Bezuidenhout	- Member
Mr. Oyewale Ariyibi*	- Member (Resigned W.E.F. 30 June 2022)
Mr. Festus Izevbizua	- Member (Resigned W.E.F. 12 August 2022)
Mr. Moruf Apampa	- Member (Resigned W.E.F. 12 August 2022)

* Mr. Oyewale Ariyibi served as the Committee Chairman till 30 June 2022

Board Finance, Investment and Actuarial Committee

Mr. Robert Dommissie	- Chairman
Mr. Kobus Vlok	- Member
Mr. Nelius Bezuidenhout	- Member
Mr. Odinakachi Umekwe	- Member

Board Establishment, Nomination/Governance and General Purpose Committee

Mr. Nelius Bezuidenhout	- Chairman
Mr. Kobus Vlok	- Member
Mr. Robert Dommissie	- Member
Alhaji Tijjani Borodo	- Member (W.E.F. 10 August 2022)
Mr. Oyewale Ariyibi	- Member (Resigned W.E.F. 30 June 2022)

Attendance of Board and Committee meetings

Board Meetings	Composition	No of meetings attended	2022			
			17-Mar	6-May	11-Aug	1-Dec
Dr. Olufemi Oyetunji (Appointed W.E.F 6 May 2022)	Chairman	3	x	√	√	√
Mr. Nelius Bezuidehout	Member	4	√	√	√	√
Mr. Robert Dommissie	Member	4	√	√	√	√
Mr. Kobus Vlok	Member	4	√	√	√	√
Alhaji Tijjani Borodo (Appointed W.E.F. 6 May 2022)	Member	3	x	√	√	√
Mr. Babatunde Mimiko (Appointed W.E.F 1 Sept 2022)	Member	1	x	x	x	√
Mr. Valentine Ojumah	Nominee	4	√	√	√	√
Mr. Odinakachi Umekwe	Member	4	√	√	√	√
Mrs. Adenrele Kehinde (Resigned W.E.F 31 March 2022)	Resigned	1	√	x	x	x
Mr. Oyewale Ariyibi (Resigned W.E.F. 30 June 2022)	Resigned	2	√	√	x	x
Mr. Festus Izevbizua (Resigned W.E.F. 12 August 2022)	Resigned	3	√	√	√	x
Mr. Moruf Apampa (Resigned W.E.F. 12 August 2022)	Resigned	3	√	√	√	x

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Board Audit, ERM and Compliance Committee	Composition	No of meetings attended	2022			
			16-Mar	5-May	10-Aug	30-Nov
Alhaji Tijjani Borodo (Appointed W.E.F. 6 May 2022)	Chairman	2	x	x	√	√
Mr. Kobus Vlok	Member	4	√	√	√	√
Mr. Nelius Bezuidenhout	Member	4	√	√	√	√
Mr. Oyewale Ariyibi (Resigned W.E.F. 30 June 2022)	Resigned	2	√	√	x	x
Mr. Festus Izevbizua (Resigned W.E.F. 12 August 2022)	Resigned	3	√	√	√	x
Mr. Moruf Apampa (Resigned W.E.F. 12 August 2022)	Resigned	3	√	√	√	x

Board Finance, Investment and Actuarial Committee	Composition	No of meetings attended	2022			
			16-Mar	5-May	10-Aug	30-Nov
Mr. Robert Dommissie	Chairman	4	√	√	√	√
Mr. Kobus Vlok	Member	4	√	√	√	√
Mr. Nelius Bezuidenhout	Member	4	√	√	√	√
Mr. Odinakachi Umekwe	Member	4	√	√	√	√

Board Establishment, Nomination/Governance and General Purpose Committee	Composition	No of meetings attended	2022			
			16-Mar	5-May	10-Aug	30-Nov
Mr. Nelius Bezuidenhout	Chairman	4	√	√	√	√
Mr. Kobus Vlok	Member	4	√	√	√	√
Mr. Robert Dommissie	Member	4	√	√	√	√
Alhaji Tijjani Borodo (Appointed W.E.F. 6 May 2022)	Member	2	x	x	√	√
Mr. Oyewale Ariyibi (Resigned W.E.F. 30 June 2022)	Resigned	2	√	√	x	x

Support Committees

Executive Management Committee (ExCo)

This Committee reports to the Board on activities of the Company. The Committee is responsible for the following:

- i) ensuring alignment of Company's strategic and business plan as approved by the Board.
- ii) reviewing strategic and business performance against approved plans and budget of the Company,
- iii) ensure adequate monitoring of Revenue and Expenditure Budget.
- iv) provide leadership to the Management team.

Members of the Committee includes the Managing Director/CEO, Chief Operating Officer, the Executive Director (Retail), Chief Financial Officer, the Company Secretary/Head, Legal Services (Committee Secretary) and any other Divisional Head as appointed from time to time.

Management Investment Committee

This committee reports to the Board Finance and Investment Committee on investment activities of the Group. The Committee meets monthly to discuss and review the portfolio of the Group. The Committee members are:

Managing Director/ CEO	-	Chairman
Chief Financial Officer	-	Member
Executive Director (Retail)	-	Member
Head, Actuary	-	Member
Head, Risk Management	-	Member
Investment Manager	-	Secretary

Enterprise Risk Management Committee (ERMC)

Sanlam Life Insurance Nigeria Limited has an Enterprise Risk Management Committee designed to ensure a collaborative risk management environment through effective coordination, monitoring and aggregation of risk across the organization. Below are the specific objectives of the ERMC:

- Ensure the realization of the Sanlam Life Insurance Nigeria Limited's Risk Strategies, Philosophy and Culture as articulated in the Enterprise Risk Management (ERM) Framework;

- To review the Risk Management's Report and provide suggestions on the potential risks, including specification on control measure or mitigation plan as well as development of risk management culture within the organisation in order to ensure efficient continuity.
- To provide recommendations, monitor, and evaluate risk management process to the Chief Risk Officer (CRO) for further implementation, support Chief Risk Officer (CRO) and to achieve the goals of the Company's Risk Management.
- Promote ERM implementation, by facilitating discussions on best practices and lessons learned and to regulate and support risk management process to be in line with strategy and business goal including the changing circumstance.

Membership & meetings

The membership of the committee comprises of all the heads of Departments/units and risk-type owners each of which may be represented by their risk Champions with the Executive officer responsible for Risk Management as the Chairman and in the absence of which any Executive Director acts with the Chief Risk Officer as the Co-chair.

The committee meets monthly.

Whistle blowing procedures

The whistle-blowing process involves steps that should be taken by the whistleblower in reporting a reportable misconduct, and steps required for the investigation of the reported misconduct. The Company has a procedure that encourages staff and other relevant stakeholders to report perceived unethical or illegal conduct of employees, management, directors and other stakeholders across the Group to appropriate authorities in a confidential manner without any fear of harassment, intimidation, victimization or reprisal of anyone for raising concern(s) under this policy.

The Board of Directors and Management is committed towards promoting a culture of openness, accountability and Integrity, and will not tolerate any harassment, victimization or discrimination of the whistle blower provided such disclosure is made in good faith with reasonable belief that what is being reported is fact. The company has dedicated email address and telephone numbers through which staff are encouraged to raise any concern or unethical conduct.

SANLAM LIFE INSURANCE NIGERIA LIMITED

**CERTIFICATION BY ACTUARY
31 DECEMBER 2022**

FORM 7

(Under the Insurance Act 2003)

**CERTIFICATE OF SOLVENCY OTHER THAN ACTUARIAL AND VALUATION
REPORT OF AN INSURER
IN RESPECT OF THE LIFE INSURANCE BUSINESS**

SANLAM LIFE INSURANCE NIGERIA LIMITED

To the Commissioner for Insurance, Abuja:

This Certificate witnessed that in respect of the above-mentioned Insurer, having its head office at 34 Marina, Lagos, Nigeria and carrying on Life Insurance Business, the Liabilities under its life policies, in respect of business carried on in Nigeria **did not exceed** the amount of the Life Insurance and Deposit Administration Funds relating to the business at the end of the preceding financial year, that is to say as at the 31st December 2022.



Wayne Van Jaarsveld
B.Sc Actuarial Science, FASSA
FRC/2022/002/00000024507



Tinashe Mashoko
Fellow of the Institute and Faculty of Actuaries
Company FRC Number: FRC/2012/0000000000504
Dated: January 2023



SANLAM LIFE INSURANCE NIGERIA LIMITED

RISK DECLARATION

31 DECEMBER 2022

The Board Risk Management Committee of Sanlam Life Insurance Nigeria Limited hereby declare as follows:

- a) The Group has systems in place for the purpose of ensuring compliance with NAICOM guidelines;
- b) The Board is satisfied with the efficacy of the processes and systems surrounding the production of financial information of the Group;
- c) The Group has in place a Risk Management Strategy, developed in accordance with the requirements of NAICOM guidelines on Enterprise Risk Management (ERM), setting out its approach to risk management; and
- d) The systems that are in place for managing and monitoring risks, and the risk management framework, are appropriate to the company, having regard to such factors as the size, business mix and complexity of the Group's operations.



Mr. Jubril O. Ajose

FRC/2013/ICAN/00000003148

9 February 2023



Alhaji Tijjani Boredo

FRC/2013/NBA/00000002367

9 February 2023

SANLAM LIFE INSURANCE NIGERIA LIMITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
31 DECEMBER 2022

This report represents Management Discussion and Analysis in respect of the consolidated financial statements of Sanlam Life Insurance Nigeria Limited (formerly FBN Insurance Limited) for the year ended 31 December 2022. This should be read in conjunction with the Consolidated Financial Statements of Sanlam Life Insurance Nigeria Limited.

Sanlam Life Insurance Nigeria Limited is a leading life insurance company registered and incorporated in Nigeria, to provide insurance services which help our customers enjoy the peace of mind that comes from managing the risks of everyday life. Through Sanlam General Insurance, our subsidiary, we offer general insurance products and services to our growing customer base.

Operating Environment

The global economy continued to witness slow growth in 2022. International and domestic trades were impacted while Europe, America, Asia and Africa experienced unstable macro-economic environment. The continued imposition of travel restrictions across the globe pushed the trade barriers further to unpleasant level and together with the associated uncertainty weighed on business sentiment. Generally, there were macroeconomic stress and tighter financial conditions, geopolitical tensions globally.

Nigeria economy is not insulated from the global trend. The economy has not attained full swing of pre-covid era while oil production dropped, the international oil price oscillated. The effort to lower inflation rate to a single digit faced structural and macro-economic constraints, including rising petroleum product prices, food prices and arrears payments, contributed to the rising inflation rate to about 21.34% as at 31 December 2022. Foreign exchange rate of ₦461.50/\$1 in 2022 (2021: ₦424.11/\$1) spiraled to high level.

The Insurance industry in Nigeria did not experience major growth in gross premium income because of low insurance penetration, inflation and associated consequences. The relative slow performance of about 11.3% in gross premium during the period was moderated by recurring premium and few new businesses.

Operating Result

During the 2020-2022 strategic plan period, the Group demonstrated strong resilience to macroeconomic uncertainty in the environment. We closed the year ended 31 December 2022 with good performance in all fronts. The growth rate in gross premium written was 11% year on year from ₦47.9 billion to ₦53.3 billion in December 2022. The Group remained focussed on its strategic objectives of ensuring improvement in insurance penetration through retail life business. The net premium income recorded a slight increase of 9% year-on-year from ₦42.2 billion to ₦46.0 billion in 2022 for the Group on account of improvement in risk selection & management.

The Group recorded significant increase of 30% in investment income and other income from ₦11.8 billion income to ₦15.3 billion gain in 2022. The increase is largely attributable to interest income on fixed income financial assets as a result of improvement in market variables. The Group remained committed to its strategic policy on safety of policyholders funds as well as assets and liabilities matching for optimal portfolio management.

The Group recorded ₦10.7 billion profit before tax during the reporting year. A growth of 110% year-on-year compared to ₦5.1 billion in prior year. This is a sustainable achievement despite the slow pace of the economy and the company is poised for improved performance.

Total assets of the Group increased by 12% from ₦155.7 billion to close at ₦175.0 billion as at 31 December 2022. Insurance and investment contract liabilities grew by 8% from ₦120.3 billion to ₦129.8 billion in 2022. The net effect in equity was positive from ₦24.0 billion to ₦26.6 billion in 2022 representing 11% growth in equity after the full year 2021 dividend and provision for taxes.

Outlook

In the years ahead, the Group will focus on its strategic plan, aimed at positioning the company clearly as a leading life insurance company in Nigeria. The plan is to achieve improved market shares and further penetration into every major town in Nigeria, selling insurance products to both individuals and corporate entities. The Group is positioned to comply with the reporting requirements of IFRS 17 as the new accounting standard for reporting insurance contracts as issued by International Accounting Standard Board with effective date of 01 January 2023.

SANLAM LIFE INSURANCE NIGERIA LIMITED

ENTERPRISE RISK MANAGEMENT 31 DECEMBER 2022

The Group has a robust enterprise risk management framework which has been designed along the requirements of NAICOM and the Committee of Sponsoring Organisation of the Treadway Commission (COSO). Effective risk management remains fundamental to the business activities of the Group and there is a framework that supports a culture where risk management is everyone's responsibility from the levels of the board and executive committees down to risk owners and respective risk units.

The Group's enterprise risk management framework clearly identifies, assesses, monitors, evaluates and manages the principal risks it assumes in conducting its activities. These risks include credit, market and operational risks, as well as legal, compliance, reputational information security risks and underwriting risk. The risk structure includes management's approach to risk inherent in the business and its appetite for these risk exposures. Under this approach, the Group continuously assesses its top risks and monitors the risk profile against approved limits. The main strategies for managing and mitigating risk include policies and tools that target specific broad risk categories.

Enterprise risk management philosophy

The Group's risk management principles and strategy is hinged on maximising value creation and returns on investments. The risk management strategy is such that will assist the Group in achieving its vision and delivery of business objectives. As part of the risk strategy, the Group's enterprise risk management framework will ensure identification, quantification and treatment of all the foreseeable key risks. Our basis include that the risk management process will;

- i) uphold the Group's integrity and value system;
- ii) add sustainable value to all the activities of the organisation;
- iii) aid the understanding of the potential upside and downside of key risks;
- iv) support compliance to regulatory requirements;
- v) increase probability of success;
- vi) reduce the uncertainty of achieving the organisation's overall objectives;
- vii) support the culture that "managing risk is everybody's responsibilities" and pursue and reinforce this objective through risk awareness, clear Executive sponsorship, setting risk appetite and risk boundaries that are generally known, agreed and widely discussed; and
- viii) provide clear lines of responsibilities.

Our risk management context is entrenched in our mission statement of wealth protection through a team of risk and investment managers that provides our customers and other stakeholders with effective, creative solutions, assuring their financial security with our superior strength and capacity in the Nigeria market space.

Our Risk Culture

- a) The Board and senior management consciously promote a responsible approach to risk management and ensure that the sustainability and reputation of the Group are not jeopardised while expanding its market share.
- b) The responsibility for risk management in the Group is fully vested in the Board which in turn delegates such to senior management
- c) The Group pay adequate attention to both quantifiable and unquantifiable risks.
- d) The Group management creates awareness of risk and risk management across board.
- e) The Group continually subject its products, distribution channels and businesses to effective risk assessment process and it will not engage in any business until it has objectively assessed and managed the associated risk.

Risk management framework

Our risk management framework was designed and embedded in our operating culture and processes. There are clear levels of responsibilities (from the Board of Directors to the Staff Unit) assigned for effective management of our business risk.

We operate and maintain three levels of risk governance structure for the oversight and management of risk. These are:

1st Line of Defence- Management

The Board include the Board of Directors and the Board Risk and Governance Committee and is charged with the responsibility for oversight of the enterprise risk management process, Proposing and approving the Risk Appetite level for the business and delegating responsibility of detailed oversight to Risk Management Committee.

2nd Line of Defence Risk oversight

This consists of the Risk Management Committees and the Chief Risk Officer of the Group. The Management evaluates the risks inherent within the business and ensure that they are captured appropriately within the business Risk Profile. The Chief Risk Officer facilitates an improved understanding of Risk Management process throughout the organisation in order to embed and improve continuously a risk awareness culture and to work with business management to review and update the Risk and control log.

The Chief Risk Officer (CRO) is responsible for setting policies and procedures necessary for the implementation of the risk framework. The role of the Chief Risk officer includes communicating the Group's risk profile to the Board and Management Committee and also communicates the decisions of the Board and Risk Management Committee to the other members of the Group.

3rd Line of Defence Independent assurance

This is the last line or level of defence within our risk management structure and comprises the internal audit and external auditors' function that provides independent and objective assurance of the effectiveness and adequacy of risk management control and governance process.

Risk appetite

The Group is committed to driving its business initiatives without loss of value or unmitigated exposures to related risks. In order to improve the value of shareholders wealth and remain profitable, the Group designed its appetite for risk exposures at any given situation. The risk appetite represents the amount of risk exposure or potential adverse impact from an event that the Group is willing to accept/retain. The risk appetite of the Group is set by the Board of Directors annually, and it is aimed at minimising erosion of earnings or capital due to avoidable losses in the trading, investment and underwriting books, or from frauds or operational inefficiencies. The Group's Risk Appetite objective include:

- i) Optimisation of capital employed through enhanced returns on equity.
- ii) Consistently strive to minimise overall cost of risk exposure and its management through effective risk mitigation practices.
- iii) Losses due to frauds and operational lapses should be a maximum of a specified percentage of gross earnings and in any case be lower than the industry average.

Risk management policies and procedures

The Enterprise-wide Risk Management policies and procedures which have been instituted strategically are aimed at managing potential, inherent and residual risk categories in our operations.

The Board recognizes that the practice of risk management is critical to the achievement of corporate objectives and has actively encouraged a risk culture that embraces innovation and opportunity, primed risk-taking and acceptance of risk which is inherent in all our activities, whilst reducing barriers to successful implementation.

Risk classification

The Group is exposed to different kinds of risk while conducting its business. Some of these include:

Market risk/Investment risk

This is the risk to a Group's financial condition resulting from adverse movements in the level or volatility of market prices. The Group has a structured process and basis for measuring and calculating the probability of loss and possible impact on the Group's capital resources caused by adverse changes in the price of stock and shares, property, exchange rates and other market conditions that are relevant. The Companies have established investment limits in its operational guidelines and policy of assets diversification in line with NAICOM regulations to prevent over concentration and over exposure to any particular market.

Credit risk

This is the risk that counterparty will default on payment or fail to perform an obligation to the Group. The Group has a system for conducting due diligence on the credit worthiness of any party to which it has credit exposure. The Group does not ordinarily grant credit facilities to third parties in the course of its business but could have credit risk associated with Insurance Brokers consequent upon the "No Premium No Cover" enforcement by NAICOM.

Operational risk

This is the risk of loss from inadequate or failed internal processes, people and systems or from external events which arises from the potential that inadequate information systems, operational problems, breaches in internal controls, fraud, or unforeseen catastrophes will result in unexpected losses. The Group has policies that cover risk that may arise from people, systems and internal process failures. The policies include staff recruitment, training, retention plans, succession plans, remuneration and welfare benefits, designing standard operating procedure and policies, driving compliance culture, process automation, Information Technology support systems, data integrity, IT systems access, etc.

Liquidity risk

Liquidity risk exist when there is insufficient cash flow to meet the Group's operational and financial obligations and is usually associated with inability to liquidate assets or obtain funding from external sources to pay claims and other liabilities when due. The Group manages its liquidity risk through appropriate assets and liability management strategy through the Investment Management Committee. Monthly reports and review of liquidity gaps is conducted to assess the level of liquidity risk.

Reinsurance risk

This is the risk of inadequate reinsurance cover to mitigate underwriting risk. It usually occurs when there is insolvency of a reinsurer, discovery of exposures without current reinsurance coverage, or exhaustion of reinsurance covers through multiple losses. The Group has documented reinsurance policies for adequate reinsurance arrangements and treaties for all categories of insurance business transacted. The policies include the process for Reinsurer selection, monitoring, claims recovery, etc.

Underwriting risk

Underwriting is the process by which an insurer determines the conditions necessary and suitable to accept insurance risk. The risk crystallises when there is severe and frequent claims against the Group's projected capacity. The Group has embedded internal control processes to guide its insurance business and guide against the risk of unexpected losses and capital erosion. There are well documented underwriting policies and procedure and are enforced throughout the organisation.

SANLAM LIFE INSURANCE NIGERIA LIMITED

ENTERPRISE RISK MANAGEMENT 31 DECEMBER 2022

Business risk

The Group's business risk is associated with gaining market shares and remains profitable. This risk is considered through documented process for product development and launch, business segment profitability analysis, stakeholder's engagement as well as being embedded in our brand promise.

Reputational risk

This is the risk of events that could cause public distrust and damages to the Group's integrity, reputation and goodwill especially in the eyes of the customers, regulators, competitors, and the general public. We manage reputational risk through a structured approach for defining and implementing core values and acceptable standard of behaviour which the staff are expected to follow while conducting the day-to-day business of the Group. The Group risk assessment and monitoring process has embedded controls for testing reputational risk and the outcome of such exercise is communicated to the Board Risk Committee on a quarterly basis.

Legal/compliance risk management

The Group has procedures to ensure that all statutory regulations are completely adhered to by the business unit at all time. These regulations include those set by NAICOM and other relevant agencies of government. There are internal control processes that identify potential breaches to the regulations and are promptly mitigated. Some of the control processes include:

- a) Know -your-customer (KYC) procedure
- b) Anti-money laundering/combating the financing of terrorism (AML/CFT)
- c) Anti-bribery and corruption measures
- d) Guidelines for adherence to Corporate Governance principles
- e) Gift policies
- f) Whistle blowing policies

Risk report and risk map

Issues arising from risk assessment process are collated and presented in a report called the Risk Report which forms the basis of constructing the risk map. The risk map draws senior management's attention to the critical risk factors as well as the adequacy of existing controls to mitigate the risk. The risk map provides a snap short summary of the significant risk and the ratings and probability of occurrence within a specific period. This forms the basis for estimating the potential operational loss.

Risk control self-assessment (RCSA)

The Group has a mechanism for risk assessment on periodic basis and this is known as Risk control self-assessment (RCSA) principle. It involves the tests and procedures or assessments that need to be performed periodically to assure that key controls are in place and are working effectively as designed. The control requirements are proactively assessed through Process risk analysis and review of policy requirements, loss events, and audit findings. The Group then set controls required to comply with policy requirements and test these processes for adequacy and risk mitigation capability. Risk Champions are engaged in each business or risk unit and facilitates the process of risk control self-assessment in the Group.

Key risk indicators

The key risk indicator (KRI) provides trend analysis of risk exposures or deviation from standard processes. This helps the Risk Officers and Risk owners to promptly identify increasing threat to business activities and escalate to the appropriate senior levels for control and to probably review the risk appetite. The trend analysis is one of the sources of data for the risk report and risk map documented by the Group.

Loss events reporting

The Group has a Loss Event Register that captures all actual loss sustained during operational processes.

Health and safety management

The Health and Safety Management has been instituted to provide and maintain safe healthy working conditions, work equipment and systems for all staff. This responsibility also extends to visitors, contractors and others who may potentially be affected by our activities. The Health and Safety Policy framework underpins the policy statements, roles and responsibilities of HSE officer.

Business Continuity Plan (BCP)

The business continuity plan (BCP) has been designed to promote resilience against operational threats especially with regards to continuity of critical operations, in the event of a disaster or disruption to critical operations. The BCP framework also addresses adherence to contingency planning procedures, in the event of emergencies. We aim to continually improve on inherent gaps identified during each simulation exercise.

Anti-Money laundering and combating the Financing of Terrorism (AML/CFT) framework

In line with the Group risk management philosophy, Sanlam Life Insurance Nigeria Limited is committed to comply with all regulations and legislations in Nigeria that is geared towards the fight against all forms of financial crime, which includes, money laundering and terrorist financing.

The Group has framework for Anti-Money Laundering (“AML”), Combating the Financing of Terrorism (“CFT”). The framework which include policies and procedures are fully operational and consistently implemented. The governance structure of the framework highlights the Board oversight responsibility to ensure that all staff of the Group adhere to the policies on AML/CFT. The Board, through the Management Committee (MANCO), delegated responsibility for implementation and management of money laundering related issues to the Chief Compliance Officer (CCO). Through this, Senior management are regularly updated on new developments and trend in AML/CFT while all staff of the company are regularly trained and made aware of the requirements to report any suspicious transactions to the Chief Compliance Officer. The Group submits reports to the Nigerian Financial Intelligence Unit (NFIU) in accordance with the provisions of sections 2, 6 and 10 of the Money Laundering (Prohibition) Act of 2011 as amended (“the Act”). The AML/CFT Manual is compulsory reading for all members of staff for in-depth understanding of its contents and actualization of the Group’s objective to comply with the provisions of the Act/guidelines.

SANLAM LIFE INSURANCE NIGERIA LIMITED

DIRECTORS' REPORT 31 DECEMBER 2022

The directors submit their report together with the audited Consolidated and Separate Financial statements for the year ended 31 December 2022, which disclose the state of affairs of the Group and the Company.

(a) Incorporation and address

Sanlam Life Insurance Nigeria Limited, (formerly FBN Insurance Limited) was incorporated in Nigeria in September 2007 under the Companies and Allied Matters Act as a private limited liability company, and is domiciled in Nigeria. The National Insurance Commission licensed the Company on 22 February 2010 to carry on the business of life insurance and investment contract. The company commenced operations on 1 September 2010. The address of its registered office is 34 Marina, Lagos.

Sanlam Life Insurance Nigeria Limited acquired 100% of the Equity of Sanlam General Insurance Limited (formerly known as Oasis Insurance Plc) in 2014, and the acquiree became a wholly owned subsidiary of the Group in December 2014. Sanlam General Insurance Nigeria Limited (formerly FBN General Insurance Limited) engages in non-life insurance business.

(b) Principal activities

The principal activity of the Group is the provision of life and non-life insurance business, risk management solutions and financial services to corporate and retail customers in Nigeria.

(c) Results

The Group's results for the year are set out on pages 51 and 52. The profit after tax for the year ended 31 December 2022 in the sum of ₦8.45 billion for the Group and ₦7.07 billion for the Company (₦4.11 billion and ₦5.91 billion in 2021 respectively) has been transferred to retained earnings.

	Group		Company	
	31-Dec-22 ₦'000	31-Dec-21 ₦'000	31-Dec-22 ₦'000	31-Dec-21 ₦'000
Gross premium written	53,289,171	47,933,577	41,853,456	38,617,197
Net Underwriting income	47,139,481	43,075,901	41,470,420	37,919,465
Profit before tax	10,727,509	5,131,557	8,917,179	6,809,201
Taxation	(2,273,749)	(1,017,774)	(1,849,956)	(903,393)
Profit after tax	8,453,757	4,113,783	7,067,223	5,905,809

(d) Dividends

The Directors have recommended a full year dividend of 88 kobo per share amounting to ₦7.04 billion (2021: 74 kobo per share amounting ₦5.92 billion) based on the number of ordinary shares issued and paid as at 31 December 2022.

(e) Directors

The directors who held office during the period and to the date of this report were:

Dr. Olufemi Oyetunji	-	Chairman [Appointed W.E.F.6 May 2022]
Mr. Babatunde Mimiko	-	Managing Director/CEO [Appointed W.E.F. 1 September 2022]
Mr. Nelius Bezuidenhout	-	Non-Executive Director
Mr. Robert Dommisie	-	Non-Executive Director
Mr. Kobus Vlok	-	Non-Executive Director
Alhaji Tijjani Borodo	-	Independent Non-Executive Director [Appointed W.E.F 6 May 2022]
Mr. Valentine O. Ojumah*	-	Non-Executive Director Nominee
Mr. Odinakachi Umekwe	-	Executive Director
Mrs. Adenrele Kehinde**	-	Resigned W.E.F 31 March 2022
Mr. Oyewale Ariyibi	-	Resigned W.E.F 30 June 2022
Mr. Festus Izevbizua	-	Resigned W.E.F 12 August 2022
Mr. Moruf Apampa	-	Resigned W.E.F 12 August 2022

* Mr. Valentine O. Ojumah served as the Managing Director/CEO till 31 August 2022

** Mrs. Adenrele Kehinde served as the Board Chairperson till 31 March 2022

SANLAM LIFE INSURANCE NIGERIA LIMITED

**DIRECTORS' REPORT
31 DECEMBER 2022**

(f) Directors' shareholding

The directors had no interest in, nor held any shares in the company and the Group.

(g) Directors interests in contracts

None of the directors has notified the Group for the purpose of section 303 of the Companies and Allied Matters Act (CAMA), 2020 of their direct or indirect interest in contracts or proposed contracts with the Group during the period.

(h) Shareholding

The shareholding structure of the Group is as follows:

	2022		2021	
	Number of shares	Percentage held (%)	Number of shares	Percentage held (%)
Sanlam Emerging Markets (Pty) Ltd	7,999,999,999	99.99	7,999,999,999	99.99
Susarah Magaretha Coetzee	1	0.01	1	0.01
	8,000,000,000	100.00	8,000,000,000	100.00

(i) Donations and Sponsorship

The Company made the following contributions to charity and non-governmental organisation during the year amounting to ₦4.76million (2021: ₦95.96million)

December 31, 2022	Amount ₦'000
25th NIA Chairman (Olusegun Omosehin) Investiture Ceremony	1,500
National Association of Insurance and Pension Correspondents (NAIPCO) Conference, 2022	500
Support for The Life Series with Ibukun Awosika	2,000
Support to NIA's Accounting Technical Committee 2022 retreat	756
	4,756

(j) Events after year end

No material facts or circumstances arose between the dates of the statement of financial position and this report that will affect the financial position of Sanlam Life Insurance Nigeria Limited as at 31 December 2022.

(k) Human Resources

Employment of Disabled Persons

The Group continues to maintain a policy of giving fair consideration to the application for employment made by disabled persons with due regard to their abilities and aptitudes. The Group's policy prohibits discrimination against disabled persons in the recruitment, training and career development of its employees. In the event of members of staff becoming disabled, efforts will be made to ensure that their employment with the Group continues and appropriate training arranged to ensure that they fit into the Group's working environment. As at 31 December 2022, the Group had no disabled persons in its employment.

Health, Safety and Welfare at Work

The Group enforces strict health and safety rules and practices at the work environment, which are reviewed and tested regularly. The Group retains top-class private hospitals where medical facilities are provided for staff and their immediate families at the Group's expense. Fire prevention and fire-fighting equipment are installed in strategic locations within the Group's premises. The Group operates a Workmen's Compensation Insurance covers for the benefit of its employees. It also operates a contributory pension plan in line with the Pension Reform Act, 2014.

SANLAM LIFE INSURANCE NIGERIA LIMITED

**DIRECTORS' REPORT
31 DECEMBER 2022**

Employee Involvement and Training

The Group ensures, through various fora, that employees are informed on matters concerning them. Formal and informal channels are also employed in communication with employees with an appropriate two-way feedback mechanism. In addition, employees of the Group are nominated to attend both locally and internationally organized courses. These are complemented by on-the job training. All officers of the Group attend meetings and retreats where members of staff critically discuss the Group's performance and recommend solutions to identified challenges.

Gender Analysis

The number and percentage of women employed in the Company during the financial year vis-a- vis total workforce is as follows:


	Male Number	Female Number	Male %	Female %
Employees	87	61	59%	41%
<i>Gender analysis of Board and Top</i>				
Board	8	0	100%	0%
Senior Management	9	3	75%	25%
<i>Detailed analysis of the Board and Top Management is as follows:</i>				
Senior Manager	4	0	100%	0%
Principal Manager	3	0	100%	0%
Assistant General Manager	0	2	0%	100%
General Manager	0	1	0%	100%
Executive Director	1	0	100%	0%
Chief Executive Officer	1	0	100%	0%
Non-Executive Director	4	0	100%	0%

(I) Auditor

The Auditors, Messrs. KPMG Professional Services was appointed in 2021 as auditors of the Group in accordance with Section 401 (1) of the Companies and Allied Matters Act (CAMA) 2020. Messrs. KPMG Professional Services have indicated their willingness to continue in office as auditors to the Group having satisfied the relevant corporate governance rules on their tenure in office. In accordance with Section 401 (2) of the Companies and Allied Matters Act (CAMA) 2020, therefore, the auditors will be re-appointed at the next General Meeting of the Company without any resolution being passed.

Sanlam Life Insurance Nigeria Limited consolidated financial statements have been authorised for issue by the Board of Directors on 9 February 2023.

By Order of the Board



Anne Edeogu
Company Secretary
FRC/2017/NBA/00000016137

9 February 2023



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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Sanlam Life Insurance Nigeria Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Sanlam Life Insurance Nigeria Limited ("the Company") and its subsidiary (together, "the Group"), which comprise:

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

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements* section of our report. We are independent of the Group and Company in accordance with International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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Partners

Adegoke A. Oyelami	Bolanle S. Afolabi	Kabir O. Okunlola	Olufemi A. Babem	Tolulope A. Odukale
Adetola P. Adeyemi	Boluwaji D. Apanpa	Lawrence C. Amadi	Olumide O. Olayinka	Uzochukwu N. Obieniu
Adevala K. Ajayi	Chibuzor N. Anyanechi	Martins I. Arogie	Olusegun A. Sowande	Uzodinma G. Nwankwo
Ajibola O. Olomola	Chineme B. Nwigbo	Mohammed M. Adama	Olutoyin I. Ogunlowo	Victor U. Onyenkpa
Akinwale O. Alao	Dunni D. Okegbemila	Nneka C. Eluma	Oluwafemi O. Awotoye	Williams I. Erimona
Akunyemi J. Ashade	Elijah O. Oladunmoye	Oguntayo I. Ogungbenro	Oluwatoyin A. Gbagi	
Ayobami L. Salami	Goodluck C. Obi	Olabimpe S. Afolabi	Omolara O. Ogun	
Ayodele A. Soyinka	Ibitomi M. Adepoju	Oladimeji I. Salauddeen	Oseme J. Obafoje	
Ayodele H. Othihiwa	Ijeoma T. Emezie-Ezigbo	Olanike I. James	Temitope A. Onitiri	



Valuation of Insurance contract liabilities

The Group has significant life and non-life insurance contract liabilities. The actuarial valuation of Insurance contract liabilities involves high estimation uncertainties and significant judgement over uncertain future outcomes.

Provisions for reported claims are based on historical experience. However, the eventual liabilities may differ from the estimated amounts. Furthermore, the estimated liability for claims that have occurred but are yet to be reported in respect of non-life insurance contracts involve economic assumptions about inputs such as inflation rate, ultimate loss ratio and discount rates; hence the eventual outcome is uncertain.

The actuarial assumptions used in the valuation of life insurance contract liabilities are judgmental, particularly with respect to mortality rates and discount rates. The level of complexity, the assumptions and judgment involved in estimating these amounts make insurance contract liabilities a matter of significance to our audit.

How the matter was addressed in our audit:

- We evaluated the design and implementation of key controls instituted by the Group which includes management review of data used for the valuation of insurance contract liabilities.
- We agreed the underlying data on a sample basis used in actuarial valuations of insurance contract liabilities to source documentation such as outstanding claims, claims paid, and claims recoveries.
- We engaged our actuarial specialists to assess the appropriateness of the methodology used by the Company's external actuary for determining the insurance contract liabilities.
- With the assistance of our actuarial specialist, we evaluated the reasonableness of the actuarial assumptions used by the Group's external actuaries including review of reserve movement analysis and carry out high level tests of technical liability results.
- For life insurance contract liabilities, we evaluated the reasonableness of key assumptions used by the Group's external actuaries including assumptions on the mortality rate, inflation rate, discount rate, valuation interest rate (VIR), and lapse rate.
- For non-life insurance contract liabilities, we evaluated the reasonableness of key assumptions used by the subsidiary's external actuaries including projected cashflows, basic chain ladder runoff period, the ultimate loss ratio, inflation rate and discount rate.

The Group's accounting policy on valuation of insurance contract liabilities and related disclosures are shown in notes 2.15 (Insurance contracts), 2.16 (Technical reserves) and 2.1(b) (Significant accounting judgements, estimates and assumptions) of the summary of significant accounting policy, and note 3 (Management of insurance risk) and notes 16 (Insurance contract liabilities) of the notes to the consolidated and separate financial statements.

Other Information

The Directors are responsible for the other information. The other information comprises the Corporate Information, Corporate addresses, Vision, Mission and Values Statements, Statement of directors' responsibilities, Statement of Corporate Responsibilities, Certification by Company Secretary, Corporate Governance Report, Certification by the Actuary, Risk Declaration Report, Management Discussion and Analysis Report, Enterprise Risk management Report, Directors' Report, Result at a Glance, and Other National Disclosures, but 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 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 of consolidated and separate financial statements that give a true and fair view in accordance with IFRS Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") Circulars, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if



such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated 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.

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

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

Report on Other Legal and Regulatory Requirements

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

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.
- iii. The Company's consolidated and separate statements of financial position and consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account.

Penalties

The Company did not pay penalties in respect of contraventions of the requirements of the National Insurance Commission Guidelines and Circulars during the year ended 31 December 2022.

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



SANLAM LIFE INSURANCE NIGERIA LIMITED

RESULTS AT A GLANCE 31 DECEMBER 2022

	Group		Company	
	31-Dec-22 ₦'000	Restated 31-Dec-21 ₦'000	31-Dec-22 ₦'000	Restated 31-Dec-21 ₦'000
COMPREHENSIVE INCOME STATEMENT				
Gross premium written	53,289,171	47,933,577	41,853,456	38,617,197
Gross premium income	51,999,910	47,316,923	41,580,444	38,330,994
Net premium income	45,979,308	42,168,769	41,212,188	37,707,025
Investment and other income	15,195,021	11,786,265	14,022,046	10,504,402
Net realised gains/(loss) on financial assets	625,785	(10,074,397)	341,324	(7,331,570)
Net fair value (loss)	(6,494,964)	(27,853,686)	(6,364,264)	(27,560,138)
Profit before tax	10,727,509	5,131,557	8,917,179	6,809,201
Profit after tax	8,453,757	4,113,783	7,067,223	5,905,809
STATEMENT OF FINANCIAL POSITION				
Total assets	174,824,994	155,733,904	162,903,840	145,027,180
Insurance and investment contract liabilities	129,755,346	120,329,914	122,791,546	113,126,985
Total liabilities	148,246,195	131,688,862	139,641,112	122,911,676
Total equity	26,578,798	24,045,041	23,262,728	22,115,504
Earnings per share (basic) - in kobo	106	51	88	74
Earnings per share (diluted) - in kobo	106	51	88	74

SANLAM LIFE INSURANCE NIGERIA LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

31 DECEMBER 2022

1 General Information

These are the Consolidated and Separate Financial statements of Sanlam Life Insurance Nigeria Limited (the Company), and its subsidiary (together 'the Group').

Sanlam Life Insurance Nigeria Limited (formerly known as FBN Insurance Limited) was incorporated in Nigeria under the Companies and Allied matters Act (CAMA) as a private limited liability company on the 6 September 2007. The National Insurance Commission (NAICOM) licensed the Company on 22 February 2010 to carry on the business of life insurance and investment contracts. The Company commenced operations on 1 September 2010. The Company is incorporated and domiciled in Lagos, Nigeria, providing life insurance services. The Company acquired Sanlam General Insurance (formerly Oasis Insurance Plc) in 2014, which was licensed to carry on non-life insurance business.

The Company has its registered office on 34 Marina, Lagos, Nigeria.

2 Summary of significant accounting policies

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

(a) Basis of measurement, preparation and compliance with IFRS

These consolidated and separate financial statements are prepared in accordance with the IFRS Standards. These financial statements are also in compliance with the Financial Reporting Council of Nigeria Act 2011, the Companies and Allied Matters Act (CAMA) 2020, the Insurance Act of Nigeria 2003 and relevant National Insurance Commission (NAICOM) guidelines and circulars.

Basis of Measurements

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

Items	Measurement bases
Non-derivative financial instruments at FVTPL	Fair value
Equity instruments at FVTPL	Fair value
Investment property	Fair value

The financial statements are presented in Nigerian currency (Naira-which is the Group functional currency) and all values are rounded to the nearest thousand except when otherwise indicated.

(b) Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions change. The management believe that the underlying assumptions are appropriate and that the Group's financial statements therefore represent the financial position and results fairly. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5".

2.2 Changes in accounting policy and disclosures

Impact of the initial application of new and amended IFRS Standards that are effective for the current year

This table lists the recent changes to the accounting standards that are required to be applied by an entity with an annual reporting period beginning on 1 January 2022:

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Annual Improvements to IFRS Standards 2018 – 2020– Amendment to IFRS1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture

Onerous Contracts–Cost of Fulfilling a Contract :Amendments to IAS37 Provisions, Contingent Liabilities and Contingent Assets

Reference to the Conceptual Framework – Amendments to IFRS 3 Business Combinations

Property, Plant and Equipment–Proceeds before Intended Use : Amendments to IAS16 Property, Plant and Equipment

Amendments to IAS 37 - Onerous Contracts—Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

Annual Improvements to IFRS Standards 2018 - 2020

The Annual Improvements include amendments to four Standards.

IFRS 1 First-time Adoption of International Financial Reporting Standards.

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent. in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary.

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

SANLAM LIFE INSURANCE NIGERIA LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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The Updated New standards in issue but not yet effective are as follows:

IFRS 17 - Insurance Contracts

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

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

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

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

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

Amendments to IAS 8

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

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

The amendments also clarifies the following:

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

The definition of accounting policies remains unchanged.

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

Other Standards issued but not yet effective

The following new and amended standards are not expected to have a significant impact on the Group’s consolidated financial statements

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current with Covenants (effective for annual periods beginning on or after 1 January 2023)

Amendments to IAS 1 and IFRS Practice Statement 2 (effective from 1 January 2023)

Amendment to IAS 12 - Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023)

Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (The IASB has decided to defer the effective date for these amendments indefinitely)

SANLAM LIFE INSURANCE NIGERIA LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

31 DECEMBER 2022

2.3 Consolidation

2.3.1 Subsidiaries

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

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

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

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

2.3.2 Changes in ownership interests in subsidiaries without change of control

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

2.3.3 Disposal of subsidiaries

When the group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. The items in OCI will be reclassified to P/L or retained earnings as appropriate.

SANLAM LIFE INSURANCE NIGERIA LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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2.3.4 Foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income.

All other foreign exchange gains and losses are presented in the statement of comprehensive income. Changes in the fair value of monetary securities denominated in foreign currency classified as financial assets measured at fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortised cost of the security, and other changes in the carrying amount of the security.

Translation differences related to changes in amortised cost are recognised in profit or loss; other changes in carrying amount are recognised in equity. Translation differences on financial assets and liabilities held at fair value through profit and loss are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as fair value through other comprehensive income financial assets are included in the fair value reserve in equity.

2.4 Cash and cash equivalents

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

2.5 Financial assets

The Group classifies its financial assets into the following categories: fair value through profit or loss, fair value through other comprehensive income and amortized cost. The classification is determined by management at initial recognition and depends on the objective of the business model.

2.5.1 Classification and Measurements

Financial assets are classified and measured at initial recognition at fair value, including directly attributable transaction cost. Subsequent measurement is based on the business model objective of managing the assets as well as the cashflow characteristics of the asset.

Business Model Assessment

Business model assessment involves determining if financial assets are managed in order to generate cash flows from collection of contractual cash flows, selling financial assets or both. The Group assesses business model at a portfolio level which reflects how the assets are managed together to achieve a particular business objective.

Financial assets at fair value through profit and loss

Financial assets will be measured at fair value through the income statement if they do not meet the business model criteria of either “Hold to collect” or “Hold to collect and sell”. All equity instruments and some government securities (unless designated at inception to fair value through other comprehensive income); and all derivatives are measured at fair value through profit or loss. An entity have the option to designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at fair value through other comprehensive income

Financial assets will be measured at fair value through other comprehensive income if they are held within a business model where the objective is achieved by both collecting contractual cash flows and selling financial assets (“Hold to collect and sell”), and their contractual cash flows represent solely payments of principal and interest.

SANLAM LIFE INSURANCE NIGERIA LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

31 DECEMBER 2022

Financial assets measured at amortized cost

Financial assets are measured at amortized cost if they are held within a business model whose objective is to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category are carried at amortized cost using the effective interest rate method. Amortized cost is calculated taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Amortization is included in Interest income in the Consolidated Statement of Income. Impairment on financial assets measured at amortized cost is calculated using the expected credit loss approach.

Trade receivables

Trade, reinsurance and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Trade receivables arising from insurance contracts are stated after deducting allowance made for specific debts considered doubtful of recovery. Impairment of trade receivables are presented within other operating expenses.

Trade and Other receivables amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value. Trade receivables are reviewed at every reporting period for impairment.

2.5.2 Recognition and measurement

Financial assets are initially recognised at fair value plus, in the case of all financial assets not carried at fair value through profit and loss, transaction costs that are directly attributable to their acquisition. Financial assets carried at fair value through profit and loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from them have expired or where they have been transferred and the Group has also transferred substantially all risks and rewards of ownership.

Financial assets at fair value through other comprehensive income and financial assets at fair value through profit and loss are subsequently carried at fair value. Other financial assets are carried at amortised cost using the effective interest method.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit and loss' category are included in the statement of comprehensive income in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the statement of comprehensive income as part of Investment income when the Group's right to receive payments is established.

Interest on financial assets fair value through other comprehensive income calculated using the effective interest method is recognised in the statement of comprehensive income. Dividends on equity instruments fair value through other comprehensive income are recognised in the income statement when the Group's right to receive payments is established. Both are included in the investment income line.

2.5.3 Determination of fair value

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges. The quoted market price used for financial assets held by the Group is the current bid price.

SANLAM LIFE INSURANCE NIGERIA LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry, company, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid - offer spread or significant increase in the bid - offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, NIBOR, MPR etc.) existing at the dates of the statement of financial position.

The Group uses widely recognised money market rates in determining fair values of non-standardised financial instruments of lower complexity like placements, and treasury bills. These financial instruments models are generally market observable. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. In cases where the fair value of unlisted equity instruments cannot be determined reliably, the instruments are carried at cost less any impairments. The fair value for loans and receivables as well as liabilities to banks and customers are determined using a present value model on the basis of contractually agreed cash flows, taking into account credit quality, liquidity and costs. The fair values of contingent liabilities and irrevocable loan commitments correspond to their carrying amounts.

2.5.4 Impairment of financial assets carried at amortised cost

The Group assesses at each end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Group about the following events:

- Trade receivables are outstanding for more than 30 days
- Reinsurance recoverable outstanding more than 90 days
- Significant financial difficulty of the issuer or debtor;
- A breach of contract, such as a default or delinquency in payments;
- It becomes probable that the issuer or debtor will enter bankruptcy or other financial re-organisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Group.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Group first assesses whether objective evidence of impairment exists for financial assets that are individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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If there is objective evidence that an impairment loss has been incurred on loans and receivables or held-to-maturity investments carried at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced using an allowance account, and the amount of the loss is recognised in profit or loss. If a held-to-maturity investment or a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. The Group may measure impairment based on an instrument's fair value using an observable market price.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improved credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in profit or loss.

The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

When the financial asset at amortised cost is uncollectible, it is written off against the related allowance for impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Impairment charges relating to Investment securities are classified as net gains/loss of financial assets while those on receivables are classified as operating expenses.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

2.5.5 Derecognition of financial instruments

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2.5.6 Reclassification of financial assets

For financial assets, reclassification is required between FVTPL, FVTOCI and amortised cost; if and only if the entity's business model objective for its financial assets changes so its previous business model assessment would no longer apply.

IFRS 9 does not allow reclassification:

- when the fair value option has been elected in any circumstance for a financial asset;
- or equity investments (measured at FVTPL or FVTOCI); or
- for financial liabilities.

If an entity reclassifies a financial asset, it is required to apply the reclassification prospectively from the reclassification date, defined as the first day of the first reporting period following the change in business model that results in the entity reclassifying financial assets. Previously recognised gains, losses (including impairment gains or losses) or interest are not restated.

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Financial liabilities

Financial liabilities are classified into one of the following measurement categories:

- i Amortized cost,
- ii Fair Value through Profit or Loss (FVTPL)

Financial Liabilities at fair value through profit or loss

Financial liabilities accounted for at fair value through profit or loss fall into two categories: financial liabilities held for trading and financial liabilities designated at fair value through profit or loss on inception. However, for financial liabilities designated at fair value through profit or loss, gains or losses attributable to changes in own credit risk are presented in Other Comprehensive Income.

Financial Liabilities at amortized cost

Financial liabilities that are not classified at fair value through profit or loss fall into this category and are measured at amortized cost using the effective interest rate method.

2.5.6 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.6 Trade receivables and payables related to insurance contracts

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

If there is objective evidence that the insurance receivable is impaired, the Group reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the statement of comprehensive income.

2.7 Reinsurance contracts

Contracts entered into with reinsurers under which the Group is compensated for losses on one or more long-term policy contracts issued by the Group and that meet the classification requirements for insurance contracts are classified as long-term reinsurance contracts. The expected claims and benefits to which the Group is entitled under these contracts are recognised as assets where material.

If there is objective evidence that the reinsurance asset is impaired, the carrying amount is reduced to a recoverable amount, and the impairment loss is recognised in the statement of comprehensive income.

2.7.1 Reinsurance assets

Reinsurance assets consist of short - term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and with the terms of each reinsurance contract.

The reinsurance asset is reviewed quarterly for impairment. Where there are objective evidence that the insurance asset is impaired, the Group reduces the carrying amount of the insurance asset to its recoverable amount and recognises that impairment loss in the statement of comprehensive income. Evidence that the reinsurance asset is impaired is gathered where the reinsurance Group has refused payment of any balance.

2.7.2 Reinsurance liabilities

Liabilities are valued gross before taking into account reinsurance. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

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2.8 Other receivables and prepayment

Other receivables are stated after deductions of amounts considered bad or doubtful recovery. These are receivables other than investment securities, trade receivables and reinsurance assets. When a debt is deemed not collectible, it is written off against the related provision or directly to profit or loss account to the extent not previously provided for. Any subsequent recovery of written-off debts is credited to profit or loss.

Prepayments represents prepaid expenses and are carried at cost less amortisation expensed in profit or loss.

2.9 Deferred acquisition costs (DAC)

Acquisition costs comprise all direct and indirect costs arising from the writing of insurance contracts (life and non-life contracts). Deferred acquisition costs represent a proportion of commission which are incurred during a financial year and are deferred to the extent that they are recoverable out of future revenue margins. It is calculated by applying to the acquisition expenses the ratio of unearned premium to written premium.

Commissions and other acquisition costs that vary with and are related to securing new contracts and renewing existing contracts are capitalised as an intangible asset. All other costs are recognised as expenses when incurred. The DAC is subsequently amortised over the life of the contracts as follows:

For short-duration life insurance contracts, deferred acquisition cost is amortised over the terms of the policies as premium is earned.

For long-term insurance contracts with fixed and guaranteed terms, deferred acquisition cost is amortised in line with premium revenue using assumptions consistent with those used in calculating future policy benefit liabilities; and

For long-term insurance contracts without fixed terms and investment contracts, deferred acquisition cost is amortised over the expected total life of the contract as a constant percentage of estimated gross profit margins (including investment income) arising from these contracts. The resulting change to the carrying value of the DAC is charged to statement of comprehensive income.

2.10 Investment properties

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

Investment property is initially recognized at cost including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes cost of day to day servicing of an investment property.

An investment property is subsequently measured at fair value with any change therein recognised in profit or loss. Fair values are determined individually, on a basis appropriate to the purpose for which the property is intended and with regard to recent market transactions for similar properties in the same location.

Investment properties are revalued annually by independent valuer, holding a recognized and relevant professional qualification and with relevant experience in the location and category of investment property being valued. Any gain or loss arising from a change in the fair value is recognized in the income statement.

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

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2.11 Intangible assets

The Group recognises intangible assets if and only if:

- i) It is probable that the expected future economic benefits that are attributable to the asset will flow to the Group;
- ii) It is feasible to complete the asset so that it will be available for use
- iii) There is ability to use or sell the asset; and

Goodwill arise on the acquisition of a subsidiary company or the acquisition of a business. It represents the excess of the cost of an acquisition over the Group's share of the fair value of the identifiable net assets of the subsidiary or business at the date of acquisition. Goodwill is not amortised. The gain or loss on the disposal of a subsidiary or business includes the carrying amount of goodwill attribute to the entity or business sold

Goodwill is not recognised when an interest in an existing subsidiary is increased. The difference between the cost of the acquisition and the non controlling interest acquired is accounted for directly in equity. When an interest in an existing subsidiary is decreased without a loss of control, the difference between the proceeds received and the share of the net assets disposed of, including an appropriate portion of the related goodwill is accounted for directly in equity.

For impairment purposes, the carrying amount of goodwill is allocated to cash generating units (CGU), reviewed annually for impairment and written down where this is considered necessary. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense in the statement of comprehensive income and is not subsequently reversed.

Goodwill in respect of associates and joint ventures is included in the carrying amount of investments in associates and joint ventures. For impairment purposes each investment is tested for impairment individually and goodwill is not tested separately from the investment in associates and joint ventures, nor is any impairment allocated to any underlying assets.

2.11.1 Computer software

The Group recognises computer software acquired as intangible asset.

Software acquired by the Group is stated at cost less accumulated amortisation and accumulated impairment losses. Acquired intangible assets are recognised at cost on acquisition date. Subsequent to initial recognition, these assets are carried at cost less accumulated amortization and impairment losses in value, where appropriate.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in the statement of comprehensive income on a straight line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The assets are amortised over their useful lives. Amortisation methods and useful lives are reviewed at each financial year-end and adjusted if appropriate.

Intangible assets are derecognised at disposal date or at the date when it is permanently withdrawn from use without the ability to be disposed of. The differences between the carrying amounts at the date of de-recognition and any disposal proceeds, as applicable, is recognised in the statement of comprehensive income.

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Expenditure on internally developed software is recognised as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits and can reliably measure the costs to complete the development. The capitalised cost of internally developed software include all cost directly attributable to developing the software and capitalised borrowing costs, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

There was no internally developed software at the date of reporting.

2.12a Property, plant and equipment

Property and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses in value, where appropriate. Land is not depreciated. Depreciation is provided for on a straight-line basis, taking into account the residual value and estimated useful lives of the assets as follows:

Asset class	Depreciation rate
Freehold buildings	2%
Leasehold buildings	2% for leases of 50 years and above; over expected useful life for leases under 50 years
Motor Vehicles	25%
Computer Equipment	33.33%
Furniture and Fittings	20%
Office Equipment	20%
Plant and Machinery	20%
Computer Software	33.33%

If the expected residual value is equal to or greater than the carrying value, no depreciation is provided for. The residual values, estimated useful lives of the assets and depreciation methods are reviewed at each statement of financial position date and adjusted as appropriate.

Cost prices include costs directly attributable to the acquisition of property and equipment, as well as any subsequent expenditure when it is probable that future economic benefits associated with the item will flow to the Group and the expenditure can be measured reliably. All other expenditure is recognised in the statement of comprehensive income when incurred.

Property and equipment are derecognised at disposal date or at the date when it is permanently withdrawn from use without the ability to be disposed of. The differences between the carrying amounts at the date of derecognition and any disposal proceeds, as applicable, is recognised in 'other income' in the statement of comprehensive income.

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2.12b Right of Use

The Group adopts a single measurement approach and recognises right to use of assets and lease liability at commencement date of a lease contract.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2.13 Impairment of other non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Additionally, assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are stated at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

The impairment test also can be performed on a single asset when the fair value less cost to sell or the value in use can be determined reliably. Non-financial asset other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

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

2.14 Statutory deposit

The Group maintains a statutory deposit with the Central Bank of Nigeria which represents 10% of the minimum capitalisation in compliance with the Insurance Act. This balance is not available for the day to day operations of the Group. Statutory deposit is measured at cost.

2.15 Insurance contracts

The Group issues contracts that transfer insurance risk or financial risk or both. Insurance contracts are those contracts that transfer significant insurance risk. Such contracts may also transfer financial risk.

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2.15.1 Classification of contracts

A contract is classified as an insurance contract where the Group accepts significant insurance risk by agreeing with the policyholder to pay benefits if a specified uncertain future event (the insured event) adversely affects the policyholder or other beneficiary. Significant insurance risk exists where it is expected that for the duration of the policy or part thereof, policy benefits payable on the occurrence of the insured event will exceed the amount payable on early termination, before allowance for expense deductions at early termination. Once a contract has been classified as an insurance contract, the classification remains unchanged for the remainder of its lifetime, even if the insurance risk reduces significantly during this period.

2.15.2 Recognition and measurement

(a) Short-term insurance contracts

Short-duration life insurance contracts protect the Group's customers from the consequences of events (such as death or disability) that would affect the ability of the customer or his/her dependents to maintain their current level of income. They are usually short-duration life insurance contracts ranging between 12 to 24 months period of coverage. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the policyholder.

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

Claims and loss adjustment expenses are charged to income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claims settlement costs and arise from events that have occurred up to the end of the reporting period even if they have not yet been reported to the Group. The Group does not discount its liabilities for unpaid claims. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Group and statistical analyses for the claims incurred but not reported (IBNR), and to estimate the expected ultimate cost of more complex claims that may be affected by external factors.

The liability reserve on short term insurance contract is made up of an unexpired premium reserve (UPR) and reserve for 'Incurred but not reported' claims (IBNR). The UPR are calculated after adjusting for acquisition expenses. IBNR reserves are required to take account of the delay in reporting claims. These are determined by considering ultimate claims ratios for the life schemes on the Group's books. The ratios differ by industry and have been determined following a historical analysis of portfolio claims experience. The IBNR reserves are calculated by adjusting the ultimate claims amounts to allow for claims already paid and those outstanding for payment, and again adjusted to allow for the holding of a separate UPR reserve. As the short term insurance contract experience of Sanlam in builds up we will be able to adjust for Group-specific claims settlement patterns.

(b) Long-term insurance contracts with fixed and guaranteed terms

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

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

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

The long term insurance contracts insure events associated with human life. They include individual insurance contracts.

Individual insurance contracts

The reserve has been calculated using the gross premium valuation approach. This reserving methodology adopts a cash flow approach taking into account all expected future cash flows including premiums, expenses and benefit payments to satisfy the liability adequacy test. The test also considers current estimates of all contractual cash flows, and of related cash flows such as claims handling costs, as well as cash flows resulting from embedded options and guarantees (where applicable).

2.15.3 Insurance contract liabilities

Life insurance policy claims received up to the last day of each financial period and claims incurred but not reported (IBNR) are provided for and included in the policy liabilities. Past claims experience is used as the basis for determining the extent of the IBNR claims.

Income from reinsurance policies is recognised concurrently with the recognition of the related policy benefit. Insurance liabilities are presented without offsetting them against related reinsurance assets.

Insurance liabilities are retained in the statement of financial position until they are discharged or cancelled and/or expire. The Group performs a liability adequacy test to determine the recognised insurance liabilities and an impairment test for reinsurance assets held at each reporting date.

The Group has significant life and non-life insurance contract liabilities. The actuarial valuation of Insurance contract liabilities involves high estimation uncertainties and significant judgement over uncertain future outcomes.

Provisions for reported claims are based on historical experience. However, the eventual liabilities may differ from the estimated amounts. Furthermore, the estimated liability for claims that have occurred but are yet to be reported in respect of non-life insurance contracts involve economic assumptions about inputs such as inflation rate, ultimate loss ratio and discount rates; hence the eventual outcome is uncertain.

The actuarial assumptions used in the valuation of life insurance contract liabilities are judgmental, particularly with respect to mortality rates and discount rates.

2.15.4 Investment linked contracts

Investment contracts are those contracts that transfer financial risk with insurance risk. Investment contracts comprise interest linked funds. Interest linked investment contracts are measured at amortised cost.

Investment linked contracts with guaranteed returns (interest linked) and other business of a savings nature are recognized as Investment contract liabilities. Interest accruing to the life assured from investment of the savings is recognized in the income statement account in the year it is earned while interest paid and due to depositors is recognized as an expense. The net result of the deposit administration revenue account is transferred to the income statement of the Group.

2.16 Technical reserves

These are the reserves computed in compliance with the provision of Section 20, 21, and 22 of the Insurance Act CAP 117 2004. They are:

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(a) General insurance contracts

Reserves for unearned premium

In compliance with Section 20 (1) (a) of Insurance Act 2003 CAP I17 LFN 2004, the reserve for unearned premium is calculated on a time apportionment basis in respect of the risks accepted during the year.

Reserves for outstanding claims

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

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).

(b) Life business

Life fund

This is made up of net liabilities on policies in force as computed by the actuaries at the time of the actuarial valuation.

Liability adequacy test

At the end of the reporting period, liability adequacy tests are performed by an Actuary to ensure the adequacy of the contract liabilities. In performing these tests, current best estimates of future contractual cash flows including office premiums, expenses and benefit payments satisfying the liability adequacy test, are used. Any deficiency is immediately charged to statement of comprehensive income.

2.17 Financial liabilities

The Group's holding in financial liabilities represents mainly other financial liabilities. Such financial liabilities are initially recognised at fair value and subsequently measured at amortised cost. Financial liabilities are derecognised when extinguished.

Financial liabilities are reported as trade payables, short term bank overdraft and other liabilities in the financial statement. The carrying values of financial liabilities are considered to be a reasonable approximation of fair value.

Trade payables

Trade and other payables are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. Trade payables represent liabilities to agents, brokers and re-insurer on insurance contracts as at year end.

2.18 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. If the due date of the liability is less than one year discounting is omitted.

2.19 Taxation

2.19.1 Company income tax

Current income tax liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

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Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Current income tax is assessed at 30% and is tax payable on the taxable profit for the period determined in accordance with the Company Income Tax Act (CITA). Education tax is assessed at 2% of the chargeable profit. Where tax on dividend paid exceeds the current income tax assessed on the preceding basis, tax payable will be computed as 30% of dividend paid.

2.19.2 Deferred income tax

Deferred income tax is provided for on all temporary differences between the tax bases of assets and liabilities and their carrying values for financial reporting purposes using the liability method.

The principal temporary differences arise from depreciation of property and equipment, provisions for trade receivables and tax losses carried forward (where deemed as recoverable). The rates enacted or substantively enacted at the balance sheet date are used to determine deferred income tax. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realisable or the deferred income tax liability is payable. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

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

The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised. Deferred tax related to fair value re-measurement of investments, which are charged or credited directly in other comprehensive income or to equity, is also credited or charged directly to equity and subsequently recognised in the statement of comprehensive income together with the deferred gain or loss.

2.2 Share capital

Share capital is classified as equity where the Group has no obligation to deliver cash or other assets to shareholders. Incremental costs attributable to the issue or cancellation of equity instruments are recognised directly in equity, net of tax if applicable.

2.21 Contingency reserve

Non-life business

The Company maintains contingency reserves in accordance with the provisions of the Insurance Act 2003 (section 21 (2)) to cover fluctuations in securities and variations in statistical estimates at the rate equal to the higher of 3% of total premium or 20% of the total profit after taxation until the reserve reaches the greater of minimum paid up capital or 50% of net premium for general business.

Life business

Contingency reserve is calculated at the higher of 1% of gross premium and 10% of net profits. This reserve is expected to be accumulated until it amounts to the minimum paid-up capital for a life insurance Group in accordance with section 22(1)(b) of the Insurance Act.

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2.22 Provisions

Provisions for restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.23 Contingent liabilities and assets

Possible obligations of the Group, the existence of which will only be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group and present obligations of the Group where it is not probable that an outflow of economic benefits will be required to settle the obligation or where the amount of the obligation cannot be measured reliably, are not recognised in the Group statement of financial position but are disclosed in the notes to the financial statements.

2.24 Dividend

Dividend proposed or declared after the statement of financial position date are not recognised at the reporting date. Dividend distributions payable to equity shareholders are only included in 'other liabilities' when the dividends have been approved in an Annual General Meeting (AGM) prior to the reporting date.

2.25 Earnings per share

The Group presents basic earnings per share for its ordinary shares. Basic earnings per share (EPS) are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year. The adjusted EPS is calculated using the number of shares in issue at the balance sheet date. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

2.26 Revenue recognition

Revenue comprises the fair value for services, net of value-added tax. Revenue is recognised as follows:

2.26.1 Premium income

Short term insurance contract

Premium income are recognised as revenue (earned premiums) proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the balance sheet date is reported as the unearned premium liability. Premiums are shown before deduction of commission and are gross of any taxes or duties levied on premiums.

Long term insurance contract

Premiums are recognised as revenue when they become payable by the contract holder. Premiums are shown before deduction of commission. Premium income from individual contracts is recognised as an increase in long-term policy liabilities when receivable. The unearned portion of accrued premium income is included within long-term policy liabilities. Group life insurance, mortgage insurance and credit life premiums are accounted for when receivable.

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2.26.2 Interest income and expenses

Interest income and expenses for all interest-bearing financial instruments, including financial instruments measured at fair value through profit and loss, are recognised within investment income in the income statement using the effective interest rate method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income is accounted for on a time proportionate basis that takes into account the effective interest rate on the asset.

2.26.3 Fees and commission income

Unless included in the effective interest calculation, fees and commissions are recognised on an accruals basis as the service is provided. Fees consist primarily of investment management fees, surrenders and other contract fees arising from services rendered in conjunction with the issue and management of investment contracts where the Group actively manages the consideration received from its customers to fund a return that is based on the investment profile that the customer selected on origination of the instrument.

These services comprise the activity of trading financial assets in order to reproduce the contractual returns that the Group's customers expect to receive from their investments. Such activities generate revenue that is recognised by reference to the stage of completion of the contractual services.

2.27 Insurance premium ceded to reinsurers

Insurance premium ceded to reinsurers also described as reinsurance expenses represents outward premium paid to reinsurance companies less the unexpired portion as at the end of the accounting year.

2.28 Claims

Claims and loss adjustment expenses are charged to income as incurred based on the estimated liability for compensation owed to policyholders and/or beneficiaries. They include direct and indirect claims settlement costs and arise from events that have occurred up to the end of the reporting period even if they have not yet been reported to the Group.

The Group does not discount its liabilities for unpaid claims. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Group and statistical analyses for the claims incurred but not reported, and to estimate the expected ultimate cost of more complex claims that may be affected by external factors. No provisions has been made for possible claims under contracts that are not in existence at the end of the reporting period.

2.29 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, and other technical expenses. Other underwriting expenses are those incurred in servicing existing policies/contract. These expenses are charged in the statement of comprehensive income.

2.3 Employee benefit expense

2.30.1 Defined contribution plan

The Group operates a defined contributory pension scheme for eligible employees. Employees and the Group contribute 8.5% and 16.5% respectively for each of the qualifying staff's salary in line with the provisions of the Pension Reform Act 2004 as amended in 2014. The Group pays contributions to the employee - nominated Pension Fund Administrator (PFA) on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefits expense when they are due.

SANLAM LIFE INSURANCE NIGERIA LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

31 DECEMBER 2022

2.30.2 Discretionary Exit Bonus

The group make provision for exit bonuses to qualifying staff who have served the company and retired at the mandatory retirement age of 60 years. Only staff that remain in the employment of the Group at the age of 60 years and has consistently performed up to minimum criteria is entitled to the bonus which is awarded at the discretion of the Board and management.

The award of the bonus is not contractual and is not enforceable. Employees that exited the Group before attaining the mandatory age of 60 years are automatically disqualified from being considered for the bonus. The bonus award is limited to one year gross cash emolument of qualifying employee. Provisions are made annually in the financial statement based on the gross emoluments of employees at year end.

2.30.3 Short term benefit

Wages, salaries, paid annual leave and, bonuses are recognised as employee benefit expense and accrued when the associated services are rendered by the employees of the Group.

2.31 Other operating and administrative expenses

Other operating and administrative expenses are expenses other than claims, investment expenses, employee benefit, expenses for marketing and administration and supervisory levies. They include professional fee, depreciation expenses and other non- technical expenses. Other operating and administrative expenses are accounted for on accrual basis and recognized in the income statement upon utilization of the service or at the date of their origin.

2.32 Deferred Commission Revenue

Deferred commission represents proportion of commission received on reinsurance contracts which are booked during a financial year and are deferred to the extent that they are recoverable out of future revenue margins.

SANLAM LIFE INSURANCE NIGERIA LIMITED

**CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Note	Group		Company	
		31-Dec-22 N'000	Restated 31-Dec-21 N'000	31-Dec-22 N'000	Restated 31-Dec-21 N'000
ASSETS					
Cash and cash equivalents	6	5,378,491	2,298,398	3,487,144	1,379,959
Financial assets:			-		
- Fair Value through Profit or Loss	7.1	144,495,940	126,985,624	136,881,582	119,084,610
- Amortised Cost	7.3	15,457,495	16,312,214	13,818,494	16,103,963
Trade receivables	8	223,288	62,860	10,500	29,869
Reinsurance assets	9	3,742,110	4,705,754	219,785	89,697
Other receivables and prepayments	10	1,175,195	1,028,602	977,214	814,723
Deferred acquisition costs	11	641,102	431,262	88,372	62,181
Investment in subsidiary	13	-	-	5,349,120	5,349,120
Intangible assets	14	432,407	632,685	169,967	370,245
Property and equipment	15	2,778,967	2,776,504	1,701,661	1,542,812
Statutory deposit	16	500,000	500,000	200,000	200,000
Total assets		174,824,994	155,733,904	162,903,840	145,027,180
LIABILITIES					
Insurance contract liabilities	17a	104,713,578	94,345,281	97,749,778	87,142,353
Investment contract liabilities	17b	25,041,768	25,984,632	25,041,768	25,984,632
Trade payables	18	570,191	878,359	120,230	68,501
Other payables and accruals	19	3,877,167	3,491,734	3,410,011	3,079,447
Tax payable	20	5,668,273	3,405,801	5,143,780	3,314,100
Dividend Payable	21	7,946,917	3,082,305	7,946,917	3,082,305
Deferred tax liability	22	428,301	500,750	228,629	240,338
Total liabilities		148,246,195	131,688,862	139,641,112	122,911,676
EQUITY					
Share capital	23a	8,000,000	8,000,000	8,000,000	8,000,000
Share premium	23b	130,708	130,708	130,708	130,708
Contingency reserves	24	5,480,348	5,137,276	3,860,591	3,860,591
Retained earnings	25	12,967,741	10,777,056	11,271,428	10,124,205
Total equity		26,578,798	24,045,041	23,262,728	22,115,504
Total equities and liabilities		174,824,994	155,733,904	162,903,840	145,027,180

Signed on behalf of the Board of Directors on 9 February 2023 by:



Mr. Jubril O. Ajose
FRC/2013/ICAN/00000003148
Financial Controller



Mr. Babatunde Mimiko
FRC/2016/CIIN/00000013719
Managing Director/CEO



Dr. Olufemi Oyetunji
FRC/2013/NAS/00000000685
Chairman

SANLAM LIFE INSURANCE NIGERIA LIMITED

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 31 DECEMBER 2022

	Note	Group		Company	
		31-Dec-22 ₦'000	Restated 31-Dec-21 ₦'000	31-Dec-22 ₦'000	Restated 31-Dec-21 ₦'000
Gross premium written	27	53,289,171	47,933,577	41,853,456	38,617,197
Unearned premium	27	(1,289,261)	(616,655)	(273,012)	(286,203)
Gross premium income		51,999,910	47,316,923	41,580,444	38,330,994
Insurance premium ceded to reinsurers	28	(6,020,603)	(5,148,154)	(368,256)	(623,969)
Net premium income		45,979,308	42,168,769	41,212,188	37,707,025
Fees and commission income	29	1,160,173	907,132	258,231	212,440
Net underwriting income		47,139,481	43,075,901	41,470,420	37,919,465
Insurance claims incurred and loss adjustments expenses	30	(21,658,642)	(20,284,327)	(19,732,444)	(16,147,156)
Insurance claims recovered from reinsurers	30	920,389	2,341,313	381,473	(175,882)
Underwriting expenses	31	(7,222,055)	(6,839,619)	(5,102,459)	(4,961,995)
Changes in long term insurance contracts	32	(11,683,288)	18,715,246	(11,683,288)	18,715,246
Net underwriting expenses		(39,643,595)	(6,067,388)	(36,136,718)	(2,569,787)
Net underwriting result		7,495,885	37,008,513	5,333,702	35,349,678
Other income	33	787,222	504,964	423,655	80,694
Net realised gains/(loss) on financial assets	34a	625,785	(10,074,397)	341,324	(7,331,570)
Net fair value (loss)/gains	34b	(6,494,964)	(27,853,686)	(6,364,264)	(27,560,138)
Investment income	35a	14,407,799	11,281,301	13,598,391	10,423,708
Profit from investment contracts	35b	1,850,647	995,054	1,850,647	995,054
Employee benefit expenses	36	(3,764,547)	(3,552,710)	(2,994,218)	(2,764,353)
Other operating and administrative expenses	37	(4,181,037)	(3,168,799)	(3,279,130)	(2,360,243)
Impairment (loss)/reversal on financial assets	38	720	(8,683)	7,073	(23,630)
Profit before tax		10,727,509	5,131,557	8,917,179	6,809,201
Income tax expense	39	(2,273,749)	(1,017,774)	(1,849,956)	(903,393)
Profit for the year		8,453,757	4,113,783	7,067,223	5,905,809
Profit attributable to:					
– Owners of the parent		8,453,757	4,113,783	7,067,223	5,905,809
		8,453,757	4,113,783	7,067,223	5,905,809
Other comprehensive income:					
Reclassified to profit or loss account for the period	26	-	(506,523)	-	(506,523)
Total comprehensive income for the year		8,453,757	3,607,260	7,067,223	5,399,286
Total comprehensive income attributable to:					
– Owners of the parent		8,453,757	3,607,260	7,067,223	5,399,286
		8,453,757	3,607,260	7,067,223	5,399,286
Earnings per share (basic) - in kobo		106	51	88	74
Earnings per share (diluted) - in kobo		106	51	88	74

The notes on pages 56 to 115 are an integral part of these consolidated financial statements.

SANLAM LIFE INSURANCE NIGERIA LIMITED

STATEMENT OF CHANGES IN EQUITY - GROUP 31 DECEMBER 2022

	Share capital ₦'000	Share premium ₦'000	Contingency reserve ₦'000	Fair value reserve ₦'000	Retained earnings ₦'000	Total equity ₦'000
At 1 January 2022-Previously stated	8,000,000	130,708	5,137,277	-	11,502,018	24,770,004
Impact of correction of errors	-	-	-	-	(724,961)	(724,961)
At 1 January 2022-Restated	8,000,000	130,708	5,137,276	-	10,777,056	24,045,040
Total Comprehensive income for the year						
Profit for the year	-	-	-	-	8,453,757	8,453,757
Other comprehensive income for the year	-	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	-	8,453,757	8,453,758
<i>Contributions by and distributions to owners:</i>						
Dividend declared during the year	-	-	-	-	(5,920,000)	(5,920,000)
Transfer to contingency reserve	-	-	343,072	-	(343,072)	-
Total transactions with owners, recognised directly in equity	-	-	343,072	-	(6,263,072)	(5,920,000)
At 31 December 2022	8,000,000	130,708	5,480,348	-	12,967,741	26,578,798
	Share capital ₦'000	Share premium ₦'000	Contingency reserve ₦'000	Fair value reserve ₦'000	Retained earnings ₦'000	Total ₦'000
At 1 January 2021	8,000,000	130,708	4,194,708	520,692	10,938,063	23,784,172
Total Comprehensive income for the year						
Profit for the year	-	-	-	-	4,113,783	4,113,783
Reclassification to income statement	-	-	-	(506,523)	-	(506,523)
Allowance for ECL adjustment on FVOCI securities	-	-	-	(14,169)	-	(14,169)
Total Comprehensive income for the year	-	-	-	(520,692)	4,113,783	3,593,091
<i>Transactions with owners, recorded directly in equity</i>						
<i>Contributions by and distributions to owners:</i>						
Dividend declared during the year	-	-	-	-	(3,332,222)	(3,332,222)
Transfer to contingency reserve	-	-	942,568	-	(942,568)	-
Total transactions with owners, recognised directly in equity	-	-	942,569	-	(4,274,791)	(3,332,222)
At 31 December 2021-Restated	8,000,000	130,708	5,137,277	-	10,777,056	24,045,041
At 31 December 2021-Previously stated	8,000,000	130,708	5,137,277	-	11,502,018	24,770,003

SANLAM LIFE INSURANCE NIGERIA LIMITED

STATEMENT OF CHANGES IN EQUITY - COMPANY

31 DECEMBER 2022

	Share capital ₦'000	Share premium ₦'000	Contingency reserve ₦'000	Fair value reserve ₦'000	Retained earnings ₦'000	Total equity ₦'000
At 1 January 2022-Previously stated	8,000,000	130,708	3,860,591	-	10,849,166	22,840,465
Impact of correction of errors	-	-	-	-	(724,961)	(724,961)
At 1 January 2022-Restated	8,000,000	130,708	3,860,591	-	10,124,205	22,115,504
Total comprehensive income for the year						
Profit for the year	-	-	-	-	7,067,223	7,067,223
Total Comprehensive income for the year	-	-	-	-	7,067,223	7,067,223
<i>Transactions with owners, recorded directly in equity</i>						
<i>Contributions by and distributions to owners:</i>						
Dividend declared during the year	-	-	-	-	(5,920,000)	(5,920,000)
Transfer to contingency reserve	-	-	-	-	-	-
Total transactions with owners, recognised directly in equity	-	-	-	-	(5,920,000)	(5,920,000)
At 31 December 2022	8,000,000	130,708	3,860,591	-	11,271,428	23,262,728

	Share capital ₦'000	Share premium ₦'000	Contingency reserve ₦'000	Fair value reserve ₦'000	Retained earnings ₦'000	Total ₦'000
At 1 January 2021	8,000,000	130,708	3,197,514	520,692	8,213,695	20,062,609
Total Comprehensive income for the year						
Profit for the year	-	-	-	-	5,905,809	5,905,809
Reclassification to income statement	-	-	-	(506,523)	-	(506,523)
Allowance for ECL adjustment on FVOCI securities	-	-	-	(14,169)	-	(14,169)
Total Comprehensive income for the year	-	-	-	(520,692)	5,905,809	5,385,117
<i>Transactions with owners, recorded directly in equity</i>						
<i>Contributions by and distributions to owners:</i>						
Dividend declared during the year	-	-	-	-	(3,332,222)	(3,332,222)
Transfer to contingency reserve	-	-	663,077	-	(663,077)	-
Total transactions with owners, recognised directly in equity	-	-	663,078	-	(3,995,300)	(3,332,223)
At 31 December 2021-Restated	8,000,000	130,708	3,860,591	-	10,124,205	22,115,504
At 1 January 2022-Previously stated	8,000,000	130,708	3,860,591	-	10,849,166	22,840,465

SANLAM LIFE INSURANCE NIGERIA LIMITED

STATEMENT OF CONSOLIDATED AND SEPARATE CASH FLOWS 31 DECEMBER 2022

	Note	Group		Company	
		31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-22 N'000	31-Dec-21 N'000
Cash flows from operating activities					
Cash premium received	8	52,777,318	47,903,701	41,872,825	38,603,147
Deposit for premium	18	177,563	351,424	-	-
Cash received from deposit contract liabilities	17b	9,141,511	11,911,312	9,141,511	11,911,312
Cash withdrawals from deposit contract liabilities	17b	(11,046,301)	(15,337,006)	(11,046,301)	(15,337,006)
Cash Claims recovered	9.1	2,115,589	2,970,595	353,810	453,400
Claims paid	30	(24,262,896)	(18,742,557)	(21,081,320)	(15,665,274)
Cash paid to reinsurers/ coinsurers	18.1	(6,515,613)	(5,452,492)	(469,171)	(584,070)
Commission received	29	1,246,748	907,131	258,231	212,440
Maintenance expenses paid	31	(1,907,910)	(2,360,850)	(1,669,924)	(2,158,124)
Acquisition costs	31.1	(5,523,982)	(4,523,238)	(3,458,725)	(2,828,273)
Employee benefits paid	36	(3,764,547)	(3,552,709)	(2,994,218)	(2,764,352)
Other operating payment		(5,939,633)	(3,817,016)	(5,723,472)	(2,091,142)
Other income received	33	364,971	423,583	364,968	-
Income tax paid	20	(83,726)	(250,533)	(31,986)	(61,262)
Net cash from operating activities		6,779,091	10,431,346	5,516,228	9,690,797
Cash flow from investing activities:					
Purchase of plant and equipment	15	(856,454)	(599,652)	(647,968)	(380,953)
Proceeds from disposal of investment property	12	-	90,000	-	-
Proceeds from disposal of property and equipment	33a	233,291	20,903	73,676	20,219
Interest received	35c	15,507,240	22,067,105	14,712,598	21,143,906
Dividend received	35	42,615	37,497	41,032	37,482
Purchase of financial assets- FVTPL	7.1i	(109,926,018)	(154,149,173)	(81,502,760)	(132,949,231)
Purchase of financial assets- Amortised Cost	7.3i	(9,003,576)	(14,294,030)	(6,215,119)	(11,175,877)
Proceeds from disposal of Amortised Cost	7.3i	9,973,304	12,982,761	8,608,716	9,594,878
Proceeds from disposal of Quoted equities	34ai	22,089	415,745	21,732	415,745
Proceeds from disposal of Unquoted equities	34aii	163,192	-	-	-
Proceeds from disposal of treasury bills	34aiii	51,563,806	55,678,553	31,056,111	47,320,092
Proceeds from disposal of bond	34aiv	39,121,869	66,617,064	31,009,285	55,164,946
Staff loan granted	10.3	(257,000)	(407,850)	(241,367)	(184,470)
Staff loan repaid	10.3	342,619	286,809	297,171	235,873
Policy loan granted	10.4	(3,781)	(3,130)	(3,781)	(3,130)
Policy loan repaid	10.4	1,554	7,796	1,554	7,796
Net cash used in investing activities		(3,075,251)	(11,249,604)	(2,789,122)	(10,752,725)
Cash flow from financing activities:					
Dividend paid	21	(611,389)	(249,917)	(611,389)	(249,917)
Proceed from issue of shares		-	-	-	-
Net cash used in financing activities		(611,389)	(249,917)	(611,389)	(249,917)
Net decrease in cash and cash equivalents		3,092,451	(1,068,174)	2,115,717	(1,311,845)
Cash and cash equivalent at beginning of year		2,308,651	3,376,825	1,385,979	2,697,824
Net increase/(decrease) in cash and cash equivalents		3,092,451	(1,068,174)	2,115,717	(1,311,845)
Cash and cash equivalent at at 31 December	6.2	5,401,103	2,308,651	3,501,697	1,385,979

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2022

1 General Information

These financial statements are the consolidated financial statements of Sanlam Life Insurance Nigeria Limited (the Company), and its subsidiary (together 'the Group')

Sanlam Life Insurance Nigeria Limited (formerly known as FBN Insurance Limited) was incorporated in Nigeria under the Companies and Allied matters Act (CAMA) as a private limited liability company on 6 September 2007. The National Insurance Commission (NAICOM) licensed the Company on 22 February 2010 to carry on the business of Life Insurance and Deposit Administration. The Company commenced operations on 1 September 2010. The Company is incorporated and domiciled in Lagos, Nigeria, providing life insurance services. In 2014, the Company acquired Oasis Insurance Plc, which was licensed to carry on non-life insurance business.

The Company has its registered office on 34 Marina, Lagos, Nigeria.

2 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out in pages 30 to 50. These policies have been consistently applied to all years presented, unless otherwise stated.

3 Management of insurance risk

The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random, and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk. The Group issues contracts that transfer insurance and/or financial risk. This section summarises the nature and management of these risks.

3.1 Underwriting risk

Underwriting risk relates mainly to the uncertainty that the insured event will occur. The nature of an insurance contract is that the timing and size of claims are uncertain and therefore unpredictable. The principal underwriting risk is the risk that the actual outcome of mortality, morbidity and medical claims will result in volatile profits from one year to the next. Such volatility may result from large concentrations of risk or from charging inadequate premiums relative to the severity or incidence of the risk accepted. Inadequate policy wording may fail to protect the insurer from claims that were not envisaged when the product was priced. Insurance events are random and the actual number and amount of underwriting benefits will vary from the best estimates established from statistical techniques and taking cognisance of past experience. The Group manages these risks through its underwriting strategy, reinsurance arrangements and claims handling processes.

The following policies and practices are used by the Group as part of its underwriting strategy to mitigate underwriting

- i) All long-term insurance product additions and alterations, both within and outside of agreed business definitions, are required to pass through the approvals framework that forms part of the governance process. The contracted actuary approves the financial soundness of new and revised products.

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2022

- ii) The Group's underwriting strategy aims to ensure that the underwriting risks are well diversified in terms of type (medical, occupational, financial) and amount of risk covered. Whilst this is difficult to measure at underwriting stage, the success or failure of the strategy may be measured by the historical stability of profits emerging from the book of business.
- iii) Product pricing and reserving policies also include specific allowance for the risk of HIV/AIDS.
- iv) The contracted actuary reports annually on the profitability of the business taking into consideration Policyholders reasonable expectation. All new rate tables are approved and authorised by the statutory actuary prior to being issued.
- v) The right to re-rate premiums is retained as far as possible, although this is limited by competitive pressure.
- vi) Investigations into mortality and morbidity experience are conducted at least half yearly to ensure that corrective action is taken where necessary.

The Group's core funeral product offering is characterised by low sums assured which negates the need for underwriting at policy inception. The policy conditions enable the Group to repudiate death claims arising from non-accidental causes during an initial waiting period after policy inception. The Group's reinsurance arrangements include risk premium treaties for a high life cover, hospital cover product and critical illness products. The decision on the proportion of risk to be ceded follows mainly from the Group's desire to maintain its relationship with the reinsurers and is based on the level of assistance received from the reinsurers. Exceptions to this are reinsurance cessions that are intended to limit the Group's exposure to large sums assured.

Claims risk is represented by the fact that the Group may incur unexpectedly high mortality and morbidity losses on any group of policies. Client service staffs are trained to identify and investigate fraudulent claims timeously. The legitimacy of claims is verified by internal, financial and operating controls that are designed to contain and monitor claims risks. The forensic investigation team also investigates and advises on improvements to internal control systems.

3.2 Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. The most significant are the increasing level of death, job loss and level of awards for the damages suffered as a result of road accidents. Estimated inflation is also a significant factor due to the long period typically required to settle cases where information are not readily available. The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk. Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Group has the right not to renew policies and it has the right to reject the payment of a fraudulent claim.

The reinsurance arrangements include surplus and quota - share. The effect of such reinsurance arrangements is that the Group should not suffer total net insurance losses of more than N20 million on any policy. In addition to the overall Group reinsurance programme, individual business units are permitted to purchase additional reinsurance protection. The Group has specialised claims units dealing with the mitigation of risks surrounding claims. This unit investigates and adjusts all claims. The claims are reviewed individually on a quarterly basis and adjusted to reflect the latest information on the underlying facts, contractual terms and conditions, and other factors. The Group actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

The concentration of insurance risk before and after reinsurance by class of business in relation to the type of insurance risk accepted is summarised below, with reference to the carrying amount of the estimated insurance liabilities (gross and net of reinsurance) arising from all life and non-life insurance contracts:

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2022

Group	31-Dec-22			31-Dec-21		
	Gross liability ₦'000	Re-Insurance ₦'000	Net liability ₦'000	Gross liability ₦'000	Re-Insurance ₦'000	Net liability ₦'000
Life business						
Individual Traditional	59,965,593	-	59,965,593	47,381,428	-	47,381,428
Investment linked contracts	25,041,768	-	25,041,768	25,984,632	-	25,984,632
Group Credit Life	695,473	-	695,473	821,022	-	821,022
Group Life – UPR	995,715	(132,569)	863,147	722,703	(30,142)	692,562
Group Life – AURR	-	-	-	-	-	-
Group Life – IBNR	989,521	(68,320)	921,201	1,587,913	(33,516)	1,554,397
Annuity	33,262,702	-	33,262,702	33,313,069	-	33,313,069
Additional reserves	-	-	-	-	-	-
Claims reserve- Life business	1,840,774	(18,897)	1,821,877	2,591,257	(14,257)	2,577,001
Total liability -life business	122,791,545	(219,785)	122,571,760	112,402,026	(77,915)	112,324,111
Non-life business						
Reserve - UPR						
Aviation	-	-	-	-	-	-
Bond	1,201	5,967	7,168	7,168	(4,104)	3,064
Engineering	141,745	(45,631)	96,114	96,114	(20,942)	75,172
Fire	840,645	(423,674)	416,971	416,971	30,119	447,090
General Accident	284,191	(37,052)	247,139	247,139	(44,443)	202,696
Agriculture	21,681	(21,681)	-	-	-	-
Marine Hull	200,417	(81,736)	118,681	118,681	28,803	147,484
Motor	461,075	(117,234)	343,841	343,841	(31,045)	312,796
Oil and Gas	1,223,497	(295,209)	928,288	928,288	(288,839)	639,449
	3,174,452	(1,016,249)	2,158,203	2,158,203	(330,452)	1,827,751
Claims reserve						
- <i>Outgoing gross OCR</i>						
Aviation	-	-	-	-	-	-
Bond	-	-	-	-	-	-
Engineering	93,165	(21,450)	71,715	71,715	(34,982)	36,733
Fire	883,345	322,224	1,205,569	1,205,569	613,509	1,819,078
General Accident	977,670	(197,559)	780,111	780,111	(213,300)	566,811
Agriculture	1,000	(1,000)	-	-	-	-
Marine Hull	94,285	1,302,823	1,397,108	1,397,108	(1,360,097)	37,012
Motor	206,867	(108,181)	98,686	98,686	(9,573)	89,113
Oil and Gas	202,903	87,927	290,830	290,829	211,565	502,395
	2,459,235	1,384,784	3,844,019	3,844,019	(792,878)	3,051,141
- <i>Outgoing gross IBNR</i>						
Aviation	-	-	-	-	-	-
Bond	267	887	1,154	1,154	940	2,094
Engineering	37,155	9,710	46,865	27,445	(11,539)	15,906
Fire	378,310	(245,571)	132,739	132,739	106,414	239,153
General Accident	325,552	(14,632)	310,920	310,920	(134,254)	176,666
Agriculture	-	-	-	-	-	-
Marine Hull	143,366	(8,115)	135,251	135,252	(55,052)	80,200
Motor	211,308	(33,260)	178,048	178,048	(88,477)	89,571
Oil and Gas	234,153	180,995	415,148	415,148	(85,042)	330,106
	1,330,112	(109,986)	1,220,125	1,200,706	(267,010)	933,695
Total liability - non life business	6,963,799	258,549	7,222,347	7,202,927	(1,390,340)	5,812,587
Total liability - life and non life businesses	129,755,344	38,764	129,794,107	119,604,953	(1,468,253)	118,136,698

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Claims incurred by class of business during the period under review are shown below:	31-Dec-22			31-Dec-21		
	Gross liability	Re-Insurance	Net liability	Gross liability	Re-Insurance	Net liability
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Group Life	1,692,553	(381,473)	1,311,080	1,987,537	175,882	2,163,420
Group Credit Life	222,425	-	222,425	702,167	-	702,167
Annuity	5,091,787	-	5,091,787	4,715,055	-	4,715,055
Term Life	416,913	-	416,913	317,216	-	317,216
Individual Life	12,308,765	-	12,308,765	8,425,180	-	8,425,180
Non-life business	1,926,198	(538,916)	1,387,281	4,137,170	(2,517,195)	1,619,975
	21,658,642	(920,389)	20,738,252	20,284,326	(2,341,313)	17,943,013

Company	31-Dec-22			31-Dec-21		
	Gross liability	Re-Insurance	Net liability	Gross liability	Re-Insurance	Net liability
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Individual Traditional	59,965,593	-	59,965,593	47,381,428	-	47,381,428
Investment linked contracts	25,041,768	-	25,041,768	25,984,632	-	25,984,632
Credit Life	695,473	-	695,473	821,022	-	821,022
Group Life – UPR	995,715	(132,569)	863,147	722,703	(30,142)	692,562
Group Life – AURR	-	-	-	-	-	-
Group Life – IBNR	989,521	(68,320)	921,201	1,587,913	(33,516)	1,554,397
Annuity	33,262,702	-	33,262,702	33,313,069	-	33,313,069
Additional reserves	-	-	-	-	-	-
Outstanding claims	1,840,774	(18,897)	1,821,877	2,591,257	(14,257)	2,577,001
	122,791,546	(219,785)	122,571,761	112,402,026	(77,915)	112,324,112

Claims incurred by class of business during the period under review are shown below:	31-Dec-22			31-Dec-21		
	Gross liability	Re-Insurance	Net liability	Gross liability	Re-Insurance	Net liability
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Group Life	1,692,553	(381,473)	1,311,080	1,987,537	175,882	2,163,420
Group Credit Life	222,425	-	222,425	702,167	-	702,167
Annuity	5,091,787	-	5,091,787	4,715,055	-	4,715,055
Term Life	416,913	-	416,913	317,216	-	-
Individual Life	12,308,765	-	12,308,765	8,425,180	-	8,425,180
	19,732,444	(381,473)	19,350,971	16,147,156	175,882	16,323,038

3.3 Sources of uncertainty in the estimation of future claim payments

Claims on contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time, and a larger element of the claims provision relates to incurred but not reported claims (IBNR).

Uncertainty in the estimation of future benefits payments and premium receipts for insurance contracts arises from the unpredictability of long-term in variables such as the overall mortality rate, inflation rate, ultimate loss ratio and discount rates.

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The insurance liabilities have been made on the following principles:-

Type of Business	Valuation Method
Individual Risk Business	Gross Premium valuation (prospective)
Individual Deposit Based business (Flexi save)	Deposit reserve: Account balance at valuation date Risk reserve: Gross Premium valuation (prospective)
Group Life and Group School Fees	UPR + IBNR + AURR
Group Credit Life	UPR + IBNR + Expense reserve
Daily Term Assurance	Loss ratio estimation
Non-life business	Basic Chain Ladder + Loss ratio estimation + Bornheutter-Ferguson method

3.3.1 Individual business

A gross premium method (prospective method) was used for individual risk business. This is a monthly cashflow projection approach taking into account the incidence of all expected future cashflows including office premiums, expenses and benefit payments satisfying the Liability Adequacy Test.

For the endowment plans the portfolio reserves were tested to ensure they were at least as high as the surrender values at the valuation date. The FlexiSave Plan offers an accidental death, which are payable in addition to the sum insured on the occurrence of an accidental death. FlexiSave is an embedded product having components of insurance and financial risks. This reserve calculation also considers the expected future cashflows including expenses.

Interest is allocated to policyholder Flexisave accounts at a rate of 3% pa. In order to accurately consider the potential cost of the life cover to the Group from this product (and hence the reserves that should be held) the policyholder funds was projected; this enabled a comparison of the expected future income to the Group from the policy (the investment return not allocated to policyholder accounts and risk premiums) to the expected future outgo (death benefits and expenses). A reserve is then set up to meet any shortfalls.

Life cover is only available for "active" policies, being those that paid a premium in the year. The risk reserves will allow for future life cover on policies that are active at the valuation date. Policyholders are able to reinstate their life cover by paying any outstanding premiums. Allowance for reinstated policies are made within the additional reserves.

3.3.2 Group business

Reserves for Group Life business comprise an unexpired premium reserve (UPR) and where necessary, a reserve for Incurred But Not Reported Claims (IBNR) to make an allowance for the delay in reporting of claims.

The UPR represents the unexpired portion of the premium for each scheme, net of an expense margin reflecting the acquisition cost loadings. The adequacy of the UPR has been tested by comparing against an Additional Unexpired Risk Reserve (AURR), which has been calculated using pooled industry claims data for the underlying assumptions. An AURR will be held in cases where the UPR is deemed insufficient to meet claims in respect of the unexpired period.

An Ultimate loss ratio approach has been adopted for IBNR reserving.

No separate reserve is proposed for claims handling costs for Group Life business as these are typically insignificant in size. Costs incurred are absorbed as part of the general business management costs.

Due to the limited nature of data captured for credit life business, the cashflow projection approach could not be used for reserving. Instead, reserves have been estimated via an unexpired premium reserve plus an allowance for IBNR where necessary, and unexpired future operating expenses.

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3.3.3 Non-life business

Depending on the volume of data in the reserving classes, the appropriate methodologies were used. Three methods were used for the projection of claims. The Basic Chain Ladder Method (BCL), a Loss ratio method adjusted for assumed experience to date and in more recent years and where the claim development seems different than in the past a Bornheutter – Ferguson Method was used based on loss ratios that have been experienced in past accident years.

Claims data was grouped into triangles by accident year or quarter and payment year or quarter. The choice between quarters or years was based on the volume of data in each segment. Payment development patterns were used instead of the reporting years' patterns to allow for the longer tail development that would be seen in reporting and payment delays as well as to allow for the movement of partial payments in the data.

There was insufficient data to sub-divide claims between large and small claims. Sub-dividing the data would reduce the volume of the data in the triangles and compromise the credibility. Extreme large claims however were removed from the triangulations to avoid distorting development patterns.

Basic Chain Ladder Method (BCL)

Development factors were calculated using the data from 2005 to 2022 grouped by accident year. We used this development where possible to allow for some development in claims paid over the past ten years. Ultimate development factors are calculated for each of the development year. Development patterns are selected considering the stability of the loss ratios between accident periods for a development period as well as considering whether there seems to be a change in development, for example, a quickening in the rate that claims are reported. Ultimate development factors are applied to the paid data per accident year and an ultimate claim amount is calculated. The future claims (the ultimate claim amount less paid claims to date) are allocated to future payment periods in line with the development patterns calculated above.

For cases where there were extreme large losses that had been reported but not paid, and therefore would not have influenced the development patterns, the total case reserve was excluded from the calculation of the IBNR.

The Basic Chain Ladder Method assumes that past experience is indicative of future experience i.e. that claims reported to date will continue to develop in a similar manner in the future.

An implicit assumption is that, for an immature accident year, the claims observed thus far tell you something about the claims yet to be observed.

It also assumes consistent claim processing, a stable mix of types of claims, run off period and development patterns.

Loss ratio method

For four of the classes namely Oil and Gas, Marine Hull, Bond and Aviation, there was very limited data. A BCL method was therefore inappropriate. We allowed for expected experience to date and the assumed average Ultimate Loss ratios in carrying out the calculation.

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The IBNR is then calculated as: Expected ultimate loss ratio Multiplied by earned premium minus claims paid experience to date

An estimate of the average ultimate loss ratio was assumed. The assumptions was based on our estimated average loss ratio on claims experience to date for previous accident years, where claims data was available. For classes of business where no claims data is available, we have adopted the average loss ratio based on the industry experience.

3.4 Process used to decide on assumptions

3.4.1 Valuation interest rate:

We have adopted a yield curve which translated to an implied single rate of 14.36% (2021: 13.34%) at the valuation date. The yield curve is derived from the government bond yields for terms up to 30 years. An ultimate forward rate of 10% is assumed for durations beyond the last observable points. 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. Further the result is a "fair value" liability calculation which aids the comparability of accounts between insurers.

3.4.2 Expenses

The Group makes provisions for expenses in its mathematical reserves of an amount which is not less than the amount expected to be incurred in fulfilling its long-term insurance contracts. IFRS 4 explicitly requires the consideration of claims handling expenses.

Future maintenance expenses

The regulatory maintenance expenses are derived from the best estimate maintenance expenses plus a prudence margin for adverse deviations. The best estimate maintenance expenses are calculated using the sum of the following:

- (1) Per policy maintenance charges
- (2) Allocated operating expenses

The Group performed an expense analysis during the year, which suggests actual expense experience over the year of:

- (1) Individual life: ₦5,330 per policy
- (2) Credit life: ₦500 per policy
- (3) Family Shield and Sabi Savers: ₦2,421 per policy
- (4) Group life: 20% of premium

The Group adopted a valuation expense assumption of ₦5,330 per policy on risk policies excluding family shield and ₦500 per policy for credit life while expense per policy for family shield and Sabi Savers are set at ₦2,421. The analysis is based on the number of active policies at the valuation date.

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The valuation expense assumptions are as follows:

Type of Business	Current Valuation N'per policy	Previous valuation N'per policy
Individual Life	5,330	5,535
Credit Life	500	500
Family Shield & Sabi Savers	2,421	1,315

3.4.3 Expense Inflation

We have maintained an expense inflation rate which is 3% lower than the assumed gross valuation discount rate. This is in line with the global best practice.

3.4.4 Mortality

An appropriate base table of standard mortality is chosen depending on the type of contract. An investigation into Group's experience over the most recent three years is performed, and statistical methods are used to adjust the rates reflected in the table to a best estimate of mortality for that year.

The A67/70 (Assured Lives 1967-70) mortality table without adjustment was adopted in the valuation. A mortality study was conducted in 2011 using industry mortality experience data which demonstrated a good fit to the A67/70 table.

For annuity, we have adopted the UK Pensioner table PA (90) with age rating of -1.

3.4.5 Withdrawals

Withdrawals comprise both surrenders (voluntary) and lapses (involuntary). Surrenders are acceptable under the Endowments and Flexisave Plans, after policies have been in force for a pre-defined length of time (at which policies become eligible to receive a surrender value payout). Where eligible the Endowments surrender values are apportioned on the basis of sum insured.

3.4.6 Lapses

The allowance made for future lapses, surrenders and the premium collection rates are;

Lapses/Surrenders	Cashflow	Education
Year 1	24.2%	22.1%
Year 2	21.4%	22.4%
Year 3+	13.5%	12.8%

- i For individual policies the valuation age has been taken as Age Last Birthday at the valuation date. The period to maturity has been taken as the full term of the policy less the expired term. Full credit has been taken for premiums due between the valuation date and the end of the premium paying term.
- ii The valuation of the liabilities was made on the assumption that premiums have been credited to the accounts as they fall due, according to the frequency of the particular payment.
- iii No specific adjustment has been made for immediate payment of claims.
- iv No specific adjustment has been made for expenses after premiums have ceased in the case of limited payment policies i.e. they have been allocated at the same level of expenses as premium paying policies.
- v For all protection business any negative reserves were set to zero to prevent policies being treated as assets. Negative reserves were permitted for endowment plans for policies with no surrender value at the valuation date.
- vi Any policies subject to substandard terms were valued using the same basis as standard policies.

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3.4.7 Bonuses

We have made full allowance for the accrual of future bonuses at the guaranteed (simple) bonus rate of 2% pa for the Cashflow plan.

3.4.8 Group and Credit life businesses

Unexpired premium reserves (UPR) are reduced by a margin representing acquisition expenses, as these have been loaded into rates yet they have already been incurred.

Acquisition expense ratio of 20% of gross premium was adopted. Group Life commission was paid at 9% of premium and a NAICOM (regulatory) fee is payable at 1% of premium, stamp duty of 0.15% and management expenses.

The following assumptions were adopted for the credit life valuation:

- (i) Where no effective (start) date has been provided, the credit dates were assumed.
- (ii) Where no end date or tenor has been provided a tenor of 30 months was assumed; this is in line with the average policy term where data has been provided
- (iii) The UPR was based on the net premiums, where net premiums are reported after the deduction of commission. Commission is currently payable at 15% of premium
- (iv) The IBNR was estimated based on an average claims notification delay period of 3 months, which was derived from the claims experience data.

No additional contingency reserves was made in addition to those provided for long term business to be held. Other liabilities such as expense and data contingencies reserves has been estimated as necessary using the information available and reported in the main valuation. Assumptions used for these estimates are summarised in the table below:

All Business	2022	2021
Expense overrun	0%	0%
Worsening of mortality experience	0%	0%

3.4.9 Reinsurance agreements

Reinsurance is allowed for in the valuation by having gross and reinsurance ceded records in the policy files. All reserves have been reported gross of reinsurance, with the value of the reinsurance asset reported separately.

3.4.10 Changes in assumptions

The Group did not change its assumptions for the insurance contracts.

3.5 Insurance and Market risk sensitivities

The sensitivity analysis of insurance and market risk is used as it provides a detailed understanding of the risks inherent in the business and to help develop a risk monitoring and management framework to ensure the risks remain within limits, taking into account the available capital and shareholder risk tolerance levels.

The "Assumption Changes" component of the analysis of change in the table below shows the impact on liabilities of the actual assumption changes made over the year.

The sensitivity analysis was performed using the under-listed variables:

- a) Valuation interest (discount) rate +/-1%
- b) Expenses +/- 10%
- c) Expense inflation +/-2%
- d) Mortality +/-5% (including Group Life)

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GROUP

2022	Base	VIR		Expenses		Expense Inflation		Mortality	
		1%	-1%	10%	-10%	2%	-2%	5%	-5%
₦'000									
Individual Risk Reserves	56,859,061	54,659,978	59,187,468	57,501,426	56,220,238	56,598,191	57,219,582	56,877,344	56,796,617
PRA regulated annuity	33,262,702	31,838,910	34,820,275	33,333,718	33,191,686	33,262,702	33,262,702	33,085,008	33,445,702
Investment linked contracts	25,041,768	25,041,768	25,041,768	25,041,768	25,041,768	25,041,768	25,041,768	25,041,768	25,041,768
General business – UPR incl AURR	5,633,687	5,633,687	5,633,687	5,633,687	5,633,687	5,633,687	5,633,687	5,633,687	5,633,687
Group Credit Life	695,473	695,473	695,473	695,473	695,473	695,473	695,473	695,473	695,473
Group Life – UPR	981,908	981,908	981,908	981,908	981,908	981,908	981,908	981,908	981,908
Group Life – AURR	13,807	13,807	13,807	13,807	13,807	13,807	13,807	13,807	13,807
Group Life - IBNR	2,319,633	2,319,633	2,319,633	2,319,633	2,319,633	2,319,633	2,319,633	2,319,633	2,319,633
Outstanding Claims	1,840,774	1,840,774	1,840,774	1,840,774	1,840,774	1,840,774	1,840,774	1,840,774	1,840,774
Additional reserves:	-	-	-	-	-	-	-	-	-
Contingency Reserves	3,106,531	3,106,531	3,106,531	3,106,531	3,106,531	3,106,531	3,106,531	3,106,531	3,106,531
Reinsurance	(181,022)	(181,022)	(181,022)	(181,022)	(181,022)	(181,022)	(181,022)	(181,022)	(181,022)
Net Liability	129,574,323	125,951,448	133,460,301	130,287,703	128,864,483	129,313,453	129,934,844	129,414,911	129,694,878
% change in Net Liability		-2.8%	3.0%	0.6%	-0.5%	-0.2%	0.3%	-0.1%	0.1%
Assets	148,470,729	148,470,729	148,470,729	148,470,729	148,470,729	148,470,729	148,470,729	148,470,729	148,470,729
Surplus	18,896,406	22,519,281	15,010,428	18,183,026	19,606,246	19,157,276	18,535,885	19,055,818	18,775,851

COMPANY

2022	Base	VIR		Expenses		Expense Inflation		Mortality	
		1%	-1%	10%	-10%	2%	-2%	5%	-5%
₦'000									
Individual Risk Reserves	56,859,061	54,659,978	59,187,468	57,501,426	56,220,238	56,598,191	57,219,582	56,877,344	56,796,617
PRA regulated annuity	33,262,702	31,838,910	34,820,275	33,333,718	33,191,686	33,262,702	33,262,702	33,085,008	33,445,702
Investment linked contracts	25,041,768	25,041,768	25,041,768	25,041,768	25,041,768	25,041,768	25,041,768	25,041,768	25,041,768
Group Credit Life	695,473	695,473	695,473	695,473	695,473	695,473	695,473	695,473	695,473
Group Life – UPR	981,908	981,908	981,908	981,908	981,908	981,908	981,908	981,908	981,908
Group Life – AURR	13,807	13,807	13,807	13,807	13,807	13,807	13,807	13,807	13,807
Group Life - IBNR	989,521	989,521	989,521	989,521	989,521	989,521	989,521	989,521	989,521
Outstanding Claims	1,840,774	1,840,774	1,840,774	1,840,774	1,840,774	1,840,774	1,840,774	1,840,774	1,840,774
Additional reserves:	-	-	-	-	-	-	-	-	-
Contingency Reserves	3,106,531	3,106,531	3,106,531	3,106,531	3,106,531	3,106,531	3,106,531	3,106,531	3,106,531
Reinsurance	(219,785)	(219,785)	(219,785)	(219,785)	(219,785)	(219,785)	(219,785)	(219,785)	(219,785)
Net Liability	122,571,760	118,948,885	126,457,739	123,285,140	121,861,921	122,310,890	122,932,281	122,412,349	122,692,315
% change in Net Liability		-2.96%	3.2%	0.6%	-0.6%	-0.2%	0.3%	-0.1%	0.1%
Assets	135,209,491	135,209,491	135,209,491	135,209,491	135,209,491	135,209,491	135,209,491	135,209,491	135,209,491
Surplus	12,637,731	16,260,606	8,751,752	11,924,351	13,347,570	12,898,601	12,277,210	12,797,142	12,517,176

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3.6 Asset cover

The asset cover level at the valuation date was 114% for group and 110% for company (114 and 111%: 2021). That is, assets representing life and non-life fund on the Group's balance sheet (N174.97 billion) were 135% of the valuation of the actuarially calculated liabilities (N129.76 billion), while assets representing life fund on the Company's balance sheet (N162.90 billion) were 133% of the value of the actuarial calculated liabilities (N122.79 billion).

The assets backing the life and non-life funds are as follows:

	Group		Company	
	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-22 N'000	31-Dec-21 N'000
Cash and bank balances	3,363,390	1,399,292	1,958,431	967,241
Treasury Bills	17,685,596	18,203,569	11,881,674	16,849,501
Government Bonds	121,863,335	104,203,329	121,141,640	99,152,058
Corporate bonds	-	2,556,719	-	2,131,293
Commercial papers	-	3,428,369	-	3,428,369
Investment in promissory note	-	1,295,655	-	1,295,655
Investment in quoted equity	-	500,661	-	500,661
Trade receivables	-	62,860	-	29,869
Due from policyholders	1,175,195	5,504	7,961	5,504
Reinsurance assets	3,742,110	4,705,753	219,785	89,697
Total	147,829,626	136,361,711	135,209,490	124,449,846

The assets adequately matched the liabilities. In particular asset admissibility requirements and localization rules in section 25 of 2003 Insurance Act were met. The life fund shows a surplus of N12.1 billion (2021: N18.4 billion), while the non-life fund shows a surplus of N537.9 million (2021: N144.0million).

4 Management of Financial risk

The Group is exposed to various financial risks in connection with its current operating activities, such as foreign currency risk, interest rate risk, credit risk, market risk and liquidity risk. These risks contribute to the key financial risk that the proceeds from the Group's financial assets are insufficient to fund the obligations arising from insurance policy

The Group manages these risks through the activities of the Audit Committee and the Investment Committee. Each committee meets at least four times per annum to discuss financial risk issues. Management is responsible for implementing recommendations that have been agreed and reporting back to the relevant committee.

The Audit Committee is a committee of the Board of Sanlam Life Insurance Nigeria Limited and is responsible for the implementation and monitoring of overall risk management, internal financial controls and financial and actuarial reporting within the Group. The main responsibilities of this Committee are:

- i) Setting and overseeing the overall standard for financial and actuarial reporting, risk management and internal controls within the Group;
- ii) Monitoring the effectiveness of business risk management processes in the Group;
- iii) Reviewing and assessing the quality of the work done by professionals responsible for financial and actuarial reporting, risk management and internal control; and
- iv) Engaging in discussions with external and internal auditors on the quality and acceptability of the control environment and reporting structures.

The Investment Committee is a management committee and is responsible for:

- i) ensuring that insurance and investment contract liabilities are matched with appropriate supporting assets based on the type of benefits payable to the contract holders;
- ii) ensuring that the long-term investment return on assets supporting policy liabilities are sufficient to fund policyholders' reasonable benefit expectations and the shareholders' profit entitlement;
- iii) the implementation and monitoring of the asset management process to ensure that the risks arising from trading positions are effectively managed within the pre-determined risk parameters.

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4.1 Market risk

The business's operations are exposed to market risk. Market risk arises from the uncertain movement in fair value or net asset value of the investments that stems principally from potential changes in sentiment towards the investment, the variability of future earnings that is reflected in the current perceived value of the investment and the fluctuations in interest rates and foreign currency exchange rates.

The acquisition of policyholders' assets is based on the design of the product and marketing descriptions. Within these parameters, investments are managed with the aim of maximising policyholder returns while limiting risk to acceptable levels within the framework of statutory requirements. The focus of risk measurement and management is to ensure that the potential risks inherent in an investment are reasonable for the future potential reward, exposure to investment risk is limited to acceptable levels, premium rates are adequate to compensate for investment risk and an adequate reserving policy is applied for long-term policy liabilities. The diverse product range requires a variety of approaches to the management of risk; these range from portfolio management practices and techniques such as optimization of expected risks and rewards based on investment objectives, to asset-liability matching in support of statement of financial position obligations.

The Investment Committee meets quarterly to set investment policy guidelines and to govern compliance to risk policies and limits. Comprehensive measures and limits are in place to control the exposure to market risk of the investments of the Group. The aim is to ensure that appropriate assets are held where the liabilities are dependent upon the performance of specific portfolios of assets and that a suitable match of assets exists for all non-linked liabilities. Limits are applied in respect of the exposure to asset classes and individual counters. Where applicable, advice is sought from the asset manager on suitable amendments to the mandates, senior management experience and judgment is applied to monitoring and controlling market risk.

4.1.1 Foreign exchange risk

Foreign exchange risk is the risk associated with movement in the foreign exchange prices from foreign currency denominated transactions which the Group is exposed to.

The Group is exposed to foreign exchange currency risk primarily through certain transactions denominated in foreign currency. The Group is exposed to foreign currency denominated in dollars and Euros through bank balances in other foreign currencies.

The Group manages its exposure to foreign exchange risk using sensitivity analysis to assess potential changes in the value of foreign exchange positions and impact of such changes on the Group's income. There have been no major changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

The carrying amounts of the Group's foreign currency-denominated assets as at end of the year are as follows:

	Currency	Group		Company	
		31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-22 N'000	31-Dec-21 N'000
Cash and bank balances	Dollars	604,358	236,905	27,467	12,115
	Euro	16,450	5,140	-	-

The table below shows the effect on the profit for the period ending 31 December 2022 from a N461.50/\$1 (2021 December: N424.11/\$) and N478.38/EUR (2021 December: N482.32/Eur) closing rate favorable/unfavorable change in USD/Euro against the naira with all other variables held constant.

Changes in USD exchange rate	Impact on PBT			
	Group		Company	
	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-22 N'000	31-Dec-21 N'000
Increase/(decrease) by 10% (+/-)	60,436	23,691	2,747	1,212
Increase/(decrease) by 15% (+/-)	90,654	35,536	4,120	1,817
Changes in EURO exchange rate				
Increase/(decrease) by 10% (+/-)	1,645	514	-	-
Increase/(decrease) by 15% (+/-)	2,468	771	-	-

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4.1.2 Interest-rate risk

Interest rate risk is the risk that the value of a fixed income security will fall as a result of movement in market interest rates. Interest rate risk also arises from fluctuations in future cash flows of a financial instrument because of changes in market interest rates.

The Group is exposed to interest rate risk through its investment in fixed income and money market instruments. Interest rate risk also exists in policies that carry investment guarantees on early surrender or at maturity, where claim values may be higher than the value of assets backing the policy as a result of rises or falls in interest rates. The Group's investment income will change with interest rates over the medium to long-term with short-term interest rate fluctuations creating unrealized gains or losses in other comprehensive income. Interest rate risk is managed principally through monitoring interest rate gaps and sensitivity analysis across investment portfolio. The fluctuations in interest rates will not impact the financial position as interest-rate sensitive liabilities are quite small compared with the

The table below shows the interest rate sensitivity analysis for interest bearing assets and liabilities as at 31 December 2022 holding all other variable constant. A 100 & 500 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Group

31 December 2022

Interest bearing assets	Total	1 - 3 months	3 - 6 months	6 - 12 months	> 12months
	N'000	N'000	N'000	N'000	N'000
Cash and bank balances	5,378,491	5,378,491	-	-	-
Investment securities	159,953,435	10,733,837	5,951,080	7,779,311	135,489,208
Statutory deposit	500,000	-	-	-	500,000
Staff loans	682,141	37,598	45,256	255,028	344,259
Due from policy holders	7,961	3,541	-	677	3,743
	166,522,028	16,153,467	5,996,336	8,035,016	136,337,210
Interest bearing liabilities-					
insurance contract liabilities	104,713,578	9,128,695	2,857,393	5,724,861	87,002,629
investment contract liabilities	25,041,768	2,812,911	1,565,687	2,984,857	17,678,312
	129,755,346	11,941,606	4,423,080	8,709,719	104,680,941
Gap	36,766,682	4,211,861	1,573,256	(674,703)	31,656,268
Cumulative gap	36,766,682	40,978,544	42,551,799	41,877,097	73,533,365

Changes in interest rate

	Impact on profit before tax					
Increase/(decrease) by 100bp (+/-)		42,119	15,733	-	6,747	316,563
Increase/(decrease) by 500bp (+/-)		210,593	78,663	-	33,735	1,582,813

31 December 2021

Interest bearing assets	Total	1 - 3 months	3 - 6 months	6 - 12 months	> 12months
	N'000	N'000	N'000	N'000	N'000
Cash and bank balances	2,298,398	2,283,661	-	-	14,737
Investment securities	143,297,838	11,336,745	6,833,723	8,734,529	116,392,841
Statutory deposit	500,000	-	-	-	500,000
Staff loans	658,602	1,624	658	207,714	448,606
Due from policy holders	5,504	-	-	1,220	4,284
	146,760,341	13,622,030	6,834,381	8,943,463	117,360,467
Interest bearing liabilities-					
insurance contract liabilities	94,345,281	9,128,695	2,857,393	59,906,116	22,453,078
investment contract liabilities	25,984,632	2,812,911	1,565,687	2,984,857	18,621,176
	120,329,913	11,941,606	4,423,080	62,890,973	41,074,254

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Gap	26,430,429	1,680,424	2,411,301	(53,947,510)	76,286,213
Cumulative gap	26,430,429	28,110,853	30,522,154	(23,425,356)	52,860,857

Changes in interest rate	Impact on profit before tax				
Increase/(decrease) by 100bp (+/-)		16,804	24,113	(539,475)	762,862
Increase/(decrease) by 500bp (+/-)		84,021	120,565	(2,697,375)	3,814,311

Company

31 December 2022

Interest bearing assets	Total	1 - 3 months	3 - 6 months	6 - 12 months	> 12months
	N'000	N'000	N'000	N'000	N'000
Cash and bank balances	3,487,144	3,487,144	-	-	-
Investment securities	150,700,076	11,336,745	5,538,065	8,676,121	125,149,145
Statutory deposit	200,000	-	-	-	200,000
Staff loans	519,908	15,497	35,250	104,363	364,798
Due from policy holders	7,961	3,541	-	677	3,743
	154,915,089	14,842,927	5,573,315	8,781,161	125,717,686

Interest bearing liabilities-					
insurance contract liabilities	97,749,778	8,521,606	2,667,366	5,344,139	81,216,666
investment contract liabilities	25,041,768	2,812,911	1,565,687	2,984,857	17,678,312
	122,791,546	11,334,517	4,233,054	8,328,996	98,894,978

Gap	32,123,543	3,508,410	1,340,262	452,164	26,822,708
Cumulative gap	32,123,543	35,631,953	36,972,215	37,424,379	64,247,087

Changes in interest rate	Impact on profit before tax				
Increase/(decrease) by 100bp (+/-)		35,084	13,403	4,522	268,227
Increase/(decrease) by 500bp (+/-)		175,420	67,013	22,608	1,341,135

31 December 2021

Interest bearing assets-Company	Total	1 - 3 months	3 - 6 months	6 - 12 months	> 12months
	N'000	N'000	N'000	N'000	N'000
Cash and bank balances	1,379,959	1,364,755	-	-	15,204
Investment securities	135,188,573	11,336,745	5,538,065	8,676,121	109,637,642
Statutory deposit	200,000	-	-	-	200,000
Staff loans	492,131	1,624	658	24,942	464,907
Due from policy holders	5,504	-	-	1,220	4,284
	137,266,167	12,703,124	5,538,723	8,702,283	110,322,037

Interest bearing liabilities-					
insurance contract liabilities	87,142,353	3,185,641	8,660,896	2,591,258	72,704,558
investment contract liabilities	25,984,632	3,923,974	3,586,166	30,167	18,444,325
	113,126,985	7,109,615	12,247,062	2,621,424	91,148,883

Gap	137,266,167	12,703,124	5,538,723	8,702,283	110,322,037
Cumulative gap	137,266,167	149,969,291	155,508,014	164,210,297	274,532,334

Changes in interest rate	Impact on profit before tax				
Increase/(decrease) by 100bp (+/-)		127,031	55,387	87,023	1,103,220
Increase/(decrease) by 500bp (+/-)		635,156	276,936	435,114	5,516,102

The tables below summarises the entity's interest rate gap position on all portfolios:

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Group 31 December 2022

Financial assets:	Carrying amount	Variable interest-bearing	Fixed interest-bearing	Non-interest bearing
	₦'000	₦'000	₦'000	₦'000
Cash and balances with banks	5,378,491	-	4,020,437	1,358,053
Amortised cost - Policy loan	7,961	-	7,961	-
FVTPL - Financial assets	144,495,940	-	144,495,940	-
Investment securities:				
- Amortised cost	15,457,495	-	15,457,495	-
Statutory deposit with Central Bank of Nigeria	500,000	500,000	-	-
Other assets	20,429,813	-	-	20,429,813
	186,269,700	500,000	163,981,834	21,787,866
Financial liabilities:				
Due to Insurance entities	570,191	-	-	570,191
Deposit from customers	25,041,768	-	25,041,768	-
Other liabilities	123,084,197	-	-	123,084,197
	148,696,156	-	25,041,768	123,654,388

Group December 31, 2021

Financial assets:	Carrying amount	Variable interest-bearing	Fixed interest-bearing	Non-interest bearing
	₦'000	₦'000	₦'000	₦'000
Cash and balances with banks	2,298,398	-	1,501,967	796,431
Amortised cost - Policy loan	5,504	-	5,504	-
FVTPL - Financial assets	126,985,624	-	126,985,624	-
Investment securities:				
- Amortised cost	16,312,214	-	16,312,214	-
Statutory deposit with Central Bank of Nigeria	500,000	500,000	-	-
Other assets	18,959,868	-	-	18,959,868
	165,061,608	500,000	144,805,308	19,756,299
Financial liabilities:				
Due to Insurance entities	878,359	-	-	878,359
Deposit from customers	25,984,632	-	25,984,632	-
Other liabilities	104,910,768	-	-	104,910,768
	131,773,759	-	25,984,632	105,789,127

Company 31 December 2022

Financial assets:	Carrying amount	Variable interest-bearing	Fixed interest-bearing	Non-interest bearing
	₦'000	₦'000	₦'000	₦'000
Cash and balances with banks	3,487,144	-	2,688,576	798,568
Amortised cost - Policy loan	7,961	-	7,961	-
FVTPL - Financial assets	136,881,582	-	136,881,582	-
Investment securities:				
- Amortised cost	13,818,494	-	13,818,494	-
Statutory deposit with Central Bank of Nigeria	200,000	200,000	-	-
Other assets	8,508,659	-	-	8,508,659
	162,903,840	200,000	153,396,613	9,307,226

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Financial liabilities:				
Due to Insurance entities	120,230	-	-	120,230
Deposit from customers	25,041,768	-	25,041,768	-
Other liabilities	114,479,114	-	-	114,479,114
	139,641,112	-	25,041,768	114,599,344

December 31, 2021

Financial assets:	Carrying amount	Variable interest-bearing	Fixed interest-bearing	Non-interest bearing
	₦'000	₦'000	₦'000	₦'000
Cash and balances with banks	1,379,959	-	907,278	472,681
Amortised cost - Policy loan	5,504	-	5,504	-
FVTPL - Financial assets	119,084,610	-	119,084,610	-
Investment securities:				
- Amortised cost	16,103,963	-	16,103,963	-
Statutory deposit with Central Bank of Nigeria	200,000	200,000	-	-
Other assets	8,253,144	-	-	8,253,144
	145,027,180	200,000	136,101,354	8,725,825
Financial liabilities:				
Due to Insurance entities	68,501	-	-	68,501
Deposit from customers	25,984,632	-	25,984,632	-
Other liabilities	96,858,543	-	-	96,858,543
	122,911,676	-	25,984,632	96,927,044

4.1.3 Equity price risk

The Group is exposed to equity price risks arising from equity investments. Based on the volatility of quoted stocks, the Group monitors the contribution of individual stock to the total stocks holding in a portfolio on a monthly basis. Should there be a drastic drop in price of one equity the effect on the portfolio will not be significant. The Group is majorly exposed to equity price risk within the Banking sector.

Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, the Group's other comprehensive income would increase/decrease by nil (Company 2021: nil) as a result of the changes in fair value of investments in equity instruments. If equity prices had been 1% higher/lower, the Group's other comprehensive income would increase/decrease by nil (Company 2021: nil) as a result of the changes in fair value of investments in equity instruments.

4.2 Credit risk

Credit risk arises from the inability or unwillingness of a counter party to a financial instrument to discharge its contractual obligations. The Group determines counter-party credit quality by reference to ratings from independent ratings agencies or, where such ratings are not available, by internal analysis. The Group seeks to avoid unacceptable concentration of credit risk to groups of counterparties, to business sectors, product types, etc.

Key areas where the Group is exposed to credit risk are:

- Reinsurers' share of insurance liabilities;
- Amounts due from reinsurers in respect of claims already paid;
- Amounts due from insurance contract holders;
- Amounts due from insurance intermediaries;
- Amounts due from loans and receivables;
- Amounts due from money market and cash positions

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The Group structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties. Such risks are subject to an annual or more frequent review. Limits on the level of credit risk by category and territory are approved by the Management Committee.

Reinsurance is used to manage insurance risk. This does not, however, discharge the Group's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Group remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract.

The Group's financial instruments do not represent a concentration of credit risk because the business deals with a variety of reinsurers and its premiums receivable and loans are spread among a number of major industries, customers and geographic areas. Amounts receivable in terms of long-term insurance business are secured by the underlying value of the unpaid policy benefits in terms of the policy contract. An appropriate level of provisioning is maintained.

The Group manages its exposure to credit risk through counterparty risk using established limits as approved by the Board. These limits are determined based on credit ratings of the counterparty amongst other factors. The investments portfolio are monitored on a monthly basis.

Exposure outside financial institutions concerning deposits and similar transactions are monitored against approved limits. In order to monitor the credit risk exposure, FBN Capital was appointed as the Fund Management Adviser of the Group. FBN Capital advises on the investment securities of the Group under an investment advisory service contract. The contract specifies that all statutory and regulatory guidelines are duly complied with. The Group has ensured that its portfolio is spread into different classes of risk to ensure maximum return and mitigate investment risk.

4.2.1 Maximum exposure to credit risk before collateral and other credit enhancements.

	Group		Company	
	31-Dec-22 ₦'000	31-Dec-21 ₦'000	31-Dec-22 ₦'000	31-Dec-21 ₦'000
Cash and bank balances	5,378,452	2,298,398	3,487,105	1,379,959
Investment securities	159,546,802	143,297,838	150,293,443	135,188,573
Trade receivables	223,288	62,860	10,500	29,869
Reinsurance assets	3,707,113	4,678,401	219,785	89,697
Other receivables	112,727	11,091	102,040	1,879
Statutory deposit	500,000	500,000	200,000	200,000
Staff loans	682,141	658,602	519,908	492,131
Due from policy holders	7,961	5,504	7,961	5,504
	170,158,484	151,512,692	154,840,741	137,387,613

Other receivable includes interest receivables, sundry debtors, and impairment in note 10

4.2.2 Credit quality of financial assets

All assets are classified as "Neither past due nor impaired". Credit quality of trade receivables is summarised as

	Group		Company	
	31-Dec-22 ₦'000	31-Dec-21 ₦'000	31-Dec-22 ₦'000	31-Dec-21 ₦'000
Neither past due nor impaired	223,288	62,860	10,500	29,869
Individually impaired	-	-	-	-
Gross	223,288	62,860	10,500	29,869
Less: allowance for impairment	-	-	-	-
Net	223,288	62,860	10,500	29,869

No trade receivable balance was past due but not impaired. The risk associated with other receivables are low.

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<i>Aging analysis of Trade receivables</i>	Group		Company	
	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-22 N'000	31-Dec-21 N'000
Neither past due nor impaired				
0 - 30 days	223,288	62,860	10,500	29,869
31 - 90 days	-	-	-	-
91 - 180 days	-	-	-	-
	223,288	62,860	10,500	29,869

4.2.3 Credit quality of financial assets neither past due nor impaired

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to internal credit ratings or to historical information about counterparty default rates:

Internal credit rating system:

Rating bucket	Description		Range of scores	Probability of default	
AAA	Extremely low risk	1	1.00 - 1.99	90 - 100%	1%
AA	Very low risk	2	2.00 - 2.99	80 - 89%	1%
A	Low risk	3	3.00 - 3.99	70 - 79%	1.5%
BBB	Low risk	4	4.00 - 4.99	60 - 69%	2%
BB	Acceptable - moderately high risk	5	5.00 - 5.99	50 - 59%	4%
B	High risk	6	6.00 - 6.99	40 - 49%	6%
CCC	Very high risk	7	7.00 - 7.99	30 - 39%	9%
CC	Extremely high risk	8	8.00 - 8.99	10 - 29%	13%
C	High likelihood of default	9	9.00 - 9.99	0 - 9%	15%
D	Default risk	10			
D	Sub -standard				25%
D	Doubtful				50%
D	Lost				100%

Source: Banks Website

4.2.4 Management of credit risk

The Board of Directors is responsible for oversight of the Entity's credit risk, including:

- Formulating credit policies for The Entity, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to the Board of Directors as appropriate.
- Reviewing and assessing credit risk in all credit exposures prior to making commitment to customers. Renewals and reviews of facilities are subject to the same review process.
- Developing and maintaining The Entity's criteria for categorising exposures, and to focus management on the attendant risks. The responsibility for approving and reviewing the Risk Assets Acceptance Criteria and Credit Risk Policy lies with the Board of Directors
- Reviewing compliance of with exposure and concentration limits, and promotion of best practices throughout The Entity in the management of credit risk.

Credit Risk Measurement

The entity undertakes lending activities after careful analysis of the borrowers' general character, capacity to repay existing policy buffer, cash flow, credit history, organisational/management quality, financial condition, market position, business operations, industry and other factors. The entity acknowledges that there are diverse intrinsic risks inherent in the vagaries of its business segments and, as a result, applies different parameters to adequately dimension the risks in each business segments.

The Entity's rating grades as defined by the Board of Directors, covering all The Entity's credit exposure to individual policyholder, corporate, commercial, conglomerates and multinationals. Obligor rating in the Entity is handled by Underwriting Manager with further review by Risk Management and Control before it goes through the approval

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The relationship between The Entity's internal rating system and the external rating system (Agusto & Co.) is shown

External rating	Internal rating	Description	Characteristics
AAA	A	Highly Outstanding Investments	<ul style="list-style-type: none"> • Highest investment quality • Lowest expectation of default risk • Exceptionally strong capacity for timely payment of financial commitments • Capacity is highly unlikely to be adversely affected by unforeseeable events • Top multinationals / corporations • Strong equity and assets • Good track record • Strong cash flows
AA	B	Above Average Investments	<ul style="list-style-type: none"> • Very high investment quality • Very low expectation of default risk • Very strong capacity for timely payment of financial commitments • Capacity is not significantly vulnerable to unforeseeable events. • Typically large corporates in stable industries and with significant market share • Very strong balance sheets with high liquid assets
A			
BBB	C	Average Investments	<ul style="list-style-type: none"> • Good investment quality • Low expectation of default risk. • Capacity for timely payment of financial commitments is considered adequate • Adverse changes in circumstances and in economic conditions is more likely to impair capacity for payment • Typically in stable industries • Strong debt repayment capacity and coverage • Good asset quality and liquidity position • Very good management
BB			
B			
CCC	D	Acceptable Investments	<ul style="list-style-type: none"> • Average investment quality • Possibility of default risk developing, particularly as the result of adverse economic changes over time • Category is acceptable as business or financial alternatives may be available to allow financial commitments to be met • Good character of owner • Good management but depth may be an issue • Typically good companies in cyclical industries
CC			
C	E	Unacceptable Investments	<ul style="list-style-type: none"> • High risk investment quality • High probability of partial loss • Financial condition is weak but obligations are still being met as and when they fall due • Adverse changes in the environment will increase risk significantly • Very weak credit fundamentals which make full debt repayment in serious doubt • Bleak economic prospects • Lack of capacity to repay unsecured debt
D			

The Entity's operational measurements for credit risk are in conformity with the impairment allowances required under the applicable reporting standard - IAS 39, IFRS 9, and are based on losses that are expected incurred at the date of the statement of financial position, that is the "expected loss model" rather than "incurred losses".

The estimation of credit exposure is complex and requires the use of models, as the value of a product varies with changes in market variables, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties.

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The Entity has developed models to support the quantification of the credit risk. These rating and scoring models are in use for all key credit portfolios and form the basis for measuring default risks. In measuring credit risk of loan and advances at a counterparty level, the Group considers three components: (i) the 'probability of default' (PD) by the client or counterparty on its contractual obligations; (ii) current exposures to the counterparty and its likely future development, from which the Group derive the 'Exposure At Default' (EAD); and (iii) the likely recovery ratio on the defaulted obligations (the 'Loss Given Default') (LGD). The models are reviewed regularly to monitor their robustness relative to actual performance and amended as necessary to optimise their effectiveness.

For debt securities, external ratings such as GCR, Moody's Agosto & Co, Fitch, Standard & Poor's rating or their equivalents are used by Risk Management department for managing of the credit risk exposures as supplemented by The Entity's own assessment through the use of internal ratings tools.

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Group						
31 December 2022						
	AAA	AA	A	BB	CC	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Policyholder Portfolio						
Cash and bank balances	-	-	-	3,363,390	-	3,363,390
Marketable investment securities	-	-	-	142,506,474	-	142,506,474
Reinsurance assets	-	-	-	3,742,110	-	3,742,110
Due from policy holders	-	-	7,961	-	-	7,961
Total	-	-	7,961	149,611,974	-	149,619,935
Shareholder Portfolio						
Cash and bank balances	-	-	-	2,015,101	-	2,015,101
Marketable investment securities	-	-	-	17,446,962	-	17,446,962
Statutory deposit	500,000	-	-	-	-	500,000
Staff loans	519,908	-	162,233	-	-	682,141
Total	1,019,908	-	162,233	19,462,063	-	20,644,203
31 December 2021						
	AAA	AA	A	BB	CC	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Policyholder Portfolio						
Cash and bank balances	-	-	-	432,519	966,772	1,399,291
Marketable investment securities	-	6,830,857	103,306,086	10,103,802	9,947,557	130,188,302
Reinsurance assets	-	-	-	4,705,754	-	4,705,754
Due from policy holders	-	-	-	-	5,504	5,504
Total	-	6,830,857	103,306,086	15,242,075	10,919,832	136,298,851
Shareholder Portfolio						
Cash and bank balances	-	-	-	-	899,106	899,106
Marketable investment securities	-	-	7,760,415	-	5,349,120	13,109,535
Statutory deposit	500,000	-	-	-	-	500,000
Staff loans	492,131	-	-	-	166,471	658,602
Total	992,131	-	7,760,415	-	6,414,697	15,167,244
Company						
31 December 2022						
	AAA	AA	A	BB	CC	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Policyholder Portfolio						
Cash and bank balances	-	-	-	1,958,431	-	1,958,431
Marketable investment securities	-	-	-	133,429,947	-	133,429,947
Reinsurance assets	-	-	-	219,785	-	219,785
Due from policy holders	-	-	7,961	-	-	7,961
Total	-	-	7,961	135,608,163	-	135,616,124
Shareholder Portfolio						
Cash and bank balances	-	-	-	1,528,713	-	1,528,713
Marketable investment securities	-	-	-	17,270,129	-	17,270,129
Statutory deposit	200,000	-	-	-	-	200,000
Staff loans	519,908	-	-	-	-	519,908
Total	719,908	-	-	18,798,842	-	19,518,750
31 December 2021						
	AAA	AA	A	BB	CC	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Policyholder Portfolio						
Cash and bank balances	-	-	-	-	967,241	967,241
Marketable investment securities	-	-	103,306,086	10,103,802	9,947,648	123,357,536
Reinsurance assets	-	-	-	89,697	-	89,697
Due from policy holders	-	-	-	-	5,504	5,504
Total	-	-	103,306,086	10,193,499	10,920,392	124,419,977
Shareholder Portfolio						
Cash and bank balances	-	-	-	412,718	-	412,718
Marketable investment securities	-	-	11,831,037	-	-	11,831,037
Statutory deposit	200,000	-	-	-	-	200,000
Staff loans	492,131	-	-	5,504	-	497,635
Total	692,131	-	11,831,037	418,222	-	12,941,390

4.2.4. Concentration of credit risk exposure

a. Geographical sectors

The concentration of credit risk exposure are all in Nigeria.

b. Industry Sector

The following table breaks down the Group's credit exposure at carrying amounts, as categorised by the industry sectors of the Group's counterparties.

Group	31-Dec-22				31-Dec-21			
	Premium Receivable	Investment securities	Other receivable	Total	Premium Receivable	Investment securities	Other receivable	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Finance and insurance	223,288	164,925,254	3,707,113	168,855,655	62,860	145,596,236	4,678,401	150,337,497
General commerce	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-
Oil and gas	-	-	-	-	-	-	-	-
Public sector	-	-	500,000	500,000	-	-	500,000	500,000
Retail	-	-	802,828	802,828	-	-	318,106	318,106
Total	223,288	164,925,254	5,009,942	170,158,484	62,860	145,596,236	5,496,508	151,155,603

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Company	December 31, 2022				December 31, 2021			
	Premium Receivable	Investment securities	Other receivable	Total	Premium Receivable	Investment securities	Other receivable	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Finance and insurance	10,500	153,780,548	219,785	154,010,833	29,869	135,188,573	89,697	135,308,139
General commerce	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-
Oil and gas	-	-	-	-	-	-	-	-
Public sector	-	-	200,000	200,000	-	-	200,000	200,000
Retail	-	-	629,909	629,909	-	-	499,514	499,514
	10,500	153,780,548	1,049,693	154,840,741	29,869	135,188,573	789,211	136,007,653

4.2.5 Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the statement of financial position. As at year end, none of these agreement arrangements met the criteria for offsetting in the statement of financial position.

Reinsurance payable and receivables create for the parties to the agreement a right of set-off on recognised amounts that is enforceable only following a predetermined events as stipulated within the treaty agreements. Under the requirements of 'IFRS 4 - Insurance contract', reinsurance assets and liabilities are disclosed gross. Each party to the agreement will have the option to settle all such amounts on a net basis in the event of default of the other party. An event of default includes a failure by a party to make payment when due.

Group

31 December 2022

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements

	Gross amount of recognised financial asset ₦'000	Gross amount of financial liabilities offset in the statement of financial position ₦'000	Net amounts of financial assets presented in the statement of financial position ₦'000	Related amounts not offset in the statement of financial position		
				Financial instruments (including non cash collateral) ₦'000	Cash collateral received ₦'000	Net amount ₦'000
Reinsurance receivables	3,742,110	-	3,742,110	(88,407)	-	3,653,703

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements

	Gross amount of recognised financial liabilities ₦'000	Gross amount of financial assets offset in the statement of financial position ₦'000	Net amounts of financial liabilities presented in the statement of financial position ₦'000	Related amounts not offset in the statement of financial position		
				Financial instruments (including non cash collateral) ₦'000	Cash collateral received ₦'000	Net amount ₦'000
Reinsurance payables	88,407	-	88,407	(88,407)	-	-

Group

31 December 2021

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements

	Gross amount of recognised financial asset ₦'000	Gross amount of financial liabilities offset in the statement of financial position ₦'000	Net amounts of financial assets presented in the statement of financial position ₦'000	Related amounts not offset in the statement of financial position		
				Financial instruments (including non cash collateral) ₦'000	Cash collateral received ₦'000	Net amount ₦'000
Reinsurance receivables	4,705,754	-	4,705,754	(359,507)	-	4,346,247

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements

	Gross amount of recognised financial liabilities ₦'000	Gross amount of financial assets offset in the statement of financial position ₦'000	Net amounts of financial liabilities presented in the statement of financial position ₦'000	Related amounts not offset in the statement of financial position		
				Financial instruments (including non cash collateral) ₦'000	Cash collateral received ₦'000	Net amount ₦'000
Reinsurance payables	359,507	-	359,507	(359,507)	-	-

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Company
31 December 2022

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements	Gross amount of recognised financial asset N'000	Gross amount of financial liabilities offset in the statement of financial position N'000	Net amounts of financial assets presented in the statement of financial position N'000	Related amounts not offset in the statement of financial position		
				Financial instruments (including non cash collateral) N'000	Cash collateral received N'000	Net amount N'000
Reinsurance receivables	219,785	-	219,785	(49,301)	-	170,484

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements	Gross amount of recognised financial liabilities N'000	Gross amount of financial assets offset in the statement of financial position N'000	Net amounts of financial liabilities presented in the statement of financial position N'000	Related amounts not offset in the statement of financial position		
				Financial instruments (including non cash collateral) N'000	Cash collateral received N'000	Net amount N'000
Reinsurance payables	49,301	-	49,301	(49,301)	-	-

Company
31 December 2021

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements	Gross amount of recognised financial asset N'000	Gross amount of financial liabilities offset in the statement of financial position N'000	Net amounts of financial assets presented in the statement of financial position N'000	Related amounts not offset in the statement of financial position		
				Financial instruments (including non cash collateral) N'000	Cash collateral received N'000	Net amount N'000
Reinsurance receivables	89,697	-	89,697	(47,789)	-	41,908

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements	Gross amount of recognised financial asset N'000	Gross amount of financial liabilities offset in the statement of financial position N'000	Net amounts of financial assets presented in the statement of financial position N'000	Related amounts not offset in the statement of financial position		
				Financial instruments (including non cash collateral) N'000	Cash collateral received N'000	Net amount N'000
Reinsurance payables	47,789	-	47,789	(47,789)	-	-

4.3 Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its obligations when they fall due as a result of policyholder benefit payments, cash requirements from contractual commitments, or other cash outflows, such as debt maturities. Such outflows would deplete available cash resources for operational, trading and investments activities. In extreme circumstances, lack of liquidity could result in reductions in the consolidated balance sheet and sales of assets, or potentially an inability to fulfil policyholder commitments. The risk that the Group will be unable to do so is inherent in all insurance operations and can be affected by a range of institution-specific and market-wide events including, but not limited to, credit events, merger and acquisition activity, systemic shocks and natural disasters.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the undiscounted contractual cashflow at maturity of the financial liabilities and the expected collection date of the financial assets.

All policyholder funds are invested in appropriate assets to meet the reasonable benefit expectations of policyholders, which include the expectation that funds will be available to pay out benefits as required by the policy contract. The disclosure in note 6 demonstrate that the Group has significant liquid resources. The value for policyholders' liabilities and the assets backing them are as per the carrying amount in the statement of the financial position.

The maturity profile of the total policyholders' liabilities and assets backing them is shown below:

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Group							
31 December 2022							
	Carrying amount	0-3 months	3 to 9 months	9 months to 1 year	1 to 5 years	> 5 years	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Trade payables	570,191	570,191	-	-	-	-	570,191
Investment linked contract liabilities	25,041,768	2,812,911	1,565,687	2,984,857	17,165,833	512,478	25,041,768
Total financial liabilities	25,611,959	3,383,102	1,565,687	2,984,857	17,165,833	512,478	25,611,959
	Carrying amount	0-3 months	3 to 9 months	9 to 1 year	1 to 5 years	> 5 years	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cash and bank balances	3,363,390	3,363,390	-	-	-	-	3,363,390
Marketable investment securities	139,548,931	11,376,596	5,277,382	9,673,701	77,769,675	35,451,577	139,548,932
Trade receivables	223,288	223,288	-	-	-	-	223,288
Reinsurance assets	3,742,110	3,742,110	-	-	-	-	3,742,110
Due from policyholders	7,961	310	2,684	-	4,696	271	7,961
Total financial assets	146,885,680	18,705,695	5,280,066	9,673,701	77,774,371	35,451,848	146,885,681
Net financial assets and liabilities	121,273,721	15,322,592	3,714,379	6,688,844	60,608,537	34,939,370	121,273,722
Insurance contract liabilities - Life fund	104,713,578	9,128,695	2,857,393	5,724,861	59,906,116	27,096,513	104,713,577
Net policyholders assets and liabilities	16,560,143	6,193,898	856,986	963,982	702,422	7,842,857	16,560,145
31 December 2021							
	Carrying amount	0-3 months	3 to 9 months	9 months to 1 year	1 to 5 years	> 5 years	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Trade payables	878,359	878,359	-	-	-	-	878,359
Investment linked contract liabilities	25,984,632	3,923,974	3,586,166	30,167	17,724,410	719,915	25,984,632
Total financial liabilities	26,862,991	4,802,333	3,586,166	30,167	17,724,410	719,915	26,862,991
Cash and bank balances	1,399,292	1,399,292	-	-	-	-	1,399,292
Marketable investment securities	124,839,182	9,433,900	15,196,120	146,230	51,675,932	48,387,001	124,839,182
Trade receivables	62,860	62,860	-	-	-	-	62,860
Reinsurance assets	4,705,754	4,705,754	-	-	-	-	4,705,754
Due from policyholders	5,504	-	544	676	4,284	-	5,504
Total financial assets	131,012,591	15,601,806	15,196,663	146,906	51,680,216	48,387,001	131,012,592
Net financial assets and liabilities	104,149,601	10,799,473	11,610,498	116,739	33,955,806	47,667,085	104,149,601
Insurance contract liabilities - Life fund	94,345,281	8,161,747	9,280,644	2,998,178	44,149,874	29,754,837	94,345,281
Net policyholders assets and liabilities	9,804,320	2,637,726	2,329,854	(2,881,439)	(10,194,068)	17,912,248	9,804,320
Company							
31 December 2022							
	Carrying amount	0-3 months	3 to 9 months	9 months to 1 year	1 to 5 years	> 5 years	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Trade payables	120,230	120,230	-	-	-	-	120,230
Investment linked contract liabilities	25,041,768	2,812,911	1,565,687	2,984,857	17,165,833	512,478	25,041,768
Total financial liabilities	25,161,998	2,933,141	1,565,687	2,984,857	17,165,833	512,478	25,161,998
Cash and bank balances	1,958,431	1,958,431	-	-	-	-	1,958,431
Marketable investment securities	133,023,313	9,931,918	4,911,206	9,038,550	77,284,740	31,856,899	133,023,313
Trade receivables	10,500	10,500	-	-	-	-	10,500
Reinsurance assets	219,785	219,785	-	-	-	-	219,785
Due from policyholders	7,961	310	2,684	-	4,696	271	7,961
Total financial assets	135,219,990	12,120,943	4,913,890	9,038,550	77,289,436	31,857,170	135,219,989
Net financial assets and liabilities	110,057,992	9,187,802	3,348,203	6,053,693	60,123,603	31,344,692	110,057,992
Insurance contract liabilities - Life fund	97,749,778	8,521,606	2,667,366	5,344,139	55,922,161	25,294,505	97,749,778
Net policyholders assets and liabilities	12,308,214	666,196	680,836	709,554	4,201,443	6,050,186	12,308,214
31 December 2021							
	Carrying amount	0-3 months	3 to 9 months	9 to 1 year	1 to 5 years	> 5 years	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Trade payables	68,501	68,501	-	-	-	-	68,501
Investment linked contract liabilities	25,984,632	3,923,974	3,586,166	30,167	17,724,410	719,915	25,984,632
Total financial liabilities	26,053,133	3,992,475	3,586,166	30,167	17,724,410	719,915	26,053,133
Cash and bank balances	967,241	967,241	-	-	-	-	967,241
Marketable investment securities	118,008,416	9,433,900	13,871,596	116,687	48,640,364	45,945,868	118,008,416
Trade receivables	29,869	29,869	-	-	-	-	29,869
Reinsurance assets	89,697	89,697	-	-	-	-	89,697
Due from policyholders	5,504	-	544	676	4,284	-	5,504
Total financial assets	119,100,726	10,520,709	13,872,140	117,364	48,644,648	45,945,868	119,100,727
Net financial assets and liabilities	93,047,593	6,528,233	10,285,974	87,197	30,920,238	45,225,953	93,047,595
Insurance contract liabilities - Life fund	87,142,352	3,185,641	8,660,896	2,591,258	42,949,722	29,754,834	87,142,352
Net policyholders assets and liabilities	5,905,241	3,342,591	1,625,078	(2,504,061)	(12,029,484)	15,471,118	5,905,243

The maturity of non-derivative financial liabilities and financial assets have been compiled based on undiscounted cash flows, which include estimated interest payments.

4.4 Capital management policies and procedures

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of equity utilisation and to provide an adequate return to shareholders by pricing insurance and investment contracts commensurately with the level of risk. The Group's overall strategy remains unchanged from inception of business in 2010.

The table below summarises the minimum required capital and the regulatory capital held against each of them. These figures are an aggregate number, being the sum of the statutory capital and surplus. The capital structure of the Group consists of equity (comprising issued capital, reserves and retained earnings) as detailed in notes 23 to 26.

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The Company is subjected to a minimum capital requirement of ₦2 billion by the Insurance Act 2003 (Amended 2009). However, NAICOM issued new directive increasing the minimum capital requirement to ₦8 billion (life insurance business) effective 31 December 2022. The company has obtained the approval of the board and shareholders to comply with the ₦8 billion new regulatory capital requirement.

During the year, the company increased its authorised share capital to ₦10 billion ordinary shares and the paid up capital to ₦8 billion. The paid up share capital was made from bonus shares issued which were fully paid from share premium and retained earnings.

The Group's risk management committee reviews the capital structure of the Group on an on-going basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders and issue

During the period, the Group was compliant with all capital requirements.

The Company's Authorized share capital as At 31 December 2022 is ₦10,000,000,000 (2020: ₦10,000,000,000). The company is in compliance with the minimum capital requirement of ₦2 billion as stipulated by the Insurance Act.

The company's capital structure for the reporting periods under review is summarised as follows:

	Group		Company	
	2022 ₦'000	2021-Restated ₦'000	2022 ₦'000	2021-Restated ₦'000
Share capital	8,000,000	8,000,000	8,000,000	8,000,000
Share premium	130,708	130,708	130,708	130,708
Contingency reserves	5,480,348	5,137,276	3,860,591	3,860,591
Retained earnings	12,967,741	10,777,056	11,271,428	10,124,205
	26,578,798	24,045,041	23,262,727	22,115,504

Minimum Capital requirement

The Group's authorized share capital as at 31 December, 2022 is ₦10,000,000,000 (2021: ₦10,000,000,000).

The company has increased its capital through internal sourcing to ₦8 billion.

The Solvency Margin for Sanlam Life Insurance Nigeria Limited as at 31 December 2022 is as follows:

	Company			
	31-Dec-22		31-Dec-21	
	₦'000	₦'000	₦'000	₦'000
Admissible Assets				
Cash & Cash Equivalent	3,487,144		1,379,959	
Financial Assets:				
- Fair Value through Profit or Loss	136,881,582		119,084,611	
- Fair Value through Other Comprehensive Income	-		-	
- Amortised Cost	13,818,494		16,103,963	
Trade Receivable	10,500		29,869	
Reinsurance Assets	219,785		89,697	
Other Receivable & Prepayment	527,869		497,635	
Deferred Acquisition Cost	88,372		62,181	
Investment in Subsidiary	5,349,120		5,349,120	
Property Plant & Equipment	1,701,661		1,542,813	
Statutory Deposit	200,000		200,000	
Total Admissible Assets (a)		162,284,526		144,339,847
Insurance Contract Liabilities	97,749,778		87,142,353	
Investment Contract Liabilities	25,041,768		25,984,632	
Trade Payable	120,230		68,501	
Provision & Other Payables	3,410,011		3,079,447	
Dividend Payable	7,946,917		3,082,305	
Provision for Current Tax	5,143,780		3,314,100	
Total Admissible Liabilities (b)		139,412,483		122,671,338
SOLVENCY MARGIN (a-b)		22,872,043		21,668,509
Subject to Higher of:				
15% of Net premium income	6,181,828		5,656,054	
or				
Minimum Capital Requirement	2,000,000	6,181,828	2,000,000	5,656,054
Gross Solvency ratio (Available solvency margin/Minimum capital requirement)			370%	383%
Net Solvency ratio (Available solvency margin-Minimum capital requirement)/Minimum capital requirement.			270%	283%

At 31 December 2022 the solvency margin was 370% (2021: 383%).

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Capital is actively managed with a focus on capital efficiency and effective risk management. The capital objectives are to ensure that the company is properly capitalized and funded at all times, having regard to its regulatory needs, prudent management and the needs of all stakeholders.

Precisely, the company has adopted the following capital management policies:

- (i) Maintenance, as a minimum, of capital sufficient to meet the statutory requirement.
- (ii) An Economic Capital at Risk (ECaR) approach is also used by the management and the board to ensure that obligations to policyholders can be met in adverse circumstances
- (iii) Maintenance of an appropriate level of liquidity at all times. The company further ensures that it can meet its expected capital and financing needs at all times, having regard to business plans to guarantee its going concern status, forecast and any strategic initiatives

Sensitivities

The company has both qualitative and quantitative risk management procedures to monitor the key risks and sensitivities of the business. This is achieved through scenario analysis and risk assessments. From an understanding of the principal risks, appropriate risk limits and control are defined. The Enterprise Risk Management committee plays a major role here.

The risk types affecting the surplus capital of the company are market risk, credit risk, liquidity risk, liability risk, business risk and operational risk.

Finance Act 2021 – Part IX – Insurance Act

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

- (a) in the case of existing company -
 - (i) The excess of admissible assets over liabilities, less the amount of own shares held by the company,
 - (ii) Subordinated liabilities subject to approval by the Commission, and
 - (iii) Any other financial instrument as prescribed by the Commission.

For this purpose, Admissible Assets are defined as:

Share Capital, Share Premium, Retained Earnings, Contingency Reserves, and any other admissible assets subject to the approval of the Commission;

- (b) in the case of a new company -
 - (i) Government Bonds and Treasury Bills,
 - (ii) Cash and Bank balances, and
 - (iii) Cash and cash equivalent.

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

	2022	2021
	N'000	N'000
Share capital	8,000,000	8,000,000
Share premium	130,708	130,708
Contingency reserves	3,860,591	3,860,591
Retained earnings	11,271,428	10,124,205
Excess of admissible assets over liabilities	<u>23,262,727.09</u>	<u>22,115,504.09</u>
Less the amount of own shares held (Treasury Shares)	-	-
	<u>23,262,727.09</u>	<u>22,115,504.09</u>
Subordinated Liabilities	-	-
Any other financial instruments as prescribed by the Commission	-	-
Capital Requirement	<u>23,262,727.09</u>	<u>22,115,504.09</u>

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4.5 Measurement basis of financial assets and liabilities

Group	31-Dec-22			31-Dec-21		
	Fair Value	Amortised Cost	Total	Fair Value	Amortised Cost	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Cash and bank balances	-	5,378,491	5,378,491	-	2,298,398	2,298,398
Investment securities	144,495,940	15,457,495	159,953,435	126,985,624	16,312,214	143,297,838
Trade receivables	-	223,288	223,288	-	62,860	62,860
Reinsurance assets	-	3,742,110	3,742,110	-	4,705,754	4,705,754
Other asset	-	1,175,195	1,175,195	-	1,028,602	1,028,602
Statutory deposit	-	500,000	500,000	-	500,000	500,000
Total Financial assets	144,495,940	26,476,578	170,972,519	126,985,624	24,907,826	151,893,452
Financial liabilities						
Trade payable	-	570,191	570,191	-	878,359	878,359
Other payables and accruals	-	3,877,167	3,877,167	-	3,491,735	3,491,735
Investment linked contract liabilities	-	25,041,768	25,041,768	-	25,984,632	25,984,632
Dividend Payable	-	7,946,917	7,946,917	-	3,082,305	3,082,305
Total Financial liabilities	-	37,436,042	37,436,042	-	33,437,030	33,437,030

Company	31-Dec-22			31-Dec-21		
	Fair Value	Amortised Cost	Total	Fair Value	Amortised Cost	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Cash and bank balances	-	3,487,144	3,487,144	-	1,379,958	1,379,958
Investment securities	136,881,582	13,818,494	150,700,076	119,084,610	16,103,963	135,188,574
Trade receivables	-	10,500	10,500	-	29,869	29,869
Reinsurance assets	-	219,785	219,785	-	89,697	89,697
Other asset	-	977,214	977,214	-	814,722	814,722
Statutory deposit	-	200,000	200,000	-	200,000	200,000
Total Financial assets	136,881,582	18,713,137	155,594,719	119,084,610	18,618,210	137,702,820
Financial liabilities						
Trade payable	-	120,230	120,230	-	68,501	68,501
Other payables and accruals	-	3,410,011	3,410,011	-	3,079,448	3,079,448
Insurance contract liabilities - deposit administration	-	25,041,768	25,041,768	-	25,984,632	25,984,632
Dividend Payable	-	7,946,917	7,946,917	-	3,082,305	3,082,305
Total Financial liabilities	-	36,518,925	36,518,925	-	32,214,886	32,214,886

4.6 Measurement of financial assets and liabilities at fair value

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data. All level 2 valuation were derived using either the net present value and discounted cash flow models or comparison with similar instruments for which market observable prices exist.

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

There were no transfers from Level 1 to Level 2 or between level 2 or level 3 of the fair value hierarchy during the period.

4.6.1 Fair value of financial assets and liabilities

The table below summarises the carrying amounts and fair values of the financial assets and liabilities.

	Group				Company			
	31-Dec-22		31-Dec-21		31-Dec-22		31-Dec-21	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Financial assets								
Cash and bank balances	5,378,491	5,378,491	2,298,398	2,298,398	3,487,144	3,487,144	1,379,959	1,379,959
<i>Investment securities:</i>								
Fair value through Profit or Loss	144,495,940	144,495,940	126,985,624	126,985,624	136,881,582	136,881,582	119,084,610	119,084,610
Fair value through Other Comprehensive Income	-	-	-	-	-	-	-	-
TOTAL	149,874,431	149,874,431	129,284,022	129,284,022	140,368,726	140,368,726	120,464,569	120,464,569
Financial liabilities								
Investment contract liabilities	25,041,768	25,041,768	25,984,632	25,984,632	25,041,768	25,041,768	25,984,632	25,984,632
TOTAL	25,041,768	25,041,768	25,984,632	25,984,632	25,041,768	25,041,768	25,984,632	25,984,632

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4.6.2 Financial instruments measured at fair value - Fair value hierarchy

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

Group				
31 December 2022				
	Level 1	Level 2	Level 3	Total fair value
	₦'000	₦'000	₦'000	₦'000
Financial assets				
<i>Investment securities:</i>				
Fair Value Through Profit and Loss	144,495,940	-	-	144,495,940
Fair Value Through Other Comprehensive Income	-	-	-	-
	144,495,940	-	-	144,495,940
31 December 2021				
	Level 1	Level 2	Level 3	Total fair value
	₦'000	₦'000	₦'000	₦'000
Financial assets				
<i>Investment securities:</i>				
Fair Value Through Profit and Loss	126,985,624	-	-	126,985,624
Fair Value Through Other Comprehensive Income	-	-	-	-
	126,985,624	-	-	126,985,624
Company				
31 December 2022				
	Level 1	Level 2	Level 3	Total fair value
	₦'000	₦'000	₦'000	₦'000
Financial assets				
<i>Investment securities:</i>				
Fair Value Through Profit and Loss	136,881,582	-	-	136,881,582
Fair Value Through Other Comprehensive Income	-	-	-	-
	136,881,582	-	-	136,881,582
31 December 2021				
	Level 1	Level 2	Level 3	Total fair value
	₦'000	₦'000	₦'000	₦'000
Financial assets				
<i>Investment securities:</i>				
Fair Value Through Profit and Loss	119,084,610	-	-	119,084,610
Fair Value Through Other Comprehensive Income	-	-	-	-
	119,084,610	-	-	119,084,610

4.6.3 Financial instruments not measured at fair value

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

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**Group
31 December 2022**

	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total fair value N'000	Total carrying amount N'000
Financial assets					
Cash and bank balances	1,358,053	4,043,050	-	5,401,103	5,378,491
<i>Investment securities:</i>					
Amortised Cost	14,316,727	-	-	14,316,727	15,457,495
Trade receivables	-	223,288	-	223,288	223,288
Reinsurance assets	-	3,707,113	-	3,707,113	3,707,113
Other receivables	-	1,175,195	-	1,175,195	1,175,195
Statutory deposit	-	500,000	-	500,000	500,000
	15,674,780	9,648,646	-	25,323,426	26,441,582
Financial liabilities					
Trade payables	-	570,191	-	570,191	570,191
Other liabilities	-	3,877,167	-	3,877,167	3,877,167
Investment contract liabilities	-	25,041,768	-	25,041,768	25,041,768
	-	29,489,127	-	29,489,127	29,489,127

**Group
31 December 2021**

	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total fair value N'000	Total carrying amount N'000
Financial assets					
Cash and bank balances	796,430	1,512,220	-	2,308,650	2,298,397
<i>Investment securities:</i>					
Amortised Cost	16,312,214	-	-	16,312,214	16,312,214
Trade receivables	-	62,860	-	62,860	62,860
Reinsurance assets	-	4,705,754	-	4,705,754	4,705,754
Other receivables	-	1,028,602	-	1,028,602	1,028,602
Statutory deposit	-	500,000	-	500,000	500,000
	17,108,644	7,809,436	-	24,918,080	24,907,826
Financial liabilities					
Trade payables	-	878,359	-	878,359	878,359
Other liabilities	-	3,491,734	-	3,491,734	3,491,734
Investment contract liabilities	-	25,984,632	-	25,984,632	25,984,632
	-	30,354,725	-	30,354,725	30,354,725

**Company
31 December 2022**

	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total fair value N'000	Total carrying amount N'000
Financial assets					
Cash and bank balances	798,568	2,703,129	-	3,501,697	3,501,697
<i>Investment securities:</i>					
Amortised Cost	12,694,260	-	-	12,694,260	13,818,494
Trade receivables	-	10,500	-	10,500	10,500
Reinsurance assets	-	219,785	-	219,785	219,785
Other receivables	-	977,214	-	977,214	977,214
Statutory deposit	-	200,000	-	200,000	200,000
	13,492,827	4,110,628	-	17,603,455	18,727,689
Financial liabilities					
Trade payables	-	570,191	-	570,191	570,191
Other liabilities	-	3,410,011	-	3,410,011	3,410,011
Investment linked contract liabilities	-	25,041,768	-	25,041,768	25,041,768
	-	29,021,970	-	29,021,970	29,021,970

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31 December 2021					
	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
	₦'000	₦'000	₦'000	₦'000	₦'000
Financial assets					
Cash and bank balances	472,681	913,298	-	1,385,979	1,385,979
<i>Investment securities:</i>					
Amortised Cost	16,103,963			16,103,963	16,103,963
Trade receivables	-	29,869	-	29,869	29,869
Reinsurance assets	-	89,697	-	89,697	89,697
Other receivables	-	814,723	-	814,723	814,723
Statutory deposit	-	200,000	-	200,000	200,000
	16,576,644	2,047,587	-	18,624,231	18,624,231
Financial liabilities					
Trade payables	-	68,501	-	68,501	68,501
Other liabilities	-	3,079,447	-	3,079,447	3,079,447
Investment contract liabilities	-	25,984,632	-	25,984,632	25,984,632
	-	29,132,579	-	29,132,579	29,132,580

There was no transfer between levels during the year under review.

Financial instruments in level 3

The financial instruments in level 3 above comprise unquoted equity instruments. The following table shows a reconciliation from the beginning balances to the ending balances for financial instruments in level 3 of the fair value hierarchy.

	Group		Company	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	₦'000	₦'000	₦'000	₦'000
At 1 January	-	-	-	-
Impairment	-	-	-	-
At 31 December	-	-	-	-

4.6.4 Fair valuation methods and assumptions

i. Cash & cash equivalent

This represents cash held in various bank accounts at the end of the period. The fair value of this amount is the carrying amount.

ii. Other receivables

Other assets represent amount due from reinsurers which usually have a short recycle period and as such the fair values of these balances approximate their carrying amount.

iii. Statutory deposit

This represents the deposit held by Central bank of Nigeria. i.e. 10% of the minimum capitalisation in compliance with the Insurance Act. The fair value of this balance is approximately its carrying amount.

These represent amount payable to reinsurers which have a short recycle period and as such the fair values of these balances approximate their carrying amount.

These are amounts outstanding and are payable within a period of one year. Amount outstanding are assumed to approximate their respective fair values.

vi. Insurance contract liabilities

These are amounts payable to policyholders in the event of a claim. The carrying amount have been calculated by the actuary and the carrying amount represents the fair value as at 31 December 2022.

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5 Critical accounting estimates and judgements

When preparing the financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgements, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

5.1 The ultimate liability arising from claims made under insurance contracts

The estimation of the ultimate liability arising from claims made under insurance contracts is 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.

5.2 Estimate of future benefit payments and premiums arising from long-term insurance contracts, and related deferred acquisition costs and other intangible assets

Estimate of future benefit payments and premiums arising from long-term insurance contracts, and related deferred acquisition costs and other intangible assets.

The determination of the liabilities under long-term insurance contracts is dependent on estimates made by the Group. Estimates are made as to the expected number of deaths for each of the years in which the Group is exposed to risk.

The Group bases these estimates on standard industry and national mortality tables that reflect recent historical mortality experience, adjusted where appropriate to reflect the Group's own experience. For contracts that insure the risk of longevity, appropriate allowance is made for expected mortality improvements.

The estimated number of deaths determines the value of the benefit payments and the value of the valuation premiums. The main source of uncertainty is that epidemics such as AIDS, and wide-ranging lifestyle changes, such as in eating, smoking and exercise habits, could result in future mortality being significantly worse than in the past for the age groups in which the Group has significant exposure to mortality risk.

However, continuing improvements in medical care and social conditions could result in improvements in longevity in excess of those allowed for in the estimates used to determine the liability for contracts where the Group and Company are exposed to longevity risk. Were the numbers of deaths in future years to differ by +/- 5% from management's estimate, the liability would increase by N159.2 million or decrease by N120.6 million (2021: N951.7 million and N574.6 million respectively). For contracts without fixed terms, it is assumed that the Company will be able to increase mortality risk charges in future years in line with emerging mortality experience.

Estimates are also made as to future investment income arising from the assets backing long-term insurance contracts. These estimates are based on current market returns, as well as expectations about future economic and financial developments. The average estimated rate of investment return is 14.36%. If the average future investment returns differed by +/- 1% from management's estimates, the contract liability would increase by N3.52 billion or decrease by N4.01 billion (2021: N4.73 billion and N5.69 billion respectively).

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5.3 Impairment of goodwill

The group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.11.1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (note 14). There was no impairment charge on goodwill during the year.

If the forecast gross premium income used in the value-in-use calculation for the non-life business CGU had been 10% lower than management's estimates as at 31 December 2022 (for example, 10% instead of 20%), the goodwill would still not be impaired. Also, if the estimated cost of capital used in determining the pre-tax discount rate for the CGU had been 1% higher than management's estimates (for example, 13%), the goodwill allocated to the CGU would still not be impaired.

5.4 Equity financial assets fair value through other comprehensive income

The Group determines that equity financial assets fair value through other comprehensive income are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In making this judgement, the Group evaluates among other factors, the normal volatility in share price, industry and sector performance, changes in technology, and operational and financing cash flow. Impairment may be appropriate when there is evidence of deterioration in the industry and sector performance, changes in technology, and financing and operational cash flows. There was no decline in fair value of investment securities during the year.

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	Group		Company	
	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-22 N'000	31-Dec-21 N'000
6 Cash and cash equivalent				
Cash at hand	39	493	39	493
Cash in bank	1,358,014	795,938	798,529	472,188
Short-term bank deposits	4,043,050	1,512,220	2,703,129	913,298
	<u>5,401,103</u>	<u>2,308,651</u>	<u>3,501,697</u>	<u>1,385,979</u>
ECL Impairment	(22,612)	(10,253)	(14,553)	(6,020)
	<u>5,378,491</u>	<u>2,298,398</u>	<u>3,487,144</u>	<u>1,379,959</u>
6.1 ECL impairment on cash and cash equivalents				
At 1 January	10,253	4,084	6,020	2,431
Changes during the year (see note 38b)	12,359	6,169	8,533	3,589
At 31 December	<u>22,612</u>	<u>10,253</u>	<u>14,553</u>	<u>6,020</u>
6.2 Cash and cash equivalent for the purpose of the cashflow statement				
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. They include:				
	Group		Company	
	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-22 N'000	31-Dec-21 N'000
Cash at hand	39	493	39	493
Cash in bank	1,358,014	795,937	798,529	472,188
Short-term bank deposits	4,043,050	1,512,220	2,703,129	913,298
	<u>5,401,103</u>	<u>2,308,651</u>	<u>3,501,697</u>	<u>1,385,980</u>
7 Financial assets				
Fair Value through Profit or Loss	144,495,940	126,985,624	136,881,582	119,084,610
Fair Value through Other Comprehensive Income	-	-	-	-
Amortised Cost	15,457,495	16,312,214	13,818,494	16,103,963
	<u>159,953,435</u>	<u>143,297,838</u>	<u>150,700,076</u>	<u>135,188,573</u>
Current	18,333,584	20,282,586	12,529,662	18,783,106
Non- current	141,619,851	123,015,248	138,170,414	116,405,467
	<u>159,953,435</u>	<u>143,297,838</u>	<u>150,700,076</u>	<u>135,188,573</u>
7.1 Fair Value through Profit or Loss				
Quoted Equities (See 7.1ii)	406,634	500,661	406,634	500,661
Treasury Bills				
Treasury bills with original maturity <90 days	8,687,468	7,832,335	5,429,051	7,832,335
Treasury bills with original maturity > 90 days	9,646,116	12,304,836	7,100,611	10,950,771
Government Bonds	125,755,723	106,347,790	123,945,287	99,800,843
	<u>144,495,940</u>	<u>126,985,624</u>	<u>136,881,582</u>	<u>119,084,610</u>
7.1i Movement in Fair Value through Profit or Loss				
At 1 January	126,985,735	104,629,141	119,084,610	95,858,615
Purchases	109,926,018	154,149,173	81,502,760	132,949,231
Redemption/Disposal	(90,707,369)	(105,027,297)	(62,087,090)	(85,314,596)
Interest receivables (see note 35c)	4,786,520	3,186,169	4,745,565	3,151,498
Fair value changes (see note 34b)	(6,494,964)	(27,853,685)	(6,364,264)	(27,560,138)
	<u>144,495,940</u>	<u>129,083,502</u>	<u>136,881,582</u>	<u>119,084,610</u>
7.1ii Movement in Quoted equities Fair Value through Profit or Loss				
At 1 January	500,661	959,964	500,661	959,964
Purchases	-	-	-	-
Disposal (see note 34ai)	(21,694)	(426,095)	(21,694)	(426,095)
Fair value changes (see note 34b)	(72,333)	(33,207)	(72,333)	(33,207)
	<u>406,634</u>	<u>500,661</u>	<u>406,634</u>	<u>500,661</u>
7.1iii Movement in treasury bills Fair Value through Profit or Loss				
At 1 January	20,137,172	9,457,359	18,783,106	9,110,085
Purchases	49,548,400	63,342,630	24,612,513	54,077,973
Redemption (see note 34aii)	(51,563,806)	(53,242,953)	(31,056,111)	(44,982,370)
Interest receivable (see note 35c)	227,010	488,911	210,498	486,031
Fair value changes (see note 34b)	(15,192)	91,224	(20,344)	91,386
	<u>18,333,584</u>	<u>20,137,171</u>	<u>12,529,662</u>	<u>18,783,106</u>

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	Group		Company	
	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-22 N'000	31-Dec-21 N'000
7.1iv Movement in government bond Fair Value through Profit or Loss				
At 1 January	106,347,903	94,211,818	99,800,844	85,788,567
Purchases	60,377,618	90,806,543	56,890,247	78,871,258
Redemption/Disposal	(39,121,869)	(51,358,249)	(31,009,285)	(39,906,131)
Interest receivable	4,559,510	2,697,258	4,535,068	2,665,467
Fair value changes (see note 34b)	<u>(6,407,439)</u>	<u>(27,911,702)</u>	<u>(6,271,587)</u>	<u>(27,618,317)</u>
	<u>125,755,723</u>	<u>108,445,668</u>	<u>123,945,287</u>	<u>99,800,843</u>
Fair Value through Profit or Loss	<u>144,495,940</u>	<u>129,083,501</u>	<u>136,881,582</u>	<u>119,084,610</u>
7.2i Movement in Fair Value through Other Comprehensive Income				
At 1 January	-	18,103,061	-	18,103,061
Purchases	-	-	-	-
Redemption/Disposal	-	(17,596,537)	-	(17,596,537)
Interest receivables	-	-	-	-
Fair value changes	<u>-</u>	<u>(506,524)</u>	<u>-</u>	<u>(506,524)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
7.2ii Movement in treasury bills fair value through Other Comprehensive Income				
At 1 January	-	2,354,991	-	2,354,991
Purchases	-	-	-	-
Redemption/Disposal (see note 34aaii)	-	(2,337,722)	-	(2,337,722)
Interest receivable	-	-	-	-
Fair value changes	<u>-</u>	<u>(17,269)</u>	<u>-</u>	<u>(17,269)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
7.2iii Movement in government bond fair value through Other Comprehensive Income				
At 1 January	-	15,748,070	-	15,748,070
Purchases	-	-	-	-
Redemption/Disposal (see note 34aaii)	-	(15,258,815)	-	(15,258,815)
Interest receivable	-	-	-	-
Fair value changes (see note 26.2)	<u>-</u>	<u>(489,255)</u>	<u>-</u>	<u>(489,255)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
7.3 Amortised Cost				
Commercial Paper	1,100,224	3,428,369	872,127	3,428,369
Promissory Notes	2,550,908	1,295,655	1,329,762	1,295,655
Bonds	11,806,363	11,588,189	11,616,605	11,379,939
	<u>15,457,495</u>	<u>16,312,214</u>	<u>13,818,494</u>	<u>16,103,963</u>
7.3i Movement in Amortised cost				
At 1 January	16,312,212	15,059,192	16,103,963	14,492,692
Purchases	9,003,576	14,294,029	6,215,119	11,175,876
Redemption/Disposal	(9,973,304)	(12,982,761)	(8,608,716)	(9,594,878)
Interest receivables (see note 35c)	216,986	146,808	206,501	144,252
ECL impairment (see note 7.3v)	<u>(101,976)</u>	<u>(113,846)</u>	<u>(98,374)</u>	<u>(113,979)</u>
	<u>15,457,494</u>	<u>16,403,421</u>	<u>13,818,494</u>	<u>16,103,963</u>
7.3ii Movement in Commercial Paper				
At 1 January	3,428,369	856,408	3,428,369	711,002
Purchases	5,751,979	10,824,540	4,184,680	9,116,276
Redemption/Disposal	(8,082,993)	(8,277,765)	(6,743,310)	(6,424,095)
Interest receivables (see note 35c)	9,900	35,821	7,913	35,821
ECL impairment	<u>(7,031)</u>	<u>(10,635)</u>	<u>(5,526)</u>	<u>(10,635)</u>
	<u>1,100,224</u>	<u>3,428,369</u>	<u>872,127</u>	<u>3,428,369</u>
7.3iii Movement in Promissory Notes				
At 1 January	1,295,655	1,263,202	1,295,655	1,263,202
Purchases	1,221,158	-	-	-
Redemption/Disposal	(30,484)	(359)	(31,603)	849
Interest receivable (see note 35c)	66,136	33,248	66,136	33,248
ECL impairment	<u>(1,556)</u>	<u>(436)</u>	<u>(426)</u>	<u>(1,644)</u>
	<u>2,550,909</u>	<u>1,295,655</u>	<u>1,329,762</u>	<u>1,295,655</u>
7.3iv Movement in Bonds				
At 1 January	11,588,189	12,939,581	11,379,939	12,518,487
Purchases	2,030,439	3,262,720	2,030,439	2,059,600
Redemption/Disposal	(1,859,827)	(4,589,076)	(1,833,803)	(3,171,630)
Interest receivable (see note 35c)	140,949	77,739	132,452	75,183
ECL impairment	<u>(93,388)</u>	<u>(102,775)</u>	<u>(92,423)</u>	<u>(101,700)</u>
	<u>11,806,362</u>	<u>11,588,189</u>	<u>11,616,605</u>	<u>11,379,939</u>

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	Group		Company	
	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-22 N'000	31-Dec-21 N'000
7.3v ECL impairment on securities at Amortised cost				
At 1 January	113,846	80,844	113,979	79,769
Changes during the year	(11,870)	33,002	(15,605)	34,210
At 31 December	<u>101,976</u>	<u>113,846</u>	<u>98,374</u>	<u>113,979</u>
8 Trade receivables				
As at 1 January	62,859	32,982	29,869	15,818
Gross premium written (see note 27)	53,289,171	47,933,577	41,853,456	38,617,197
Premium received in advance	(351,424)	-	-	-
Cash premium received	(52,777,318)	(47,903,700)	(41,872,825)	(38,603,146)
At 31 December	<u>223,288</u>	<u>62,860</u>	<u>10,500</u>	<u>29,869</u>

The amount receivable as at the year end according to age analysis is as follows:

S/N	Age of Debt	No of Policies	No of Policies	No of Policies	No of Policies	No of Policies	No of Policies
1	Within 14 Days	12	10,990	19	42,477	9	10,500
2	Within 15 - 30 Days	21	209,298	21	20,382	-	10
3	Within 31 - 90 Days	-	-	-	-	-	-
4	Within 91 - 180 Days	1	3,000	-	-	-	-
5	Above 180 Days	-	-	-	-	-	-
	Total	<u>34</u>	<u>223,289</u>	<u>40</u>	<u>62,859</u>	<u>9</u>	<u>10,501</u>

All insurance receivables are designated as trade receivables and their carrying values approximate fair value at the statement of financial position date. The premium outstanding as at statement of position date represents balance due from brokers that occurred within the 30 days before the financial reporting date and are not impaired.

	Group		Company	
	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-22 N'000	31-Dec-21 N'000
9 Reinsurance assets				
Claims recoverable (note 9.1)	540,680	618,101	-	11,782
Reinsurance share of IBNR (note 9.2)	729,967	612,243	68,320	33,516
Reinsurance share of UPR (note 9.3)	1,303,746	1,079,835	132,569	30,142
Reinsurance share of Outstanding Claims (note 9.4)	1,132,719	2,368,221	18,897	14,257
Minimum & Deposit Insurance	34,997	27,353	-	-
	<u>3,742,110</u>	<u>4,705,753</u>	<u>219,786</u>	<u>89,697</u>
9.1 Movement in claims recoverable				
At 1 January	618,101	165,988	11,782	9,336
Recoveries from claims paid during the year	2,038,168	3,422,708	342,029	455,846
Cash Claims recovered	(2,115,589)	(2,970,595)	(353,810)	(453,400)
	<u>540,680</u>	<u>618,101</u>	<u>-</u>	<u>11,782</u>
9.11 Age Analysis of claims recoverable				
<= 30days	150,020	180,014	-	11,782
31 - 90 days	-	-	-	-
91 - 180 days	390,660	438,087	-	-
181 - 365 days	-	-	-	-
Above 365 days	-	-	-	-
	<u>540,680</u>	<u>618,101</u>	<u>-</u>	<u>11,782</u>
9.2 Movement in reinsurance share of claims Incurred But Not Reported (IBNR)				
At 1 January	612,244	1,075,203	33,516	613,075
Changes during the year	117,724	(462,960)	34,804	(579,559)
	<u>729,968</u>	<u>612,243</u>	<u>68,320</u>	<u>33,516</u>
9.3 Movement in reinsurance share of unearned premium reserve (UPR)				
At 1 January	1,079,836	737,406	30,142	85,719
Changes during the year	223,910	342,430	102,427	(55,577)
	<u>1,303,746</u>	<u>1,079,836</u>	<u>132,569</u>	<u>30,142</u>
9.4 Reinsurance share of Outstanding Claims				
At 1 January	2,368,221	1,982,346	14,257	66,426
Changes during the year	(1,235,502)	385,875	4,640	(52,169)
	<u>1,132,720</u>	<u>2,368,221</u>	<u>18,897</u>	<u>14,257</u>
9.5 Prepaid reinsurance				
At 1 January	27,353	20,855	-	-
Reinsurance premium paid during the year	6,244,513	595,744	470,682	568,392
Change in Reinsurer's share of UPR	(102,427)	55,577	(102,427)	55,577
Amortised during the year	(6,134,444)	(644,824)	(368,256)	(623,969)
	<u>34,997</u>	<u>27,353</u>	<u>-</u>	<u>-</u>

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	Group		Company	
	31-Dec-22 ₦'000	31-Dec-21 ₦'000	31-Dec-22 ₦'000	31-Dec-21 ₦'000
10 Other receivables and prepayments				
Prepayments (see note 10.1)	367,664	353,406	342,602	311,524
Staff loan (see note 10.3)	682,141	658,602	519,908	492,131
Due from policy holders (see note 10.4)	7,961	5,504	7,961	5,504
Due from related party (see note 10.4)	-	-	-	-
Interest receivables (see note 35c)	4,703	3,684	4,703	3,684
Withholding Tax Receivable	81,920	-	81,920	-
Claims Escrow Receivable	12,024	-	12,024	-
Other receivables	18,783	7,406	8,095	1,880
	1,175,195	1,028,602	977,214	814,723
Current	655,287	536,471	457,306	322,592
Non-current	519,908	492,131	519,908	492,131
	1,175,195	1,028,602	977,214	814,723
**Other receivables consists of Sundry Debtors, Staff advances, Cash advances				
10.1 Prepayments				
Prepaid expenses	161,138	130,709	143,179	103,853
Staff loan Fair Value reclassification (note 10.2)	206,526	222,697	199,423	207,671
	367,664	353,406	342,602	311,524
10.2 Staff loan Fair Value reclassification				
At 1 January	222,696	224,717	207,671	224,717
Arising during year	116,319	141,020	109,216	125,995
Amortised during the year	(132,489)	(143,040)	(117,464)	(143,041)
	206,526	222,696	199,423	207,671
10.3 Staff Loan				
At 1 January	799,613	590,689	618,116	590,689
Loan granted	257,000	407,850	241,367	184,470
Interest earned	84,466	87,893	66,812	78,840
Repayments	(342,619)	(286,809)	(297,171)	(235,873)
	798,460	799,623	629,124	618,126
Fair Value reclassification	(116,319)	(141,020)	(109,216)	(125,995)
	682,141	658,602	519,908	492,131
10.4 Due from policy holders				
At 1 January	5,504	9,812	5,504	9,812
Loan granted	3,781	3,130	3,781	3,130
Interest earned	230	358	230	358
Repayments	(1,554)	(7,796)	(1,554)	(7,796)
	7,961	5,504	7,961	5,504
11 Deferred acquisition costs				
At 1 January	431,263	386,792	62,181	37,779
Acquisition cost paid during the year (see note 31.1)	5,523,983	4,523,238	3,458,725	2,828,273
Amortisation during the year (see note 31.1)	(5,314,144)	(4,478,769)	(3,432,535)	(2,803,871)
At 31 December	641,102	431,262	88,372	62,181
Current	641,102	431,262	88,372	62,181

Deferred Acquisition Cost relates commission expense on unearned Premium which was measured on time apportionment basis covering the policy period.

	Group		Company	
	31-Dec-22 ₦'000	31-Dec-21 ₦'000	31-Dec-22 ₦'000	31-Dec-21 ₦'000
12 Investment properties				
At 1 January	-	100,000	-	-
Disposal	-	(90,000)	-	-
Addition and capital improvement	-	-	-	-
Loss on investment property	-	(10,000)	-	-
At 31 December	-	-	-	-
Of the investment properties, the following relates to insurance funds:				
Insurance funds	-	-	-	-
Shareholders funds	-	-	-	-
	-	-	-	-

The properties were valued by Chime Peter Adesanya (FRCN no: FRC/2015/NIESV/00000001162) of Jide Taiwo & Co., Estate surveyors & Valuers, a registered member of Financial Reporting Council of Nigeria (FRCN/2012/000000000254), in December, 2020 on the basis of determining the open market value of the investment properties. The open market value of all the properties were determined using recent comparable market prices. The property which was located in Abuja had been disposed off.

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13 Investment in subsidiary

(a) The company's investment in subsidiary is as stated below:

	Company	
	31-Dec-22	31-Dec-21
	₦'000	₦'000
Investment in Sanlam General Insurance Nigeria Limited	<u>5,349,120</u>	<u>5,349,120</u>

(b) Principal subsidiary undertakings:

The Group had the following subsidiary as at 31 December 2022:

Company name	Nature of business	Country of origin	% of equity capital controlled
Sanlam General Insurance Nigeria Limited	Non-life insurance business	Nigeria	100

Sanlam General Insurance Nigeria Limited, (formerly Oasis Insurance Company Limited) was incorporated on November 9, 1992 to carry on insurance business. It changed its name to Sanlam General Insurance Nigeria Limited.

The movement in investment in subsidiaries during the year is as follows:

	Company	
	31-Dec-22	31-Dec-21
	₦'000	₦'000
At 1 January	5,349,120	5,349,120
Additions, during the year	-	-
At 31 December	<u>5,349,120</u>	<u>5,349,120</u>

Sanlam General Insurance Nigeria Limited has been included in the consolidation.

Sanlam Life Insurance Nigeria Limited acquired controlling interest of 71.2% in Sanlam General Insurance Limited in February 2014. With subsequent acquisitions of Oasis Insurance shares, the company attained 100% controlling share of the acquiree At 30 April 2014. Subsequent to acquisition, additional capital injected into the subsidiary company to support its expansion drive were N500 million in 2016, N200 million in 2018, and N1.048 billion in 2020.

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14 Intangible assets	Group			Company	
	Goodwill	Computer Software	Total	Computer Software	Total
	₦'000	₦'000	₦'000	₦'000	₦'000
Cost					
At 1 January 2022	262,440	953,759	1,216,199	830,702	830,702
Additions	-	-	-	-	-
At 31 December 2022	<u>262,440</u>	<u>953,759</u>	<u>1,216,199</u>	<u>830,702</u>	<u>830,702</u>
Amortisation					
At 1 January 2022	-	583,514	583,514	460,457	460,457
Charge for the year	-	200,278	200,278	200,278	200,278
At 31 December 2022	-	<u>783,792</u>	<u>783,792</u>	<u>660,735</u>	<u>660,735</u>
Net book amount					
At 31 December 2022	<u>262,440</u>	<u>169,968</u>	<u>432,407</u>	<u>169,967</u>	<u>169,967</u>
At 31 December 2021	<u>262,440</u>	<u>370,245</u>	<u>632,685</u>	<u>370,245</u>	<u>370,245</u>
Intangible asset	Group			Company	
	Goodwill	Computer Software	Total	Computer Software	Total
	₦'000	N'000	N'000	N'000	N'000
Cost					
At 1 January 2021	262,440	953,759	1,216,199	830,702	830,702
Additions	-	-	-	-	-
At 31 December 2021	<u>262,440</u>	<u>953,759</u>	<u>1,216,199</u>	<u>830,702</u>	<u>830,702</u>
Amortisation					
At 1 January 2021	-	381,587	381,587	258,530	258,530
Charge for the year	-	201,927	201,927	201,927	201,927
At 31 December 2021	-	<u>583,514</u>	<u>583,514</u>	<u>460,457</u>	<u>460,457</u>
Net book amount					
At 31 December 2021	<u>262,440</u>	<u>370,245</u>	<u>632,685</u>	<u>370,245</u>	<u>370,245</u>

In the opinion of the directors:

- (i) The market value of the Group's intangible assets is not less than the value shown in the financial statements
- (ii) All items of intangible assets are non-current
- (iii) There was no leased asset included in intangible assets (December 2021: nil)
- (v) The company had no capital commitment (December 2021: nil)
- (vi) The company had no items pledged for borrowings included in intangible assets (December 2021: nil)
- (vii) There were no impairment losses on the intangible assets

Goodwill represents excess purchase consideration over the fair value of identifiable net assets of Sanlam General Insurance Nigeria Limited at acquisition date (19 February 2014).

On 19 February 2014, Sanlam Life Insurance Nigeria Limited acquired 71.2% of the ordinary share capital of Sanlam General Insurance Nigeria Limited (formerly FBN General Insurance Limited) for N3.6 billion. The acquiree became a wholly owned subsidiary of Sanlam Life Insurance Nigeria Limited Group in December 2014. The principal activity of Sanlam General Insurance Nigeria Limited is the provision of non-life insurance services.

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Impairment tests for goodwill

The group has goodwill arising from acquisitions done in the prior year. Management reviews the business performance based on type of business, which is non-life business. Goodwill is monitored by the management at the operating segment level and has been completely allocated to the non-life business. There was no goodwill impairment identified during the year (December 2021: nil).

Goodwill

Goodwill	31-Dec-22	31-Dec-21
	₦'000	₦'000
Non-life business	262,440	262,440
Impairment	-	-
	-	-

Management has determined that the CGU to which goodwill is allocated for monitoring purposes is the non-life business operating segment. The recoverable amount of the CGU is determined based on value-in-use calculation. These calculations use pre-tax cash flow projections based on the financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated growth rate which does not exceed the estimated growth rate of the Nigeria economy. Based on management's assessment, there was no indication of impairment of goodwill. The last assessment was performed as at 31 December, 2022.

The total amount of goodwill of ₦262 million has been allocated to the non-life business. The key assumptions, long term growth rate and discount rate used in the value-in-use calculations are as follows:

	31-Dec-22	31-Dec-21
Gross premium income (% annual growth rate)	20%	20%
Net claims incurred (% Gross Premium Written)	32%	25%
Underwriting expenses (% Gross Premium Written)	17%	16%
Operating expenses (% Gross Premium Written)	18%	18%
Long term growth rate	0.5%	0.5%
Pre-tax discount rate	14.36%	14%
Recoverable amount of the CGU ('000)	N262,440,000	N262,440,000

Gross premium income is the average annual growth rate over the five-year forecast period. It is equivalent of performance, and is based on management's expectations of the benefit that the Group's brand and large delivery channels will bring to the growth of the non-life business.

Net claims incurred is a percentage of Gross Premium Written over the five-year forecast period. It is based on historical claims experience as well as management view and expectation in line with the growth in gross premium income which is considered the main driver of the business.

Underwriting expenses is a percentage of the Gross Premium Written over the five-year forecast period. The actual amount is higher than past result, but management expects it to increase during the forecast period as premium income is also expected to grow during the period. Management expects the non-life business to leverage on the experience of the Group in the achievement of the expected growth in the underwriting expenses.

Operating expenses is a percentage of Gross Premium Written over the five-year forecast period. It is higher than past result, but management expects it to increase during the forecast period as premium income is also expected to grow during the period. Management forecasts these costs based on the current structure of the business, and these do not reflect any future restructurings or cost saving measures.

Management believes that any reasonably possible change in the key assumptions on which the non-life business' recoverable amount is based would not cause its carrying amount to exceed its recoverable amount.

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15 Property and equipment
Group

31 December 2022	Land N'000	Building N'000	Right of Use N'000	Motor Vehicles N'000	Office Equipment N'000	Plant & Machinery N'000	Furniture & Fittings N'000	Computer Equipment N'000	Total N'000
Cost									
At 1 January 2022	1,007,300	848,303	170,118	1,534,308	227,404	91,126	185,377	452,183	4,516,120
Additions	-	-	-	711,900	29,584	41,827	13,857	59,285	856,454
Disposal	(164,650)	(96,561)	-	(385,454)	(7,538)	(22,648)	(6,613)	(22,892)	(706,355)
At 31 December 2022	842,650	751,742	170,118	1,860,754	249,450	110,305	192,621	488,576	4,666,219
Depreciation									
At 1 January 2022	-	177,794	17,012	893,652	142,384	70,198	147,710	290,864	1,739,614
Charge for the year	-	16,155	17,012	330,110	32,218	17,353	18,330	93,496	524,674
Disposal	-	(27,042)	-	(292,591)	(7,501)	(21,671)	(6,348)	(21,883)	(377,037)
At 31 December 2022	-	166,907	34,024	931,172	167,101	65,881	159,692	362,478	1,887,252
Net book value									
At 31 December 2022	842,650	584,835	136,094	929,582	82,349	44,424	32,929	126,098	2,778,967
Group									
31 December 2021	Land N'000	Building N'000	Right of Use N'000	Motor Vehicles N'000	Office Equipment N'000	Plant & Machinery N'000	Furniture & Fittings N'000	Computer Equipment N'000	Total N'000
Cost									
At 1 January 2021	1,007,300	847,568	170,118	1,201,605	196,473	90,026	180,666	379,771	4,073,528
Additions	-	735	-	467,700	48,571	1,099	4,711	76,836	599,652
Disposal	-	-	-	(134,997)	(17,640)	-	-	(4,424)	(157,059)
At 31 December 2021	1,007,300	848,303	170,118	1,534,308	227,403	91,126	185,377	452,183	4,516,119
Depreciation									
At 1 January 2021	-	160,838	-	734,303	131,768	56,114	128,498	205,656	1,417,177
Charge for the year	-	16,956	17,012	276,234	28,255	14,084	19,213	89,020	460,774
Disposal	-	-	-	(116,884)	(17,640)	-	-	(3,814)	(138,337)
At 31 December 2021	-	177,794	17,012	893,652	142,384	70,198	147,711	290,864	1,739,615
Net book value									
At 31 December 2021	1,007,300	670,509	153,106	640,656	85,019	20,928	37,666	161,319	2,776,504

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**Property and equipment
Company**

31 December 2022	Land	Building	Right of Use	Motor Vehicles	Office Equipment	Plant & Machinery	Furniture & Fittings	Computer Equipment	Total
	₦'000	₦'000	₦'000	Motor Vehicles	₦'000	₦'000	₦'000	₦'000	₦'000
Cost									
At 1 January 2022	572,705	111,148	170,118	1,127,181	153,154	62,281	133,035	358,624	2,688,245
Additions	-	-	-	531,436	23,504	33,457	10,404	49,167	647,968
Disposal	-	-	-	(293,500)	(5,397)	(22,521)	(5,394)	(22,939)	(349,751)
At 31 December 2022	572,705	111,148	170,118	1,365,117	171,261	73,218	138,045	384,851	2,986,462
Depreciation									
At 1 January 2022	-	7,225	17,012	654,373	100,981	48,123	104,604	213,115	1,145,433
Charge for the year	-	2,223	17,012	254,741	23,778	11,231	13,305	84,799	407,089
Disposal	-	-	-	(213,761)	(5,555)	(21,544)	(5,130)	(21,730)	(267,720)
At 31 December 2022	-	9,448	34,024	695,353	119,203	37,810	112,779	276,184	1,284,801
Net book value									
At 31 December 2022	572,705	101,701	136,094	669,764	52,058	35,408	25,266	108,668	1,701,661
Company									
31 December 2021	Land	Building	Right of Use	Motor Vehicles	Office Equipment	Plant & Machinery	Furniture & Fittings	Computer Equipment	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cost									
At 1 January 2021	572,705	111,148	170,118	889,681	137,223	61,442	128,791	305,609	2,376,717
Additions	-	-	-	302,500	15,931	839	4,244	57,439	380,953
Disposal	-	-	-	(65,000)	-	-	-	(4,424)	(69,424)
At 31 December 2021	572,705	111,148	170,118	1,127,181	153,154	62,281	133,035	358,624	2,688,246
Depreciation									
At 1 January 2021	-	5,002	-	490,160	78,999	37,963	90,807	140,346	843,277
Charge for the year	-	2,223	17,012	211,101	21,982	10,160	13,797	76,581	352,856
Disposal	-	-	-	(46,888)	-	-	-	(3,812)	(50,700)
At 31 December 2021	-	7,225	17,012	654,373	100,981	48,123	104,604	213,115	1,145,434
Net book value									
At 31 December 2021	572,705	103,923	153,106	472,808	52,173	14,158	28,431	145,509	1,542,812

In the opinion of the directors:

- (i) The market value of the Group's property and equipment is not less than the value shown in the financial statements
- (ii) There were no capitalised borrowing cost related to the acquisition of property and equipment during the period (December 2021: nil)
- (iii) All items of property and equipment are non-current
- (iv) There was no leased asset included in property and equipment (December 2021: nil)
- (v) The company had no capital commitment (December 2021: nil)
- (vi) The company had no items pledged for borrowings included in property and equipment (December 2021: nil)
- (vii) There were no impairment losses on any class of property and equipment

SANLAM LIFE INSURANCE NIGERIA LIMITED

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16 Statutory deposit

The deposit represents 10% of the regulatory minimum share capital deposited with the Central Bank of Nigeria in accordance with the requirement of the Insurance Act. This balance is not available for the day-to-day operations of the Company.

	Group			Company		
	31-Dec-22 ₦'000	Restated 31-Dec-21 ₦'000	Previously Stated 31-Dec-21 ₦'000	31-Dec-22 ₦'000	Restated 31-Dec-21 ₦'000	Previously Stated 31-Dec-21 ₦'000
Statutory deposit	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Non-current	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
17a Insurance contract liabilities						
GROSS						
Outstanding claims (see note i)	4,300,008	6,435,277	6,435,277	1,840,774	2,591,257	2,591,257
Unearned premiums (see note iii)	4,170,168	2,880,905	2,880,905	995,715	722,703	722,703
Short term insurance contract - Claims incurred but not reported (IBNR) (see note iv)	2,319,633	2,788,619	2,788,619	989,521	1,587,913	1,587,913
Liability on annuity fund (see note v)	33,262,702	33,313,069	33,313,069	33,262,702	33,313,069	33,313,069
Liability on long term insurance contract - Life fund (see note vi)	60,661,066	48,927,411	48,202,450	60,661,066	48,927,411	48,202,450
Total Insurance liabilities (Gross)	<u>104,713,577</u>	<u>94,345,281</u>	<u>93,620,320</u>	<u>97,749,778</u>	<u>87,142,353</u>	<u>86,417,392</u>
Current	10,789,809	12,104,801	12,104,801	3,826,010	4,901,874	4,901,874
Non-current	93,923,768	82,240,480	81,515,519	93,923,768	82,240,479	81,515,518
	<u>104,713,577</u>	<u>94,345,281</u>	<u>93,620,320</u>	<u>97,749,778</u>	<u>87,142,353</u>	<u>86,417,392</u>
Recoverable from reinsurers						
Claims reported and loss adjustment expenses (see note 9.4)	1,132,719	2,368,221	2,368,221	18,897	14,257	14,257
Unearned premiums (see note 9.3)	1,303,746	1,079,835	1,079,836	132,569	30,142	30,142
IBNR on Short term insurance contract (see note 9.2)	729,967	612,243	612,243	68,320	33,516	33,516
Total reinsurers' share of insurance liabilities	<u>3,166,432</u>	<u>4,060,299</u>	<u>4,060,300</u>	<u>219,785</u>	<u>77,915</u>	<u>77,915</u>

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	Group				Company								
	31-Dec-22 N'000	Restated 31-Dec-21 N'000	Previously Stated 31-Dec-21 N'000	31-Dec-22 N'000	Restated 31-Dec-21 N'000	Previously Stated 31-Dec-21 N'000							
NET													
Claims reported and loss adjustment expenses	3,167,289	4,067,056	4,067,056	1,821,877	2,577,001	2,577,001							
Unearned premiums	2,866,423	1,801,069	1,801,069	863,147	692,562	692,562							
Claims incurred but not reported on Short term insurance contract	1,589,666	2,176,376	2,176,376	921,201	1,554,397	1,554,397							
Liability on annuity fund	33,262,702	33,313,069	33,313,069	33,262,702	33,313,069	33,313,069							
Liability on long term insurance contract (Life fund)	60,661,066	48,927,411	48,202,450	60,661,066	48,927,411	48,202,450							
<i>Total Insurance liabilities (Net)</i>	101,547,146	90,284,981	89,560,020	97,529,992	87,064,440	86,339,479							
i The movement in outstanding claims during the year was as follows:													
At 1 January	6,435,277	4,772,639	4,772,639	2,591,257	1,721,499	1,721,499							
Additions claims incurred during the period	22,127,628	20,405,194	20,405,194	20,330,837	16,535,033	16,535,033							
Claims paid during the period (see note 30)	(24,262,896)	(18,742,556)	(18,742,556)	(21,081,320)	(15,665,274)	(15,665,274)							
At 31 December	4,300,008	6,435,277	6,435,277	1,840,774	2,591,257	2,591,257							
Changes in outstanding claims													
Additions claims incurred during the period (see note 30)	22,127,628	20,405,194	20,405,194	20,330,837	16,535,033	16,535,033							
Claims paid during the year	(24,262,896)	(18,742,556)	(18,742,556)	(21,081,320)	(15,665,274)	(15,665,274)							
	(2,135,268)	1,662,639	1,662,639	(750,484)	869,759	869,759							
ii (a) Age analysis of Outstanding claims	Qty	Qty	Qty	Qty	Qty	Qty	Qty	Qty					
0- 90 days	728	796,535	708	2,635,591	708	2,635,591	517	611,760	406	933,764	406	933,764	
91-180 days	446	378,670	321	713,915	321	713,915	201	194,167	199	645,845	199	645,845	
181-270 days	298	498,191	242	394,794	242	394,794	144	176,735	133	270,143	133	270,143	
271-365 days	230	340,696	222	555,951	222	555,951	108	100,331	98	208,147	98	208,147	
Above 365 days	993	2,285,916	756	2,135,025	756	2,135,025	880	757,781	678	533,358	678	533,358	
	2695	4,300,008	2249	6,435,277	2249	6,435,277	1850	1,840,774	1514	2,591,257	1514	2,591,257	
ii (b) By reasons as follows:													
S/N	Reasons	0 - 90 Days Qty	91 - 180 Days Qty	181 - 270 Days Qty	271 - 365 Days Qty	Above 365 Days Qty	Total Qty	0 - 90 Days N'000	91 - 180 Days N'000	181 - 270 Days N'000	271 - 365 Days N'000	Above 365 Days N'000	Total N'000
1	Discharged Voucher signed and returned by	7	1	1	1	1	11	8,747	835	472	8,729	482	19,265
2	Discharged Voucher not yet signed	34	21	22	6	36	119	32,469	22,909	15,116	3,312	37,995	111,801
3	Claims reported but incomplete documentation	465	178	119	73	770	1605	546,636	169,423	155,769	55,360	578,642	1,505,830
4	Claims reported but being reviewed	11	1	2	28	73	115	23,908	1,000	5,377	32,929	140,662	203,877
		517	201	144	108	880	1850	611,760	194,167	176,735	100,331	757,781	1,840,774

SANLAM LIFE INSURANCE NIGERIA LIMITED

Claims Paid Triangulations as at 31 December 2022 - Excluding Large Losses

Engineering

Accident Year	Development Year											
	0	1	2	3	4	5	6	7	8	9	10	11
2011	184,533	1,864,955	19,090,974	19,090,974	19,090,974	19,605,453	19,656,453	19,656,453	19,656,453	19,656,453	19,656,453	19,656,453
2012	3,484,739	14,194,029	15,151,241	15,181,684	16,662,793	17,296,397	17,296,397	17,296,397	17,296,397	17,296,397	17,296,397	17,296,397
2013	1,411,981	2,479,314	2,484,903	3,054,465	3,333,177	3,517,878	3,517,878	3,517,878	3,517,878	3,517,878	3,517,878	3,517,878
2014	3,690,097	3,660,839	3,717,020	4,253,895	4,253,895	4,253,895	4,253,895	4,253,895	4,253,895	4,253,895	4,253,895	4,253,895
2015	2,597,973	3,275,076	3,974,209	3,974,209	3,974,209	3,974,209	3,974,209	3,974,209	3,974,209	3,974,209	3,974,209	3,974,209
2016	24,205,330	25,376,347	25,376,347	25,376,347	25,376,347	25,376,347	25,376,347	25,376,347	25,376,347	25,376,347	25,376,347	25,376,347
2017	3,176,446	4,080,540	4,141,201	4,141,201	4,141,201	4,141,201	4,141,201	4,141,201	4,141,201	4,141,201	4,141,201	4,141,201
2018	25,444,499	29,080,055	29,080,055	29,491,487	31,448,074	31,448,074	31,448,074	31,448,074	31,448,074	31,448,074	31,448,074	31,448,074
2019	11,120,406	14,618,108	15,868,551	17,085,413	17,085,413	17,085,413	17,085,413	17,085,413	17,085,413	17,085,413	17,085,413	17,085,413
2020	14,873,993	27,421,260	29,163,711	29,163,711	29,163,711	29,163,711	29,163,711	29,163,711	29,163,711	29,163,711	29,163,711	29,163,711
2021	6,108,115	24,611,226	24,611,226	24,611,226	24,611,226	24,611,226	24,611,226	24,611,226	24,611,226	24,611,226	24,611,226	24,611,226
2022	57,266,058	57,266,058	57,266,058	57,266,058	57,266,058	57,266,058	57,266,058	57,266,058	57,266,058	57,266,058	57,266,058	57,266,058

Fire

Accident Year	Development Year											
	0	1	2	3	4	5	6	7	8	9	10	11
2011	4,027,524	4,958,667	4,958,667	5,877,892	5,877,892	5,877,892	5,877,892	5,877,892	5,877,892	5,877,892	5,877,892	5,877,892
2012	13,854,830	52,294,913	54,925,981	54,925,981	54,930,236	54,930,236	54,930,236	54,930,236	54,930,236	54,930,236	54,930,236	54,930,236
2013	3,002,662	22,107,268	49,624,404	50,702,354	50,702,354	50,702,354	50,702,354	50,702,354	50,702,354	50,702,354	50,702,354	50,702,354
2014	4,982,694	10,259,622	17,179,073	17,179,073	17,292,786	17,292,786	17,292,786	17,292,786	17,383,489	17,383,489	17,383,489	17,383,489
2015	2,204,263	23,480,696	26,872,329	26,899,957	26,899,957	26,899,957	26,899,957	26,899,957	26,899,957	26,899,957	26,899,957	26,899,957
2016	22,969,865	33,597,250	34,136,169	34,252,424	34,252,424	34,278,293	34,278,293	34,278,293	34,278,293	34,278,293	34,278,293	34,278,293
2017	60,177,137	77,710,280	81,199,401	81,199,401	81,206,845	81,301,706	81,301,706	81,301,706	81,301,706	81,301,706	81,301,706	81,301,706
2018	80,363,114	99,348,143	99,357,442	118,411,941	119,691,522	119,691,522	119,691,522	119,691,522	119,691,522	119,691,522	119,691,522	119,691,522
2019	94,980,519	106,512,227	126,076,176	131,904,074	131,904,074	131,904,074	131,904,074	131,904,074	131,904,074	131,904,074	131,904,074	131,904,074
2020	136,361,954	622,186,253	666,175,566	666,175,566	666,175,566	666,175,566	666,175,566	666,175,566	666,175,566	666,175,566	666,175,566	666,175,566
2021	221,973,002	366,554,156	366,554,156	366,554,156	366,554,156	366,554,156	366,554,156	366,554,156	366,554,156	366,554,156	366,554,156	366,554,156
2022	452,388,497	452,388,497	452,388,497	452,388,497	452,388,497	452,388,497	452,388,497	452,388,497	452,388,497	452,388,497	452,388,497	452,388,497

SANLAM LIFE INSURANCE NIGERIA LIMITED

Claims Paid Triangulations as at 31 December 2022 - Excluding Large Losses

General Accident

Accident Year	Development Year											
	0	1	2	3	4	5	6	7	8	9	10	11
2011	301,258,428	616,039,900	652,633,072	706,376,577	735,702,025	738,253,348	739,866,685	739,866,685	739,866,685	739,866,685	739,866,685	739,866,685
2012	118,888,129	476,598,205	545,753,576	550,721,093	554,634,442	558,604,628	559,052,507	559,052,507	559,052,507	559,052,507	559,052,507	
2013	174,815,805	372,994,861	547,241,742	576,584,728	579,834,414	579,834,414	597,645,964	597,669,602	597,690,746	597,690,746		
2014	125,726,886	246,376,575	368,961,063	374,954,648	397,966,500	397,966,500	398,331,543	398,331,543	398,331,543			
2015	149,418,658	338,080,785	427,328,893	476,828,653	476,828,653	476,828,653	476,828,653	476,828,653				
2016	105,153,316	543,523,357	582,462,707	582,471,022	582,519,085	583,641,440	583,662,097					
2017	107,298,224	261,153,214	302,233,718	302,256,281	304,009,258	304,195,253						
2018	111,785,045	168,723,692	169,308,657	178,669,219	189,456,208							
2019	99,281,472	111,148,596	119,059,389	126,549,199								
2020	115,281,092	177,309,763	224,583,231									
2021	181,286,025	307,503,912										
2022	401,028,412											

Motor

Accident Year	Development Year											
	0	1	2	3	4	5	6	7	8	9	10	11
2011	74,692,635	110,251,301	111,944,711	119,123,375	119,144,513	119,144,513	119,166,933	119,166,933	119,166,933	119,166,933	119,166,933	119,166,933
2012	63,119,744	121,145,189	128,786,628	130,366,614	130,904,793	131,358,017	131,490,358	131,490,358	131,490,358	131,490,358	131,490,358	
2013	48,825,250	89,427,481	96,989,771	99,131,135	100,631,497	100,679,197	100,679,197	100,679,197	100,679,197	100,679,197		
2014	72,962,793	110,709,145	113,753,647	114,169,670	114,169,670	114,169,670	114,169,670	114,169,670	114,169,670			
2015	66,713,719	112,811,121	125,625,069	125,625,069	125,625,069	125,625,069	125,625,069	125,625,069				
2016	117,480,339	151,017,184	151,017,184	151,105,613	151,105,613	152,773,962	152,773,962					
2017	149,743,725	159,869,660	160,076,085	166,934,813	170,167,190	170,518,211						
2018	221,690,021	250,767,284	253,349,434	256,704,037	257,570,490							
2019	134,076,470	158,443,511	160,063,718	160,104,218								
2020	171,866,060	218,644,460	229,832,956									
2021	216,818,058	293,152,396										
2022	438,001,578											

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iii The movement in unearned premium during the year was as follows:

	Group		Company	
	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-22 N'000	31-Dec-21 N'000
At 1 January	2,880,906	2,264,251	722,703	436,500
Change in the year (see note 27)	1,289,261	616,654	273,012	286,203
At 31 December	<u>4,170,168</u>	<u>2,880,905</u>	<u>995,715</u>	<u>722,703</u>

iv The movement in IBNR claims on Short term insurance during the year was as follows:

At 1 January	2,788,620	2,909,487	1,587,914	1,975,791
Decrease in IBNR	(468,987)	(120,867)	(598,393)	(387,877)
At 31 December	<u>2,319,634</u>	<u>2,788,621</u>	<u>989,521</u>	<u>1,587,914</u>

v The movement in annuity fund during the year was as follows:

At 1 January	33,313,069	44,320,108	33,313,069	44,320,108
Additions during the year (see note 27)	3,560,154	4,004,880	3,560,154	4,004,880
Changes in annuity fund	1,481,266	(10,296,864)	1,481,266	(10,296,864)
Withdrawals during the year	(5,091,787)	(4,715,055)	(5,091,787)	(4,715,055)
At 31 December	<u>33,262,702</u>	<u>33,313,069</u>	<u>33,262,702</u>	<u>33,313,069</u>

vi The movement in life fund contract (excluding annuity) during the year was as follows:

	Group		Previously stated		Company		Previously stated 31-Dec-21 N'000
	31-Dec-22 N'000	Restated 31-Dec-21 N'000	31-Dec-21 N'000	31-Dec-22 N'000	31-Dec-21 N'000	Restated 31-Dec-21 N'000	
At 1 January	48,927,411	56,635,618	56,635,618	48,927,411	56,635,618	56,635,618	
Increase/(Decrease) during the year	11,733,655	(7,708,207)	(8,433,168)	11,733,655	(7,708,207)	(8,433,168)	
At 31 December	<u>60,661,066</u>	<u>48,927,411</u>	<u>48,202,450</u>	<u>60,661,066</u>	<u>48,927,411</u>	<u>48,202,450</u>	

vii Restatement Note

During 2022, the Group discovered that the Life Insurance Contract Liabilities have been erroneously understated, as at the year ended 31 December 2021. This resulted from the approved changes to the surrender value charge rates and the commission rates for related insurance policies comprising the two largest individual life products - Flexible Education and Flexible Cashflow products that were not updated in the policy administration systems (valuation models) used to measure the liabilities in 2021. The surrender charge rates and the commission rates have been corrected to reflect the approved rates.

As a consequence, the Insurance contract liabilities/expense was understated for the year ended 31 December 2021. The following tables summarize the impact on the Group and Company financial statements.

	Impact of correction of error Group			Impact of correction of error Company		
	Previously stated 31-Dec-21 N'000	Adjustments 31-Dec-21 N'000	Restated 31-Dec-21 N'000	Previously stated 31-Dec-21 N'000	Adjustments 31-Dec-21 N'000	Restated 31-Dec-21 N'000
i. Consolidated Statement of Financial position:						
Total assets	<u>155,733,904</u>	<u>-</u>	<u>155,733,904</u>	<u>145,027,180</u>	<u>-</u>	<u>145,027,180</u>
Insurance Contract liabilities	93,620,320	724,961	94,345,281	86,417,392	724,961	87,142,353
Others	37,343,581	-	37,343,581	35,769,323	-	35,769,323
Total Liabilities	<u>130,963,901</u>	<u>724,961</u>	<u>131,688,862</u>	<u>122,186,715</u>	<u>724,961</u>	<u>122,911,676</u>
Total equity	<u>24,770,003</u>	<u>724,961</u>	<u>24,045,042</u>	<u>22,840,465</u>	<u>724,961</u>	<u>22,115,504</u>
ii. Consolidated statement of profit or loss and OCI						
Gross premium income	<u>47,316,923</u>	<u>-</u>	<u>47,316,923</u>	<u>38,330,994</u>	<u>-</u>	<u>38,330,994</u>
Net premium income	<u>42,168,769</u>	<u>-</u>	<u>42,168,769</u>	<u>37,707,025</u>	<u>-</u>	<u>37,707,025</u>
Net underwriting income	<u>43,075,901</u>	<u>-</u>	<u>43,075,901</u>	<u>37,919,465</u>	<u>-</u>	<u>37,919,465</u>
Changes in long term insurance contracts	19,440,207	(724,961)	18,715,246	19,440,207	(724,961)	18,715,246
Others	(24,782,634)	-	(24,782,634)	(21,285,033)	-	(21,285,033)
Net underwriting expenses	<u>(5,342,426)</u>	<u>(724,961)</u>	<u>(6,067,388)</u>	<u>(1,844,826)</u>	<u>(724,961)</u>	<u>(2,569,787)</u>
Net underwriting result	<u>37,733,474</u>	<u>(724,961)</u>	<u>37,008,513</u>	<u>36,074,639</u>	<u>(724,961)</u>	<u>35,349,678</u>
Other income	12,781,319	-	12,781,319	11,499,457	-	11,499,457
Other expenses	(44,658,275)	-	(44,658,275)	(40,039,934)	-	(40,039,934)
Profit before tax	<u>5,856,518</u>	<u>(724,961)</u>	<u>5,131,557</u>	<u>7,534,162</u>	<u>(724,961)</u>	<u>6,809,201</u>
Income tax expense	(1,017,774)	-	(1,017,774)	(903,393)	-	(903,393)
Profit for the year	<u>4,838,743</u>	<u>(724,961)</u>	<u>4,113,783</u>	<u>6,630,770</u>	<u>(724,961)</u>	<u>5,905,809</u>
Earnings per share (basic) - in kobo	<u>60</u>		<u>51</u>	<u>83</u>		<u>74</u>
Earnings per share (diluted) - in kobo	<u>60</u>		<u>51</u>	<u>83</u>		<u>74</u>

The restatement has no impact on the Group and Company income tax and there is no impact on the total operating, investing or financing cash flows for the year ended 31 December 2021.

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17b Investment contract liabilities

The investment contract liabilities comprise interest-linked guaranteed investment funds. The movement in the investment contract liabilities is shown below:

	Group		Company	
	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-22 N'000	31-Dec-21 N'000
At 1 January	25,984,632	28,416,577	25,984,632	28,416,577
Additions during the period	9,141,511	11,911,312	9,141,511	11,911,312
Withdrawals during the year	(11,046,301)	(15,337,006)	(11,046,301)	(15,337,006)
Guaranteed interest (see note 35b)	961,927	993,749	961,927	993,749
At 31 December	25,041,768	25,984,632	25,041,768	25,984,632
Non-current	25,041,768	25,984,632	25,041,768	25,984,632

18 Trade payable

Premium on treaty payable to reinsurers (see note 18.1)	88,407	359,507	49,301	47,789
Claims escrow payable (see note 18.3)	70,929	20,712	70,929	20,712
Deferred Commission Revenue (see note 18.4)	233,291	146,716	-	-
Co - Assurance/Fac Outward Premium Payable	-	-	-	-
Deposit for premium	177,563	351,424	-	-
	570,191	878,359	120,230	68,501
Current	570,191	878,359	120,230	68,501

*Deposit for premium relates to premium received on policies that are yet to be incepted during the reporting period.

	Group		Company	
	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-22 N'000	31-Dec-21 N'000
18.1 Premium on treaty payable to reinsurers				
At 1 January	359,507	321,415	47,789	63,467
Insurance premium ceded to reinsurers (see note 18.2)	6,244,513	5,490,584	470,682	568,392
Cash paid to reinsurers/ coinsurers	(6,515,613)	(5,452,492)	(469,171)	(584,070)
At 31 December	88,407	359,507	49,301	47,789
18.2 Insurance premium ceded to reinsurers				
Premium ceded on treaty reinsurance	3,142,321	2,414,737	395,100	493,824
Premium ceded on facultative reinsurance	3,102,193	3,075,848	75,582	74,568
	6,244,513	5,490,584	470,682	568,392
18.3 Claims escrow payable				
At 1 January	20,712	99,898	20,712	99,898
Changes during the year	50,217	(79,186)	50,217	(79,186)
At 31 December	70,929	20,712	70,929	20,712
18.4 Deferred Commission Revenue				
At 1 January	146,716	106,205	-	-
Changes during the year	86,575	40,511	-	-
At 31 December	233,291	146,716	-	-
19 Other payables and accruals				
Accruals	3,520,844	2,672,994	3,122,566	2,326,845
Insurance levy	-	505,299	-	505,299
Due to related party (Note 42)	38,702	24,581	32,129	24,581
NITD Levy	120,972	101,601	88,222	75,558
NPTF Levy	817	784	817	784
Lease Liability	74,326	64,612	74,326	64,612
Other creditors	121,507	121,863	91,951	81,768
Current (Payable within the period)	3,877,167	3,491,734	3,410,011	3,079,447

Accruals amount relates to provisions made for expenses incurred but yet to be paid for. The account comprises performance bonus, staff & directors exit benefits, corporate gifts, consultancy and others.

	Group		Company	
	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-22 N'000	31-Dec-21 N'000
20 Tax payable				
<i>Company income tax payable:</i>				
At 1 January	3,405,801	2,649,322	3,314,100	2,482,731
Charge to profit and loss (note 39)	2,346,198	1,007,011	1,861,666	892,631
Tax paid in the year	(83,726)	(250,532)	(31,986)	(61,262)
At 31 December	5,668,273	3,405,801	5,143,780	3,314,100
Current	5,668,273	3,405,801	5,143,780	3,314,100
21 Dividend Payable				
At 1 January	3,082,305	-	3,082,305	-
Dividend declared during the year	5,920,000	3,332,222	5,920,000	3,332,222
Withholding tax	(444,000)	-	(444,000)	-
Dividend paid during the year	(611,389)	(249,917)	(611,389)	(249,917)
At 31 December	7,946,917	3,082,305	7,946,917	3,082,305
Current	5,476,000	3,082,305	5,476,000	3,082,305
Non-current	2,470,917	-	2,470,917	-
	7,946,917	3,082,305	7,946,917	3,082,305

The Directors have recommended a full year dividend of 88 kobo per share amounting to ₦7.04 billion (74 kobo per share amounting to ₦5.92 billion in year 2021) based on the number of ordinary shares issued and paid as at 31 December 2022.

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	Group		Company	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	₦'000	₦'000	₦'000	₦'000
22 Deferred tax liability				
The analysis of deferred tax liabilities is as follows:				
Deferred tax liability to be recovered within 12 months	500,751	429,877	240,339	229,577
Deferred tax liability to be recovered after more than 12 months	(72,449)	70,872	(11,710)	10,761
At 31 December	<u>428,301</u>	<u>500,750</u>	<u>228,629</u>	<u>240,338</u>
The movement on the deferred income tax account is as follows:				
At 1 January	500,750	429,877	240,338	229,577
Tax charge recognised in other comprehensive income	-	-	-	-
Income statement charge (note 39)	(72,449)	70,872	(11,710)	10,761
At 31 December	<u>428,301</u>	<u>500,750</u>	<u>228,629</u>	<u>240,338</u>
Non- current	<u>428,301</u>	<u>500,750</u>	<u>228,628</u>	<u>240,338</u>

The deferred tax liability arose mainly from timing difference in the treatment of property and equipments for tax purposes and accounting principles.

Unrecognised deferred tax assets

	2022		2021	
	Gross Amount	Tax effect	Gross Amount	Tax effect
	₦'000	₦'000	₦'000	₦'000
Deductible temporry differences	3,499,278	1,052,378	2,613,004	784,022
Tax losses	100,907,943	30,272,383	91,512,658	27,453,797
	<u>104,407,221</u>	<u>31,324,760</u>	<u>94,125,662</u>	<u>28,237,819</u>

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the company can use the benefits therefrom.

23a Share capital	Group		Company	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
<i>Ordinary Shares</i>				
(i) Authorised share capital	Number	Number	Number	Number
Authorised share capital ('000)	-	10,000,000	-	10,000,000
(ii) Issued share capital	Number	Number	Number	Number
Issued share capital ('000)	8,000,000	10,000,000	8,000,000	10,000,000
(iii) Paid up share capital	₦'000	₦'000	₦'000	₦'000
Paid up share capital of 8.0 billion ordinary shares of ₦1.00 each	8,000,000	8,000,000	8,000,000	8,000,000
<i>Number of shares</i>				
At 31 December	8,000,000	8,000,000	8,000,000	8,000,000
At 1 January	8,000,000	8,000,000	8,000,000	8,000,000
Transfer from Share Premium	-	-	-	-
At 31 December	<u>8,000,000</u>	<u>8,000,000</u>	<u>8,000,000</u>	<u>8,000,000</u>

In line with section 124 of CAMA 2020, Regulation 13 of the Companies Regulation 2021, companies were mandated to issue their unissued shares by December 31, 2022 following which all unissued shares become automatically cancelled by that date. Consequent upon this regulation, 2,000,000,000 unissued shares of Sanlam Life Insurance Nigeria Limited were cancelled by operation of law.

	Group		Company	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	₦'000	₦'000	₦'000	₦'000
23b Share premium				
At 1 January	130,708	130,708	130,708	130,708
Transfer to Share Capital	-	-	-	-
At 31 December	<u>130,708</u>	<u>130,708</u>	<u>130,708</u>	<u>130,708</u>
24 Contingency reserves				
At 1 January	5,137,276	4,194,708	3,860,591	3,197,514
Transfer from retained earnings	343,072	942,568	-	663,077
At 31 December	<u>5,480,348</u>	<u>5,137,276</u>	<u>3,860,591</u>	<u>3,860,591</u>

24a In line with the provisions of Sec 22(1)(b) of the Insurance Act 2003, the contingency reserve of the company is currently above the minimum paid-up capital, hence no additional transfer were made to contingency reseve during the year.

	Group		Previously Stated		Company		Previously Stated	
	31-Dec-22	Restated 31-Dec-21	31-Dec-21	31-Dec-22	Restated 31-Dec-21	31-Dec-21	31-Dec-22	
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	
25 Retained earnings								
At 1 January	10,627,056	10,938,063	10,938,063	10,124,205	8,213,695	8,213,695	8,213,695	
Dividend declared (note 21)	(5,920,000)	(3,332,222)	(3,332,222)	(5,920,000)	(3,332,222)	(3,332,222)	(3,332,222)	
Asset revaluation movement on disposal of PPE	150,000	-	-	-	-	-	-	
Transfer to contingency reserves (note 24)	(343,072)	(942,568)	(942,568)	-	(663,077)	(663,077)	(663,077)	
Profit for the period	8,453,757	4,113,783	4,838,744	7,067,223	5,905,809	6,630,770	6,630,770	
At 31 December	<u>12,967,741</u>	<u>10,777,056</u>	<u>11,502,017</u>	<u>11,271,428</u>	<u>10,124,205</u>	<u>10,849,166</u>	<u>10,849,166</u>	

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	Group		Company	
	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-22 N'000	31-Dec-21 N'000
26 Fair value reserves				
At 1 January	-	520,692	-	520,692
Change in value of financial assets FVOCI	-	-	-	-
Reclassification to income statement	-	(506,523)	-	(506,523)
ECL impairment on FVOCI securities	-	(14,169)	-	(14,169)
Deferred tax	-	-	-	-
At 31 December	-	-	-	-
26.1 ECL impairment on FVOCI securities				
At 1 January	-	14,169	-	14,169
Changes during the year	-	(14,169)	-	(14,169)
At 31 December	-	-	-	-
26.2 Fair value reserves-statement of comprehensive income				
Change in value of Treasury Bills fair value through OCI	-	-	-	-
Change in value of Government Bond fair value through OCI	-	-	-	-
Reclassification to income statement	-	(506,523)	-	(506,523)
Deferred tax (note 22)	-	-	-	-
	-	(506,523)	-	(506,523)

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	Group		Company	
	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-22 N'000	31-Dec-21 N'000
27 Gross premium income				
Individual life	33,889,136	30,791,060	33,889,136	30,791,060
Group life	4,404,166	3,821,257	4,404,166	3,821,257
Annuity	3,560,154	4,004,880	3,560,154	4,004,880
General insurance	11,435,715	9,316,380	-	-
Gross premium written	<u>53,289,171</u>	<u>47,933,577</u>	<u>41,853,456</u>	<u>38,617,197</u>
27.1 Unearned premium				
Change in UPR (note 17aiii)	<u>(1,289,261)</u>	<u>(616,655)</u>	<u>(273,012)</u>	<u>(286,203)</u>
28 Insurance premium ceded to reinsurers				
Gross reinsurance cost (see note 18.2)	6,244,513	5,490,584	470,682	568,392
Change in Reinsurer's share of UPR (see note 9.3)	<u>(223,910)</u>	<u>(342,430)</u>	<u>(102,427)</u>	<u>55,577</u>
	<u>6,020,603</u>	<u>5,148,154</u>	<u>368,256</u>	<u>623,969</u>
29 Fees and commission income				
Commission income on reinsurance premium	1,246,748	907,132	258,231	212,440
Change in deferred commission revenue (note 18.4)	<u>(86,575)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,160,173</u>	<u>907,132</u>	<u>258,231</u>	<u>212,440</u>
30 Insurance claims and loss adjustment expenses				
Group			31-Dec-22	
			N'000	N'000
			Gross	Reinsurance
				Net
Claims paid during the year (see note 17ai & note 9.1)			24,262,896	(2,038,168)
Changes in Outstanding claims (see note 17ai & note 9.4)			(2,135,268)	1,235,503
Changes in Incurred But Not Reported claims (see note 17ai & note 9.4)			(468,987)	(117,724)
			<u>21,658,642</u>	<u>(920,389)</u>
				<u>20,738,253</u>
			31-Dec-21	
			N'000	N'000
			Gross	Reinsurance
				Net
Claims paid during the year (see note 17ai & note 9.1)			18,742,556	(2,415,951)
Changes in Outstanding claims (see note 17ai & note 9.4)			1,662,637	(385,876)
Changes in Incurred But Not Reported claims (see note 17ai & note 9.4)			(120,867)	460,514
			<u>20,284,327</u>	<u>(2,341,313)</u>
				<u>17,943,015</u>
Company			31-Dec-22	
			N'000	N'000
			Gross	Reinsurance
				Net
Claims paid during the year (see note 17ai & note 9.1)			21,081,320	(342,029)
Changes in Outstanding claims (see note 17ai & note 9.4)			(750,484)	(4,640)
Changes in Incurred But Not Reported claims (see note 17ai & note 9.4)			(598,393)	(34,804)
			<u>19,732,444</u>	<u>(381,473)</u>
				<u>19,350,971</u>
			31-Dec-21	
			N'000	N'000
			Gross	Reinsurance
				Net
Claims paid during the year (see note 17ai & note 9.1)			15,665,274	(453,400)
Changes in Outstanding claims (see note 17ai & note 9.4)			869,759	52,169
Changes in Incurred But Not Reported claims (see note 17ai & note 9.4)			(387,877)	577,113
			<u>16,147,156</u>	<u>175,882</u>
				<u>16,323,038</u>
31 Underwriting expenses				
			Group	
			31-Dec-22	31-Dec-21
			N'000	N'000
Acquisition cost			5,314,145	4,478,769
Maintenance cost			1,907,910	2,360,850
			<u>7,222,055</u>	<u>6,839,619</u>
				<u>5,102,459</u>
				<u>4,961,995</u>
31.1 Acquisition cost				
At 1 January			431,262	386,792
Acquisition cost paid during the year (see note 11)			5,523,982	4,523,238
Amortisation during the year (see note 11)			<u>(5,314,145)</u>	<u>(4,478,769)</u>
At 31 December			<u>641,099</u>	<u>431,262</u>
				<u>88,372</u>
				<u>62,181</u>
32 Changes in long term insurance contracts				
			Group	
			31-Dec-22	31-Dec-21
			N'000	N'000
Changes in individual life fund excluding annuity (see note 17avi)			11,733,655	(7,708,207)
Changes in annuity fund			<u>(50,367)</u>	<u>(11,007,039)</u>
			<u>11,683,288</u>	<u>(18,715,246)</u>
				<u>(8,433,168)</u>
				<u>(11,007,039)</u>
			<u>11,683,288</u>	<u>(18,715,246)</u>
				<u>(19,440,207)</u>
				<u>11,683,288</u>
				<u>(18,715,246)</u>
				<u>(19,440,207)</u>

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	Group		Company	
	31-Dec-22 #'000	31-Dec-21 #'000	31-Dec-22 #'000	31-Dec-21 #'000
33 Other income				
Policy charges	360,343	-	360,343	-
Sundry income*	4,628	423,584	4,625	-
	364,971	423,584	364,968	-
Interest income staff loans (see note 10.3)	518,050	88,841	66,812	78,841
Foreign exchange gain/(loss)	-	-	-	-
(Loss) on investment property	-	(10,000)	-	-
Interest on policy loans (see note 10.4)	230	358	230	358
Gain/(loss) on disposal of PPE (see note 33a)	(96,029)	2,179	(8,355)	1,495
	787,222	504,963	423,655	80,694
*Sundry income amount represent unrealised foreign exchange gain on cash and cash equivalent				
33a Gain on disposal of PPE				
Proceeds from disposal of property and equipment	233,291	20,903	73,676	20,219
Cost of property and equipment disposed	(6,853)	157,061	349,751	69,424
Accumulated depreciation of property & equipment disposed (see note 15)	(158,405)	(138,336)	(267,720)	(50,700)
	(165,258)	18,724	82,031	18,725
Gain on disposal of PPE	(96,029)	2,179	(8,355)	1,495
34a Net realised gains/(loss) on financial assets	(96,029)			
Foreign exchange gain	9,640	11,024	9,640	11,024
Profit/(Loss) on sale of quoted equity (see note 34ai)	395	(10,352)	38	(10,352)
(Loss)/ gain on sale of unquoted equity (see note 34aii)	163,192	-	-	-
Realised gain on commercial papers	-	10,890	-	-
Realised gain on commercial papers	-	10,677	-	-
Realised gain on treasury bills (see note 34aiii)	60,206	121,752	49,325	23,874
Realised (loss)/gain on bonds (see note 34aiv)	392,352	(10,218,390)	282,321	(7,356,116)
	625,785	(10,074,398)	341,324	(7,331,570)
34ai Loss on sale of quoted equity				
Proceeds on disposal	22,089	415,744	21,732	415,744
Quoted equity disposed at cost (see note 7.1ii)	(21,694)	(426,095)	(21,694)	(426,095)
(Loss)/Gain on disposal	395	(10,352)	38	(10,352)
34aii (Loss)/ gain on sale of unquoted equity				
Proceeds on disposal	163,192	-	-	-
Unquoted equity disposed at cost	-	-	-	-
(Loss)/Gain on disposal	163,192	-	-	-
34aiii Realised gain on treasury bills				
Proceeds on disposal/redemption	51,624,012	55,702,426	31,105,436	47,343,965
Treasury bills (FVPL) disposed at cost (see note 7.1iii)	51,563,806	53,242,953	31,056,111	44,982,370
Treasury bills (FVOCI) disposed at cost (see note 7.2ii)	-	2,337,722	-	2,337,722
	51,563,806	55,580,675	31,056,111	47,320,092
Gain on disposal	60,206	121,752	49,325	23,874
34aiv Realised gain on bonds				
Proceeds on disposal/redemption	39,514,221	56,398,675	31,291,606	47,808,830
Bond (FVPL) disposed at cost (see note 7.1iv)	39,121,869	51,358,249	31,009,285	39,906,131
Bond (FVOCI) disposed at cost (see note 7.2iii)	-	15,258,815	-	15,258,815
	39,121,869	66,617,064	31,009,285	55,164,946
(Loss)/gain on disposal	392,352	(10,218,389)	282,321	(7,356,116)
34b Net fair value (loss)/gains				
Fair value (loss)/gain on Treasury Bills (see note 7.1iii)	(15,192)	91,224	(20,344)	91,386
Fair value (loss)/gain on Bonds (see note 7.1iv)	(6,407,439)	(27,911,702)	(6,271,587)	(27,618,317)
Fair value (loss) on Unquoted equity	-	-	-	-
Fair value loss on Quoted equity (see note 7.1ii)	(72,333)	(33,207)	(72,333)	(33,207)
	(6,494,964)	(27,853,686)	(6,364,264)	(27,560,138)
35 Investment income				
Interest income on cash and bank balances	179,008	377,569	96,018	322,926
Interest income on treasury bills	1,184,657	990,058	788,950	821,334
Interest income on bonds	15,465,285	11,498,540	15,219,368	10,946,436
Interest income on promissory note	34,007	32,889	32,888	32,888
Interest income on commercial paper	291,286	316,894	223,303	244,782
Dividend Income	42,615	37,497	41,032	37,482
Interest income on statutory deposit	23,515	16,657	9,406	6,663
	17,220,373	13,270,104	16,410,965	12,412,511
Investment income attributable to:				
Investment income attributable to policyholders	12,499,894	6,614,186	12,499,894	6,614,186
Investment income attributable to shareholders	1,907,905	4,667,115	1,098,497	3,809,522
Investment income from investment contract liabilities	2,812,574	1,988,803	2,812,574	1,988,803
	17,220,373	13,270,104	16,410,965	12,412,511

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	Group		Company	
	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-22 N'000	31-Dec-21 N'000
35a The investment income classified under policyholders and shareholders fund is as shown below:				
Investment Income				
Investment income from annuity liabilities	5,409,070	3,218,851	5,409,070	3,218,851
Investment Income from long-term insurance contract-life fund	7,090,824	3,395,335	7,090,824	3,395,335
Investment income attributable to policyholders	12,499,894	6,614,186	12,499,894	6,614,186
Investment income attributable to shareholders	1,907,905	4,667,115	1,098,497	3,809,522
	14,407,799	11,281,301	13,598,391	10,423,708
35b Profit from investment contract:				
Investment income from investment contract liabilities	2,812,574	1,988,803	2,812,574	1,988,803
Guaranteed interest	(961,927)	(993,749)	(961,927)	(993,749)
	1,850,647	995,054	1,850,647	995,054
35c Interest receivable				
Group				
	31 December 2022			
	At 1 January N'000	Interest earned N'000	Interest received N'000	At 31 December N'000
Cash and bank balances	826	179,008	(179,335)	499
Treasury Bill (FVPL)	488,911	1,184,657	(1,446,558)	227,010
Bond (FVPL)	2,697,258	14,529,719	(12,667,467)	4,559,510
	3,186,169	15,714,376	(14,114,025)	4,786,520
Treasury Bill (FVOCI)	-	-	-	-
Bond (FVOCI)	-	-	-	-
Commercial Paper	35,821	291,286	(317,207)	9,900
Promissory Notes	33,248	32,888	(0)	66,136
Bond (Amortised Cost)	77,739	935,566	(872,356)	140,949
	146,808	1,259,740	(1,189,563)	216,985
Statutory deposit	13,678	23,515	(25,435)	11,757
	3,347,481	17,176,639	(15,508,359)	5,015,762
	31 December 2021			
	N'000	N'000	N'000	N'000
Cash and bank balances	3,766	377,583	(380,522)	826
Treasury Bill (FVPL)	119,131	990,059	(620,279)	488,911
Bond (FVPL)	9,435,244	10,688,319	(17,426,305)	2,697,258
	9,554,375	11,678,378	(18,046,584)	3,186,169
Treasury Bill (FVOCI)	105,868	-	(105,868)	-
Bond (FVOCI)	2,415,123	-	(2,415,123)	-
	2,520,990	-	(2,520,990)	-
Commercial Paper	913	316,894	(281,986)	35,821
Promissory Notes	359	32,889	-	33,248
Bond (Amortised Cost)	96,298	810,221	(828,780)	77,739
	97,570	1,160,004	(1,110,766)	146,808
Statutory deposit	5,261	16,657	(8,240)	13,678
	12,181,964	13,232,622	(22,067,105)	3,347,480
Company				
	31 December 2022			
	At 1 January N'000	Interest earned N'000	Interest received N'000	At 31 December N'000
Cash and bank balances	499	96,018	(96,018)	499
Treasury Bill (FVPL)	486,031	788,950	(1,064,483)	210,498
Bond (FVPL)	2,665,467	14,283,802	(12,414,201)	4,535,068
	3,151,498	15,072,752	(13,478,684)	4,745,565
Treasury Bill (FVOCI)	-	-	-	-
Bond (FVOCI)	-	-	-	-
Commercial Paper	35,821	223,303	(251,211)	7,913
Promissory Notes	33,248	32,888	-	66,136
Bond (Amortised Cost)	75,183	935,566	(878,297)	132,452
	144,252	1,191,757	(1,129,508)	206,501
Statutory deposit	3,684	9,406	(8,387)	4,703
	3,299,933	16,369,933	(14,712,598)	4,957,268
	31 December 2021			
	At 1 January N'000	Interest earned N'000	Interest received N'000	At 31 December N'000
Cash and bank balances	3,766	322,926	(326,193)	499
Treasury Bill (FVPL)	119,104	821,334	(454,407)	486,031
Bond (FVPL)	9,326,627	10,204,401	(16,865,561)	2,665,467
	9,445,731	11,025,735	(17,319,968)	3,151,498
Treasury Bill (FVOCI)	105,868	-	(105,868)	-
Bond (FVOCI)	2,415,123	-	(2,415,123)	-
	2,520,990	-	(2,520,990)	-
Commercial Paper	837	244,782	(209,798)	35,821
Promissory Notes	359	32,889	-	33,248
Bond (Amortised Cost)	95,020	742,034	(761,871)	75,183
	96,216	1,019,705	(971,669)	144,252
Statutory deposit	2,105	6,663	(5,084)	3,684
	12,068,808	12,375,029	(21,143,906)	3,299,932

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36 Employee benefit expenses

The number of persons employed excluding directors in the Group and in the Company during the year and at the end of the year ended 31 December, 2022 were 223 and 148 respectively.

The staff cost for the above persons was:

	Group		Company	
	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-22 N'000	31-Dec-21 N'000
Wages and salaries	3,637,970	3,426,298	2,913,589	2,680,121
Pension costs	126,577	126,412	80,629	84,231
	3,764,547	3,552,710	2,994,218	2,764,353

37 Other operating and administrative expenses

Directors' emoluments	831,053	342,750	709,049	220,599
Auditors' remuneration (see note 37a)	41,875	45,555	26,875	37,555
Depreciation (see note 15)	524,673	460,774	407,089	352,856
Amortisation (see note 14)	200,278	201,927	200,278	201,927
Consultancy expenses	315,741	205,154	191,326	74,194
Rent and rates	118,812	134,175	104,828	118,471
Electricity and energy	78,726	37,629	78,511	37,104
Repairs and Maintenance expenses	433,374	258,443	262,244	150,650
Vehicle running expenses	99,920	91,400	70,139	58,026
Advert and Publicity	245,803	76,568	244,582	69,095
Telecommunications	89,921	64,628	80,591	56,296
Dues and Subscription	35,762	55,298	10,369	32,158
Travels and accommodation	85,629	41,795	77,077	39,852
Recruitment and training	116,080	79,794	77,589	40,754
Insurance expenses	75,284	66,126	50,476	49,931
Printing and stationeries	43,436	48,965	33,761	44,661
Donation	11,196	97,293	7,136	95,961
Entertainment	16,933	11,933	9,948	9,701
Bank charges	52,496	107,200	20,004	71,025
Interest on Lease Liability	9,714	8,044	9,714	8,044
Supervisory levies	606,640	599,571	509,950	505,285
Other administrative expenses	61,184	54,038	15,263	10,380
NITD Levy	86,098	79,364	81,922	75,342
NPTF Levy	410	377	410	377
	4,181,037	3,168,799	3,279,130	2,360,243

37a Auditor's remuneration

The audit remuneration represent audit fee for the statutory audit for the year ended 31 December 2022. The external auditor did not provide any non-audit service to the company

	Group		Company	
	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-22 N'000	31-Dec-21 N'000
Statutory Audit	42,600	45,555	27,600	37,555

38 ECL Impairment Allowance

ECL impairment allowance/(reversal) on cash and cash equivalents (note 6.1)	12,359	6,168	8,533	3,589
ECL impairment on FVOCI securities (note 26.1)	-	(14,169)	-	(14,169)
ECL Impairment on Amortised cost securities (note 7.3v)	(13,078)	16,682	(15,605)	34,210
	(720)	8,683	(7,073)	23,630

Impairment of financial assets are the Expected Credit Loss (ECL) on financial assets fair value through other comprehensive income and financial assets at amortised cost. A 12-month ECL have been assumed at initial recognition date.

	Group		Company	
	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-22 N'000	31-Dec-21 N'000
39 Income tax expense				
Current tax on profits for the year (note 20)	484,532	54,270	-	-
Minimum tax	1,861,666	892,631	1,861,666	892,631
Deferred tax charge for the year (note 22)	(72,449)	70,872	(11,710)	10,761
Income tax expense	2,273,749	1,017,774	1,849,956	903,393

Reconciliation of effective tax rate

Profit before tax	10,727,509	5,856,518	8,917,179	7,534,162
<i>Tax calculated using the domestic rate of Corporate tax rate of 30%</i>	3,116,402	1,756,955	2,675,154	2,260,249
Effect of applying:				
Income not subject to tax	(1,903,335)	(509,862)	(1,903,335)	(509,862)
Non-deductible expenses	(800,984)	(229,319)	(783,528)	(846,994)
Education tax	-	-	-	-
Capital allowances	-	-	-	-
Dividend tax	1,861,666	-	1,861,666	-
Tax charge	2,273,749	1,017,774	1,849,956	903,393
<i>Tax calculated using the domestic rate of Corporate tax rate of 30%</i>	29%	30%	30%	30%
Effect of applying:				
Income not subject to tax	-18%	-28%	-21%	-5%
Non-deductible expenses	-7%	-1%	-9%	-18%
Education tax	0%	0%	0%	0%
Capital allowances	0%	0%	0%	0%
Dividend tax	17%	14%	21%	0%
Effective tax rate	21%	16%	21%	7%

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Effective interest rate

The tax (charge)/credit relating to components of other comprehensive income is as follows:

	Group			Company		
	31-Dec-22			31-Dec-22		
	Before tax	Tax (charge) /credit	After tax	Before tax	Tax (charge) /credit	After tax
	N'000		N'000	N'000		N'000
Fair value loss:						
- Financial assets FVTOCI	-	-	-	-	-	-

The fair value loss was on treasury bills and bonds which are tax exempt on the Company's Income Tax Act Laws of the Federal Republic of Nigeria 2004, as amended in 2007. Hence the the fair value loss had a nil tax impact for the Company.

	Group			Company		
	31-Dec-21			31-Dec-21		
	Before tax	Tax (charge) /credit	After tax	Before tax	Tax (charge) /credit	After tax
	N'000		N'000	N'000		N'000
Fair value gain:						
- Financial assets FVTOCI	-	-	-	-	-	-

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40 Hypothecation	Policy holders fund	Investment Fund	Annuity Fund	Shareholders fund	Total	Policy holders fund	Investment Fund	Annuity Fund	Shareholders fund	Total
	2022					2021				
GROUP	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Assets										
Cash and placements	2,974,168	375,455	13,767	2,015,101	5,378,491	808,304	254,927	336,061	899,106	2,298,398
Treasury bills with original maturity <90 days	6,911,466	296,377	982,492	497,134	8,687,468	3,215,540	1,967,311	961,414	1,688,071	7,832,335
Treasury bills with original maturity > 90 days	7,466,273	1,451,285	577,703	150,854	9,646,116	6,128,039	3,309,616	2,621,649	245,534	12,304,838
Commercial papers	-	-	-	1,100,224	1,100,224	3,428,369	-	-	-	3,428,369
Bonds	51,237,248	23,487,853	47,138,234	15,698,750	137,562,085	44,194,733	19,032,993	43,532,323	11,175,931	117,935,979
Investment in quoted equity	-	-	-	406,634	406,634	500,661	-	-	-	500,661
Investment in unquoted equity	-	-	-	-	-	-	-	-	-	-
Investment in Prommissory Notes	-	-	-	-	2,550,909	-	-	1,295,656	-	1,295,655
Trade receivables	-	-	-	223,288	223,288	-	-	-	62,860	62,860
Reinsurance assets	3,742,110	-	-	-	3,742,110	4,705,754	-	-	-	4,705,754
Other receivables and prepayments	1,175,195	-	-	-	1,175,195	1,028,602	-	-	-	1,028,602
Deferred acquisition costs	641,102	-	-	-	641,102	431,262	-	-	-	431,262
Investment properties	-	-	-	-	-	-	-	-	-	-
Investment in subsidiary	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	432,407	432,407	-	-	-	632,685	632,685
Property and equipment	-	-	-	2,778,967	2,778,967	-	-	-	2,776,504	2,776,504
Statutory deposit	-	-	-	500,000	500,000	-	-	-	500,000	500,000
Total assets	74,147,562	25,610,970	48,712,197	23,803,359	174,824,996	64,441,264	24,564,847	48,747,103	17,980,691	155,733,902
Liabilities										
Insurance contracts liabilities	71,450,876	-	33,262,702	-	104,713,578	61,032,212	-	33,313,069	-	94,345,281
Investment Contracts Liabilities	-	25,041,768	-	-	25,041,768	-	25,984,632	-	-	25,984,632
Trade payable	-	-	-	570,191	570,191	-	-	-	878,359	878,359
Other payables and accruals	-	-	-	3,877,167	3,877,167	-	-	-	3,491,734	3,491,734
Dividend Payable	-	-	-	7,946,917	7,946,917	-	-	-	3,082,305	3,082,305
Tax payable	-	-	-	5,668,273	5,668,273	-	-	-	3,405,801	3,405,801
Deferred tax liability	-	-	-	428,301	428,301	-	-	-	500,750	500,750
Total liabilities	71,450,876	25,041,768	33,262,703	18,490,849	148,246,195	61,032,212	25,984,632	33,313,070	11,358,949	131,688,862
Surplus	2,696,686	569,202	15,449,494	5,312,510	26,578,801	3,409,052	(1,419,785)	15,434,033	6,621,742	24,045,040

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COMPANY	Policy holders fund	Investment Fund	Annuity Fund	Shareholders fund	Total	Policy holders fund	Investment Fund	Annuity Fund	Shareholders fund	Total
	2022					2021				
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Assets										
Cash and placements	1,569,208	375,455	13,767	1,528,713	3,487,144	376,253	254,927	336,061	412,718	1,379,959
Treasury bills with original maturity <90 days	3,653,049	296,377	982,492	497,134	5,429,051	3,215,539	1,967,311	961,414	1,688,071	7,832,335
Treasury bills with original maturity > 90 days	4,920,768	1,451,285	577,703	150,854	7,100,611	4,773,972	3,309,616	2,621,649	245,534	10,950,771
Commercial papers	-	-	-	872,127	872,127	1,439,233	1,989,136	-	-	3,428,369
Bonds	55,864,673	23,487,853	41,789,114	14,420,252	135,561,891	44,067,155	19,032,993	38,183,203	9,897,432	111,180,783
Investment in quoted equity	-	-	-	406,634	406,634	500,661	-	-	-	500,661
Investment in Prommissory Notes	-	-	-	1,329,762	1,329,762	-	-	1,295,655	-	1,295,655
Trade receivables	-	-	-	10,500	10,500	-	-	-	29,869	29,869
Reinsurance assets	219,785	-	-	-	219,785	89,697	-	-	-	89,697
Other receivables and prepayments	7,961	-	-	969,253	977,214	5,504	-	-	809,219	814,723
Deferred acquisition costs	-	-	-	88,372	88,372	-	-	-	62,181	62,181
Investment properties	-	-	-	-	-	-	-	-	-	-
Investment in subsidiary	-	-	-	5,349,120	5,349,120	-	-	-	5,349,120	5,349,120
Intangible assets	-	-	-	169,967	169,967	-	-	-	370,245	370,245
Property and equipment	-	-	-	1,701,661	1,701,661	-	-	-	1,542,812	1,542,812
Statutory deposit	-	-	-	200,000	200,000	-	-	-	200,000	200,000
Total assets	66,235,444	25,610,970	43,363,077	27,694,349	162,903,839	54,468,013	26,553,983	43,397,982	20,607,201	145,027,179
Liabilities										
Insurance contracts liabilities	64,487,076	-	33,262,702	-	97,749,778	53,829,284	-	33,313,069	-	87,142,353
Investment Contracts Liabilities	-	25,041,768	-	-	25,041,768	-	25,984,632	-	-	25,984,632
Trade payable	-	-	-	120,230	120,230	-	-	-	68,501	68,501
Other payables and accruals	-	-	-	3,410,011	3,410,011	-	-	-	3,079,447	3,079,447
Dividend Payable	-	-	-	7,946,917	7,946,917	-	-	-	3,082,305	3,082,305
Tax payable	-	-	-	5,143,780	5,143,780	-	-	-	3,314,100	3,314,100
Deferred tax liability	-	-	-	228,629	228,629	-	-	-	240,338	240,338
Total liabilities	64,487,076	25,041,768	33,262,703	16,849,567	139,641,112	53,829,284	25,984,632	33,313,070	9,784,691	122,911,675
Surplus	1,748,368	569,202	10,100,374	10,844,782	23,262,727	638,729	569,351	10,084,912	10,822,510	22,115,504

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41 Other income statement information: Staff and directors cost

Employee costs during the year amounted to:

	Group		Company	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	₦'000	₦'000	₦'000	₦'000
Wages & Salaries	3,130,885	3,311,213	2,406,504	2,565,036
Pension Cost	126,577	126,412	80,629	84,231
Exit bonus	507,085	115,085	507,085	115,085
	3,764,547	3,552,709	2,994,218	2,764,354

The number of employees of the company, other than directors, who received emoluments in the following ranges was:

	Group		Company	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	Number	Number	Number	Number
N1,000,001 - N1,500,000	-	-	-	-
N1,500,001 - N2,000,000	-	-	-	-
N2,000,001 - N2,500,000	-	-	-	-
N2,500,001 - N3,000,000	7	2	-	-
N3,000,001 - N3,500,000	46	79	43	62
N3,500,001 - N4,000,000	4	2	2	2
Above N4,000,000	166	162	103	103
	223	245	148	167

iii. The average number of full time persons employed by the Company during the year per level were as followed:

Executive Director	5	6	2	4
Management staff	39	7	12	6
Non management staff	179	232	134	157
	223	245	148	167

Directors' remuneration:

i. Remuneration paid to the directors of the Company were as follows:

Short term benefits:

- Directors fees	31,200	28,900	16,000	16,000
- Directors Sitting Allowances	20,928	6,870	5,120	5,120
- Executive compensation	787,832	306,979	687,929	199,479
	839,960	342,749	709,049	220,599

Fees and other emoluments disclosed above include amounts paid to :

The Chairperson	3,100	3,100	3,100	3,100
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The highest paid director	109,563	83,601	109,563	83,601
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The number of directors who received fees and other emoluments (excluding pension contributions) in the following ranges was:

	Group		Company	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	Number	Number	Number	Number
Below N5,000,000	-	-	-	-
N5,000,000- N10,000,000	10	10	6	5
N10,000,000 and above	4	4	2	2
	14	14	8	7

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42 Related parties

Sanlam Emerging Markets provides technical implementation assistance and ongoing support. They also provide key managerial staff to the company.

Shareholders	31-Dec-22	31-Dec-21
FBN Holdings PLC	0.00%	65.00%
Sanlam Emerging Market	99.99%	35.00%
Susarah Magaretha Coetzee	0.01%	0.00%

Nature of the transaction	Related party	2022 N'000	2021 N'000
Maintenance expenses	Sanlam	36,242	45,847

Nature of the balance		2022 N'000	2021 N'000
Due to related party	Sanlam	32,129	24,581
Intercompany receivables	Sanlam General Insurance Ltd	-	-

Transactions with directors

Remuneration is paid to directors in the form of fees to non-executive directors and remuneration to executive directors of the Company. All directors of the Company have notified that they did not have any interest in transactions recorded within the reporting period. Key management personnel transactions with the Group have been disclosed in note 41.

43 Contingent liabilities and commitments

There were no legal proceedings outstanding against the company At 31 December 2022 (2021 Nil).

44 Earnings per share

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of Sanlam Life Insurance Nigeria Limited as the numerator. The number of outstanding shares used for earnings per share amounted to 8,000,000,000 (2020:5,336,450,000) after considering the period in which the additional shares were in issue.

	Group		Company	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Profit for the year N'000	8,453,757	4,838,743	7,067,223	6,630,770
Number of shares at the beginning of the year N'000	8,000,000	8,000,000	8,000,000	8,000,000
Number of shares at the end of the year N'000	8,000,000	8,000,000	8,000,000	8,000,000
Weighted number of shares at the end of the year N'000	8,000,000	8,000,000	8,000,000	8,000,000
Earnings per share (basic) - in Kobo	106	60	88	83

45 Dividends

The Directors have recommended a full year dividend of 88 kobo per share amounting to ₦7.04 billion (74 kobo per share amounting ₦5.92 billion in year 2021) based on the number of ordinary shares issued and paid as at 31 December 2022.

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2022

46 Post balance sheet events

There were no post balance sheet events which could have a material effect on the financial position of the Group as at 31 December 2022 or the profit for the year ended 31 December 2022.

47 Segment Information

By Business Segment

Sanlam Life Insurance Nigeria Limited business is organised along distribution channels for management and reporting purposes into four main business segments: Retail distribution (i.e. Individual), Annuity, Corporate distribution, and Alternative distribution. The business strategy and focus is on broadening and deepening the relationship with customers, and promote operational and service excellence across all touch points. The Company is organised into key customer segments and distribution channels and evaluates segmental performance based on overall net insurance results. Distribution channels gross premium information is used as a way of assessing customer needs, penetration and trends in the marketplace. The business strategies of the company in the four main segments are adapted to local market and regulatory requirements. The Company expenses that are directly attributable to each line are appropriately charged to the relevant segment while central expenses have been distributed between the business segments in proportion to their direct costs. The insurance contract liabilities are modelled along each line of business distribution and the estimates are based on actuarial valuation at period end. The benefit of the Company's capital has been distributed between segments in proportion to their average risk liabilities and assets allocation.

Retail Distribution - This arm of our business is primarily responsible for the sale of retail products to different customer segments which include the mass market, middle class and affluent customers. We engage these customers through our agency network by offering products that address customers' specific insurance needs. Through our retail distribution, we sell the following key products

- Individual life products
- Annuity

Corporate Distribution - This segment of our business drives the sale of our Group Life products to corporate organisations and public sector parastatals. We continue to build and strengthen our relationships with key stakeholders such as insurance brokers in order to deepen our footprints in the corporate insurance segment.

Alternative Distribution - This segment consists of non-traditional channels through which we reach our target customers both retail and corporate. Credit related insurances such as credit life, mortgage protection plan, among others are sold through this distribution channel.

SANLAM LIFE INSURANCE NIGERIA LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2022

The Company's business segment reporting information is as follows:

31 December 2022	Group Life N'000	Annuity N'000	Individual N'000	Non-Life N'000	Total N'000
Gross premium written	4,404,166	3,560,154	33,889,136	11,435,715	53,289,171
Unearned premium	(273,012)	-	-	(1,016,251)	(1,289,261)
Gross premium income	4,131,155	3,560,154	33,889,136	10,419,464	51,999,909
Reinsurance expense	(368,256)	-	-	(5,652,347)	(6,020,603)
Net premium income	3,762,899	3,560,154	33,889,136	4,767,117	45,979,306
Fees and commission income	258,231	-	-	901,941	1,160,173
Net underwriting income	4,021,130	3,560,154	33,889,136	5,669,058	47,139,478
Claims incurred	2,331,892	5,091,787	12,308,765	1,926,198	21,658,642
Reinsurance recoveries	(1,459,305)	-	-	538,916	(920,389)
Underwriting expenses	581,337	134,543	4,386,578	2,119,596	7,222,055
Changes in contract liabilities	(108,846)	(50,367)	11,842,501	-	11,683,288
Net underwriting expense	1,345,078	5,175,964	28,537,844	4,584,710	39,643,596
Net underwriting profit	2,676,052	(1,615,810)	5,351,292	1,084,348	7,495,883
Other Income	787,222	-	-	-	787,222
Net realise gains /(loss)	262,218	-	-	363,567	625,785
Net fair gains /(loss)	(415,161)	(3,500,345)	(2,863,919)	284,461	(6,494,964)
Investment Income	1,620,028	3,399,598	9,518,874	(130,700)	14,407,799
Profit from investment contracts	(809,408)	-	1,850,647	809,408	1,850,647
Impairments	(1,304)	48	1,976	-	720
Employee benefit expenses	(419,545)	(251,503)	(2,323,171)	(770,329)	(3,764,547)
Other operating and administrative expense	(380,239)	(279,328)	(2,619,563)	(901,908)	(4,181,037)
Results of operating activities	3,319,863	(2,247,339)	8,916,136	738,847	10,727,507
Income tax expense	(207,996)	(151,905)	(1,907,495)	(6,353)	(2,273,749)
Profit/Loss for the year	3,111,867	(2,399,244)	7,008,641	732,494	8,453,758
December 31, 2021	Group Life N'000	Annuity N'000	Individual Life N'000	Non-Life N'000	Total- Restated N'000
Gross premium written	3,821,257	4,004,880	30,791,060	9,316,380	47,933,577
Unearned premium	(286,203)	-	-	(330,452)	(616,655)
Gross premium income	3,535,054	4,004,880	30,791,060	8,985,928	47,316,922
Reinsurance expense	(623,969)	-	-	(4,524,185)	(5,148,154)
Net premium income	2,911,085	4,004,880	30,791,060	4,461,743	42,168,768
Fees and commission income	212,441	-	-	694,691	907,132
Net underwriting income	3,123,526	4,004,880	30,791,060	5,156,434	43,075,900
Claims incurred	3,001,463	4,715,055	8,430,639	4,137,170	20,284,327
Reinsurance recoveries	175,882	-	-	(2,517,195)	(2,341,313)
Underwriting expenses	1,340,111	133,718	3,488,166	1,877,624	6,839,619
Changes in contract liabilities	724,961	(11,007,039)	(8,433,168)	-	(18,715,246)
Net underwriting expense	5,242,417	(6,158,266)	3,485,637	3,497,600	6,067,388
Net underwriting profit	(2,118,891)	10,163,146	27,305,423	1,658,834	37,008,512
Other Income	80,695	-	-	424,268	504,964
Net realise gains /(loss)	(1)	-	(7,331,569)	(2,742,827)	(10,074,397)
Net fair gains /(loss)	(1)	(15,158,076)	(12,402,062)	(293,546)	(27,853,686)
Investment Income	521,185	2,605,927	7,296,596	857,593	11,281,301
Profit from investment contracts	-	-	995,054	-	995,054
Impairments	3,270,487	(286,683)	(2,204,130)	(788,358)	(8,683)
Employee benefit expenses	(617,462)	(244,774)	(1,881,918)	(808,557)	(3,552,710)
Other operating and administrative expense	(3,162,455)	(2,451)	(18,842)	14,948	(3,168,799)
Results of operating activities	(2,026,443)	(2,922,910)	11,758,553	(1,677,644)	5,131,556
Income tax expense	(1,017,774)	-	-	-	(1,017,774)
Profit/Loss for the year	(3,044,216)	(2,922,910)	11,758,553	(1,677,644)	4,113,782

SANLAM LIFE INSURANCE NIGERIA LIMITED

OTHER NATIONAL DISCLOSURES
31 DECEMBER 2022

(a) Value Added Statement

	Group				Company			
	2022 ₦'000	%	2021 ₦'000	%	2022 ₦'000	%	2021 ₦'000	%
Net insurance premium Income	45,979,308		42,168,769		41,212,188		37,707,025	
Fee and Commission Income - Insurance Contracts	1,160,173		907,132		258,231		212,440	
Underwriting Cost	(39,636,522)		(6,988,744)		(36,129,645)		(2,593,417)	
Net Investment Income	10,389,267		(25,651,727)		9,426,099		(23,472,945)	
Other services bought	(1,920,064)		(947,425)		(2,259,818)		(1,050,928)	
Value added	15,972,161	100	9,488,004	100	12,507,054	100	10,802,175	100

Applied as follows:

In payment of employees:

- Salaries, wages and other benefits	3,764,547	24	3,552,710	37	2,994,218	24	2,764,353	26
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In payment to providers of capital:

- Interest on loan	-		-		-		-	
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In payment to Government

- Taxation	484,532	3	54,270	1	-	-	-	-
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For future replacement of assets, expansion of business and payment of dividend to shareholders:

- Deferred taxation	(72,449)	(0)	70,872	1	(11,710)	(0)	10,761	0.1
- Depreciation & Amortisation	724,951	5	662,701	7	607,367	5	554,783	5
- Contingency reserve	343,072	2	-	-	-	-	663,077	6
- Profit for the year	10,727,509	67	5,147,453	54	8,917,179	71	6,809,201	63
	15,972,161	100	9,488,005	100	12,507,054	100	10,802,175	100

SANLAM LIFE INSURANCE NIGERIA LIMITED

OTHER NATIONAL DISCLOSURES AS AT 31 DECEMBER 2022

(b) Financial Summary

(bi) Group

	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18
	₦'000	₦'000	₦'000	₦'000	₦'000
ASSETS					
Cash and Cash equivalent	5,378,491	2,298,398	3,451,406	3,879,287	1,124,931
Financial Assets	159,953,435	143,297,839	157,329,434	104,278,882	67,898,069
Trade Receivables	223,288	62,860	32,984	61,416	18,816
Reinsurance Assets	3,742,110	4,705,754	3,981,797	2,912,591	2,703,072
Other Receivables and Prepayments	1,175,195	1,028,602	891,327	962,217	582,653
Deferred Acquisition Cost	641,102	431,262	386,794	354,568	223,041
Investment Properties	-	-	100,000	100,000	100,000
Intangible Assets	432,407	632,685	834,612	332,760	333,598
Property and Equipment	2,778,967	2,776,504	2,486,237	2,459,875	2,468,275
Statutory Deposit	500,000	500,000	500,000	500,000	500,000
Total Assets	174,824,994	155,733,904	169,994,590	115,841,596	75,952,455
LIABILITIES					
Insurance Contract Liabilities	104,713,578	94,345,280	110,902,103	63,748,052	34,191,649
Investment Contract Liabilities	25,041,768	25,984,632	28,416,577	24,675,766	19,766,452
Trade payables	570,191	878,359	607,653	377,436	3,304,464
Other Provisions and Accruals	3,877,167	3,491,734	3,204,882	3,630,764	2,404,698
Divided payable	7,946,917	3,082,305	-	1,214,043	950,222
Tax Payable	5,668,273	3,405,801	2,649,321	2,472,703	2,024,296
Deferred Tax Liabilities	428,301	500,749	429,878	236,338	212,929
Total Liabilities	148,246,195	131,688,860	146,210,413	96,355,102	62,854,710
EQUITY					
Share Capital	8,000,000	8,000,000	8,000,000	5,336,450	5,336,450
Share Premium	130,708	130,708	130,708	1,930,708	1,930,708
Contingency Reserve	5,480,348	5,137,276	4,194,709	3,012,653	2,021,870
Retained Earnings	12,967,741	10,777,058	10,938,069	7,075,181	4,193,834
Fair Value Reserve	-	-	520,692	2,131,501	(385,117)
Total Equity	26,578,798	24,045,043	23,784,179	19,486,494	13,097,745
Total Liabilities & Equity	174,824,994	155,733,904	169,994,590	115,841,596	75,952,455
INCOME STATEMENTS - GROUP					
Gross Premium written	53,289,171	47,933,577	47,068,194	30,611,396	30,611,396
Gross Premium income	51,999,910	47,316,923	47,084,221	30,383,392	30,383,392
Net premium income	45,979,308	42,168,769	42,491,000	27,888,902	27,888,902
Insurance Claims incurred and loss adjustments expenses	(21,658,642)	(20,284,327)	(14,435,077)	(6,335,905)	(6,335,905)
Insurance Claims incurred recovered from reinsurance	920,389	2,341,313	2,422,512	1,619,141	1,619,141
Net Underwriting expenses	(7,222,055)	(6,839,619)	(5,688,309)	(4,543,438)	(4,543,438)
Underwriting results	7,495,885	37,008,515	(19,997,621)	7,342,839	7,342,839
Investment income	14,407,799	11,281,301	10,161,418	6,000,258	6,000,258
Net fair value gain/(loss)	(6,494,964)	(27,853,686)	18,582,141	-	-
Profit from investment contract	1,850,647	995,054	1,242,802	-	-
Other income	787,222	504,964	167,740	93,624	93,624
Employee benefit expense	(3,764,547)	(3,552,710)	(3,593,822)	(2,762,815)	(2,762,815)
Other operating expenses	(4,181,037)	(3,168,799)	(3,024,796)	(2,420,703)	(2,420,703)
Other operating expenses	720	(8,683)	(60,253)	-	-
Profit before tax	10,727,509	5,131,558	10,314,301	8,420,584	6,750,197
Income tax expense	(2,273,749)	(1,017,774)	(430,376)	(541,664)	(807,382)
Profit after tax	8,453,760	4,113,784	9,883,925	7,878,920	5,942,815
Other Comprehensive income	-	-	(1,606,477)	2,113,000	(502,296)
Total comprehensive income	8,453,757	3,607,262	8,277,450	9,991,920	5,440,519

SANLAM LIFE INSURANCE NIGERIA LIMITED

OTHER NATIONAL DISCLOSURES

(bii) Company	31-Dec-22 ₦'000	31-Dec-21 ₦'000	31-Dec-20 ₦'000	31-Dec-19 ₦'000	31-Dec-18 ₦'000
ASSETS					
Cash and Cash equivalent	3,487,144	1,379,959	2,695,393	3,550,088	806,983
Financial Assets	150,700,076	135,188,573	147,265,791	97,721,574	62,877,024
Trade Receivables	10,500	29,869	15,818	21,555	4,621
Reinsurance Assets	219,785	89,697	774,556	758,808	493,285
Other Receivables and Prepayments	977,214	814,723	865,716	929,690	545,555
Deferred Acquisition Cost	88,372	62,181	37,779	55,014	28,505
Investment in Subsidiary	5,349,120	5,349,120	5,349,120	4,300,873	4,300,873
Intangible Assets	169,967	370,245	572,172	70,320	71,158
Property and Equipment	1,701,661	1,542,812	1,363,324	1,266,285	1,211,336
Statutory Deposit	200,000	200,000	200,000	200,000	200,000
Total Assets	162,903,839	145,027,180	159,139,669	108,874,208	70,539,340
LIABILITIES					
Insurance Contract Liabilities	97,749,778	87,142,353	105,089,516	59,411,635	30,702,492
Investment Contract Liabilities	25,041,768	25,984,632	28,416,577	24,675,765	19,766,452
Trade payables	120,230	68,501	163,365	190,420	3,114,921
Other Provisions and Accruals	3,410,011	3,079,447	2,695,294	3,163,637	1,983,765
Tax Payable	5,143,780	3,314,100	2,482,731	2,390,532	1,945,626
Dividend payable	7,946,917	3,082,305	-	1,214,043	950,222
Deferred Tax Liabilities	228,629	240,338	229,577	126,613	104,107
Total Liabilities	139,641,112	122,911,676	139,077,060	91,172,644	58,567,585
EQUITY					
Share Capital	8,000,000	8,000,000	8,000,000	5,336,450	5,336,450
Share Premium	130,708	130,708	130,708	1,930,708	1,930,708
Contingency Reserve	3,860,591	3,860,591	3,197,514	2,402,785	1,631,499
Retained Earnings	11,271,428	10,124,205	8,213,695	5,900,119	3,458,215
Fair Value Reserve	-	-	520,692	2,131,501	(385,117)
Total Equity	23,262,728	22,115,505	20,062,610	17,701,564	11,971,755
Total Liabilities & Equity	162,903,839	145,027,180	159,139,669	108,874,208	70,539,340
INCOME STATEMENTS					
Gross Premium written	41,853,456	38,617,197	39,063,202	37,625,631	25,976,163
Gross Premium income	41,580,444	38,330,994	39,260,097	37,425,295	25,994,556
Net premium Income	41,212,188	37,707,025	38,611,915	35,752,403	25,459,483
Insurance Claims incurred and loss adjustments expenses	(19,732,444)	(16,147,156)	(11,540,311)	(9,900,810)	(4,310,582)
Insurance Claims incurred recovered from reinsurance	381,473	(175,882)	530,147	887,320	112,122
Net Underwriting expenses	(5,102,459)	(4,961,995)	(4,136,468)	(5,497,069)	(3,618,780)
Underwriting results	5,333,702	35,349,678	(21,935,566)	(4,952,780)	6,033,879
Investment income	13,598,391	10,423,708	9,521,802	6,164,476	5,277,865
Net fair value gain/(loss)	(6,364,264)	(27,560,138)	18,603,860	8,434,903	(2,438,809)
Profit from investment contract other income	1,850,647	995,054	1,242,802	3,404,468	1,377,396
Employee benefit expense	423,655	80,694	39,058	100,761	3,765
Other operating expenses	(2,994,218)	(2,764,353)	(2,683,410)	(2,751,651)	(2,158,976)
Impairment loss	(3,279,130)	(2,360,243)	(2,197,553)	(2,346,950)	(1,641,713)
Profit before tax	7,073	(23,630)	(40,939)	(39,920)	(14,111)
Income tax expense	8,917,179	6,809,201	8,142,455	7,682,942	6,134,597
Profit after tax	(1,849,956)	(903,393)	(195,163)	(467,412)	(684,770)
Other Comprehensive income	7,067,223	5,905,809	7,947,291	7,215,530	5,449,828
Total comprehensive income	-	-	(1,606,477)	2,113,000	(492,488)
	7,067,223	5,399,286	6,340,814	9,328,530	4,957,340