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**2021**  
ANNUAL REPORTS &  
FINANCIAL STATEMENTS

# JUST THE WAY Mummy Cares

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Agricultural Insurance | Travel Insurance

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Private Funds Management

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**ANCHOR  
INSURANCE**  
Company Limited  
RIC: 005 RC: 132269

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LAGOS.   
08068347759, +23414540100   
[WWW.ANCHORINSURANCE.NG](http://WWW.ANCHORINSURANCE.NG) 

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2021

# OUR VISION

To be the most innovative and preferred provider of General Business Insurance Services in Nigeria.



# OUR MISSION

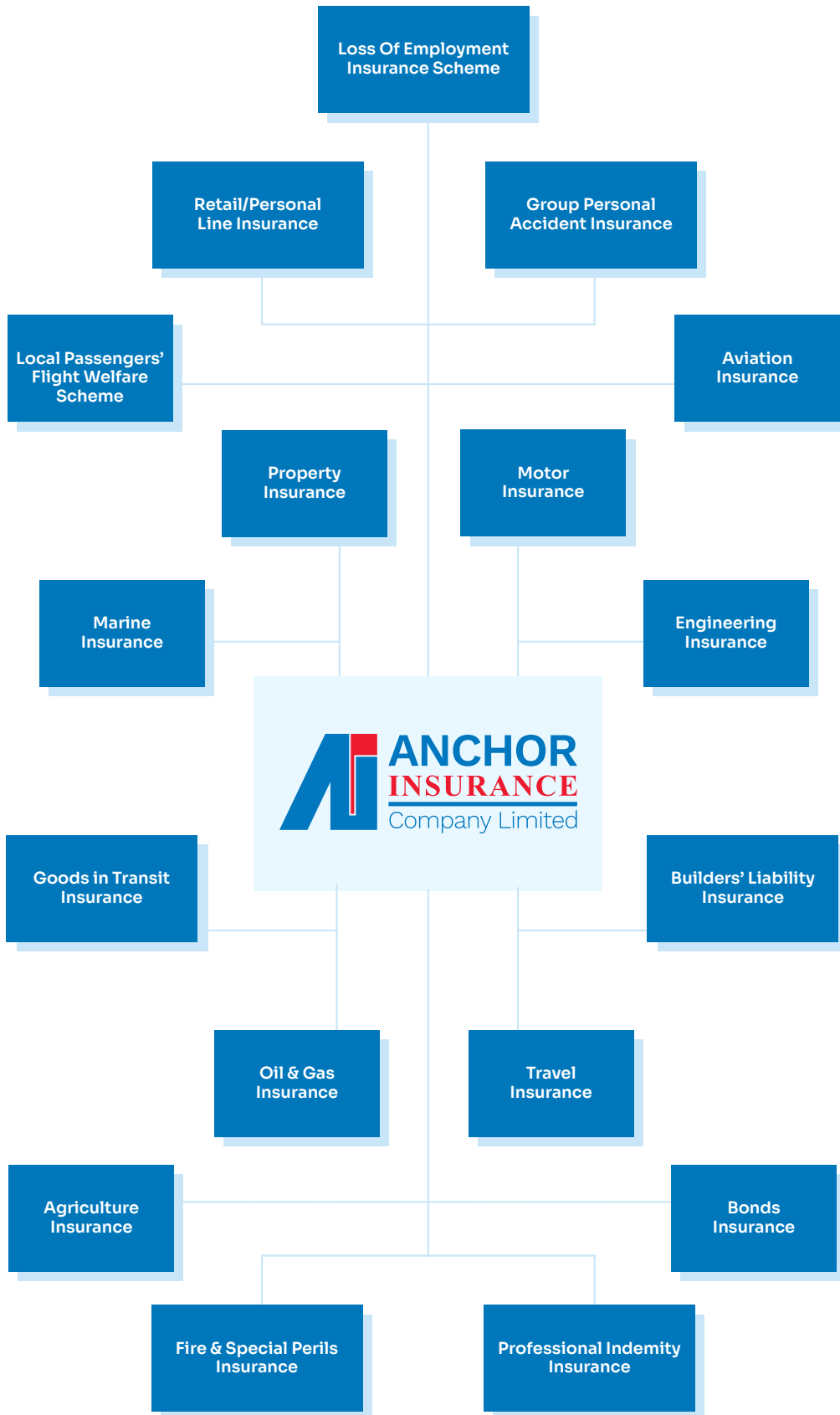
To institutionalize the ANCHOR brand as a world class security, providing superior, efficient and dynamic insurance services anchored on state of the art technology, accountable and well motivated staff to meet the expectations of stakeholders.

# OUR VALUES

- A Accountability
- T Transparency
- P Professionalism
- E Efficiency
- A Accessibility
- C Customer Friendly
- E Empathy

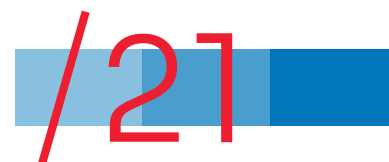


# Our Products



...where insurance works

## COMPANY INFORMATION



Dr. Elijah Akpan  
Mr. Augustine Osegha Ebose  
Mr. Adebisi Ikuomola  
Mr. Ukpong Ekwere Ukpong  
Barr. Christopher Attah  
Mr. Imo-Abasi Jacob  
Mr. Nsikan Linus Nkan  
Mr. Ntuk Udo  
Mrs. Comfort Ewang  
Mr. Akinola Taiwo

Chairman  
Managing Director/Chief Executive Officer  
Executive Director, Technical  
Non-Executive  
Non-Executive  
Non-Executive  
Non-Executive  
Non-Executive  
Non-Executive  
Independent Director

Barr. Ime F. Umoh  
RC 132269  
RIC - 005  
FRC/2013/0000000000653  
No. 7/13 Aka Road, Uyo, Akwa Ibom State.  
Plot 21, Ahmed Onibudo Street,  
Victoria Island, Lagos.

Company Secretary  
Registration Number  
NAICOM Registration Number  
Company's FRC Number  
Registered Office  
Corporate Office

Seyi Katola & Co  
(Chartered Accountants)  
Providence House, 1st floor,  
1 Babatunde Ladega Street  
Off Ogunusi Road, Omole,  
FRC/2014/ICAN/0000000628

Auditors

African Re-Insurance Corporation  
Continental Reinsurance Plc  
Nigerian Re-Insurance Corporation  
WAICA Re-Insurance Corporation  
FBS Re-Insurance Company Limited  
ZEP Re-Insurance Company Limited  
Aveni Re-Insurance Company Limited  
Llyods Syndicates

Re-insurers

CKRE Limited  
Alwen Hough Johnson Ltd  
UAIB Insurance Broker

Re-insurance Brokers

Logic Professional Services

Actuaries  
Mr. Jonathan Ben Phiri - FRC/NAS/15016

Ekere & Associate

Estate Surveyor & Valuers  
Mr Adebayo Adetunmbi - FRC/2016/0000008492  
Mr. Nsikan Inyang - FRC/2014/NIESV/5939

Access Bank Plc, Ecobank Plc, FCMB Plc,  
First Bank of Nigeria Plc, Sterling Bank Plc,  
United Bank for Africa Plc, Unity Bank Plc,  
Providus Bank Ltd, Zenith Bank Plc

Bankers

## RESULTS AT A GLANCE

### Major items of Statement of Comprehensive Income

	2021 N'000	2020 N'000	% Changes
Gross Premium Written	10,445,192	6,763,376	54.44
Gross Premium Earned	10,088,910	6,525,352	54.61
Net Premium Income	5,793,406	5,247,226	10.41
Investment and Other Income	150,776	160,770	-6.22
Profit Before Tax	1,020,170,	336,546	203.13
Profit for the year	867,551	436,498	98.75

	2021 N'000	2020 N'000	% Changes
Total Assets	15,486,794	13,545,348	14.33
Insurance Contract Liabilities	2,289,672	1,445,116	58.44
Trade & Other Payables	727,009	497,788	46.05
Shareholders' Funds	6,449,404	5,669,177	13.76



# STATEMENT OF DIRECTORS' RESPONSIBILITIES



## Statement of Directors' Responsibilities in relation to the Financial Statements for the Year Ended 31 December 2021.

The Directors accept responsibility for the preparation of the annual financial statements that give a true and fair view of the statement of financial position of the Company at the end of the year and of its comprehensive income in the manner required by the Companies and Allied Matters Act of Nigeria and the Insurance Act of Nigeria. The responsibilities include ensuring that the company:

- i. Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, then apply them consistently;
- ii. Keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matter Act and Insurance Act.
- iii. Establishes adequate internal controls to safeguard its assets and prevent and detect fraud and other irregularities.

The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in compliance with:

- International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB);
- The requirements of the Insurance Act;
- Relevant guidelines and circulars issued by the National Insurance Commission (NAICOM); and
- The requirements of the Companies and Allied Matters Act.
- Financial Reporting Council of Nigeria Act.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial position of the Company and of the profit for the year, and accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

Signed on behalf of the Board of Directors by:



**Dr. Elijah Akpan**  
Chairman



**Augustine Osegha Ebose**  
Managing Director/CEO





2021

# Chairman's Statement



**Dr. Elijah Akpan**

Chairman, Board of Directors

### INTRODUCTION

My esteemed Shareholders, Distinguished Directors, Management Team, representatives of the National Insurance Commission (NAICOM), External Auditors, members of the Fourth Estate of the Realm, ladies and gentlemen, I am extremely delighted to welcome you to the 32nd Annual General Meeting (AGM) of our dear **Anchor Insurance Company Limited**, holding virtually this day, Thursday, 18th August, 2022 at our Corporate Head Office in Victoria Island, Lagos.

I thank God for preserving everyone and making it possible for us to be part of this meeting where we shall be reviewing the Company's performances in 2021.

Before I present the details, it is important to briefly run us through the socio-economic weather under which we transacted business for a relatable appreciation of the Company's efforts during the year under focus.

### BRIEF REVIEW OF GLOBAL ECONOMY

Year 2020 was remarkable for a global pandemic named COVID-19 that caused record hospitalizations and deaths, a sudden recession, a world economy that suffered its most devastating blows but went on much later to notch new highs, the largest economic stimulus package and an intense Presidential election cycle in the United States' history, to mention but these few. The year was almost getting out of the grip of global health problem towards the last quarter when the second wave crept in with a variant that medical experts described as "more deadly than the first wave." These, among others, birthed 2021.

The global economy faced numerous challenges in the course of the year. While COVID-19 vaccinations became more widely available in some countries, variants led to further waves in the pandemic. Also, just as consumer demand began to recover, supply chain disruptions restricted supply.

Despite these and other hurdles, the world economy expanded by 6.1% in the year.

The reasons for the growth were widespread. These included an increase in consumer spending, business investment, exports and new single family home construction.

Recovering from the pandemic shutdown, almost all countries saw positive Gross Domestic Product (GDP) growth in 2021. Some of the strongest growth was seen in countries with fully reopened economies, in-demand exports and strong fiscal and monetary support.

Libya, in Africa, experienced the highest growth rate of 177.3%. The country moved toward ending its decade-long conflict which resulted in a rebound of oil production and economic activity. The rise in oil prices greatly contributed to the country's recovery. The oil and gas sector accounted for 60% of the country's GDP for the year.

Ireland experienced GDP growth of 13.5% in 2021, driven largely by record-high exports. The country is home to more than 1,500 multi-nationals, including some of the top technological and pharmaceutical companies, due to the country's competitive tax rate. The size of some of these multi-nationals can result in bloated GDP figures.

In South America, Chile had one of the highest GDP growth rates of 11.7%. The economic recovery was driven by one of the fastest COVID-19 vaccine rollouts in the world which allowed the economy to almost fully re-open.

China's GDP expanded at 8.1 percent in 2021, growing the fastest in nearly a decade and landing well above the government's annual target of achieving a growth rate above 6 per cent. The robust expansion which surpassed the market expectation and eclipsed most of other major economies in two-year terms, spelt out a steady economic recovery path - built upon the country's zero-tolerance epidemic strategy - that Beijing unswervingly staged on despite Western slandering and headwinds throughout the year, which ranged from sporadic corona virus outbreaks, woes in the property sector, bulk commodity price hikes to a power crunch.

Meanwhile, the United States of America's (USA) economic growth was roughly at par with the global average at 5.7%, the fastest full-year clip since 1984, roaring back in the pandemic's second year. The growth came in fits and starts, with a burst of government spending helping propel a fast start, even as a surge in new cases and deaths in the second half of the year created additional pressures. The economy grew at a 6.9 per cent annual rate from October to December, a sharp acceleration from 2.3 per cent in the previous quarter. In a powerful rebound from 2020 when the economy contracted by 3.4 per cent — its worst result since 1946 — 2021's strong growth created a record 6.4 million jobs. But it also brought a host of complications which helped fuel the highest inflation in 40 years and created supply chain snarls as consumers' hunger for products overwhelmed the global delivery system.

The global inflation rate was 3.4 percent. Inflation continued to rise in many countries, as rebound in consumer demand, supply shortages and higher food and energy prices intensified. In most advanced economies, headline inflation remained above their respective Central Banks' targets and the levels in the previous quarter. For instance, in the US, headline inflation rose to an average of 6.67 per cent in the fourth quarter of 2021 from 5.34 per cent in the third quarter of the year. In Germany, inflation rate rose to 5.01 per cent from 3.90 per cent in the preceding quarter. Similarly, in the United Kingdom, the inflation rate rose sharply to 4.70 per cent in the fourth quarter from 2.70 per cent in the immediate previous quarter of 2021 whereas China's inflation rose to 1.77 per cent in the fourth quarter of 2021 from 1.00 per cent in the third quarter.

### THE NIGERIAN ECONOMY

The nation began the year amid worries over its inflation figures and its ripple effects on the standard of living of the average Nigerian. For some years before 2021, Nigeria had seen a persistent surge in inflation rates, reaching the highest levels in four years, amid skyrocketed food prices and poor purchasing power.

In March 2021, inflation rose to 18.17% from 17.33% recorded in February 2021. This represented 0.82% points higher than the February figures. In April, however, the inflation rate stood at 18.12 per cent.

For eight months beginning from April, the inflation rate eased as economic activities resumed after prolonged periods of restriction and lockdowns necessitated by the Covid-19 outbreak.

In November, the nation's inflation rate fell for the eighth consecutive month to 15.40 per cent from 15.99 per cent recorded a month prior. The prices of goods and services, measured by the Consumer Price Index, increased by 15.40 per cent (year-on-year) in November 2021. The figure was 0.51 per cent points higher than the rate recorded in November 2020 (14.89) per cent.



Despite the above, Nigeria's economy grew by 3.6% in 2021 from a 1.8% contraction in 2020, underpinned on the supply side by 4.4% expansion in the non-oil sector against 8.3% contraction in the oil sector. The non-oil growth was driven by agriculture (2.1%) and services (5.6%).

On the demand side, public and private consumption were contributors to GDP growth. Per capita income grew by 1.0% in 2021. The fiscal deficit narrowed to 4.8% of GDP in 2021 from 5.4% in 2020, due to a modest uptick in revenues and was financed by borrowing. Public debt stood at \$95.8bn in 2021 or about 22.5% of GDP.

Annual average inflation stood at 17.0% in 2021 against 13.2% the previous year and above the Central Bank's 6–9% target.

Inflation was fueled by food price rises at the start of the year and exchange rate pass-through. The Central Bank kept the policy rate unchanged at 11.5% in 2021 to support economic recovery. The current account deficit narrowed to 2.9% of GDP in 2021 from 4% the preceding year, supported by recovery in oil receipts. Improved oil exports and disbursement of the Special Drawing Rights (SDR) allocation of \$3.4bn (0.8% of GDP), pending decision on its use, helped to boost gross reserves to \$40.1bn in 2021. The ratio of Non-Performing Loans (NPLs) to gross loans was 4.9% in December 2021 (regulatory requirement 5%), while the capital-adequacy ratio was 14.5% (regulatory benchmark 10%). Poverty and unemployment remained high, broadly unchanged from 40% and 33.3%, respectively, in 2020.

### NIGERIAN INSURANCE BUSINESS

In 2021, the insurance industry grappled with the negative residues of the COVID-19 pandemic and the #EndSARS protests of 2020. In particular, higher claims were paid to policyholders who suffered losses from looting and destruction that marred the protests in October 2020. According to the Nigerian Insurers Association (NIA), in 2021, insurance companies paid out claims totalling about N9bn to victims that suffered losses from the destruction that followed the protests. For instance, **Anchor Insurance**, on its part, paid out a total of N50.91m during the year under review in response to further claims reports from its affected policyholders.

In total across the sector, there were 99 claims settled on malicious damage, 8 on business interruption, 455 on burglary attack and 912 on fire and burnt sites. Similarly, the insurance companies settled 718 claims on vandalism; 93 cases on looting; 113 on theft and 136 on loss of cash.

Apart from the burden of claims the insurers had to bear, the effects of the activities of Boko Haram elements, herdsmen, kidnappers, bandits, unknown gunmen and armed robbers weighted on business operations. These situations notwithstanding, the unaudited industry's Gross Premium Income (GPI) rose to N630.4bn in 2021 from N514bn achieved in 2020, total assets grew to N2.1trillion while it paid a total claim of N238.1bn compared to N224bn in 2020.

The industry remained resilient with various initiatives by insurers to improve retail product penetration and boost Gross Premium Income (GPI). Some of these initiatives included increased adoption of bancassurance to reduce the dependence on brokers and partnerships with Fintechs. Also, there was a sharp switch to virtual channels, one of the many rapid changes witnessed during the pandemic-induced lockdowns in 2020.

The industry bubbled with activities and events, all focused on building a new insurance industry and how to advance and leverage technologies that would enable the sector flourish in the face of the new business trends. For example, the industry hosted the 47th African Insurance Organisation (AIO) conference with the theme, "Rebuilding African Economy, the Insurance Perspective." The Chartered Insurance Institute of Nigeria (CIIN) anchored the theme of its Professionals' Forum for 2021 on "The Nigerian Insurance Industry in the Digital Era." The Nigerian Council of Registered Insurance Brokers (NCRIB) dwelt the theme of its annual conference and exhibition on "Innovation, Strategy and Opportunity." With these steps in 2021, the insurance industry can only be surer of full recovery from the carry-over effects of COVID-19 in 2022.

### OUR PERFORMANCE

My well respected owners of our great Company, 2021 was generally acknowledged as a year of recovery for businesses, having suffered gross drawbacks following the lockdowns that greeted the global health pandemic in 2020. Despite the challenges businesses faced while trying to regain their full feet, we came out of the year with a gross written premium of N10.4bn as against the N6.8bn achieved in 2020. This indicates a 54.43% performance over the results of 2020.

We experienced an astronomical rise in our Profit Before Tax which stood at N1.02bn from N336.55m recorded in 2020, representing a whopping 203.13% increase. Our Profit After Tax rose to N867.55m compared to the N436.49m position in 2020, showing a 98.75% growth.

The Company's Total Assets grew from N13.54bn in 2020 to N15.49bn in 2021, indicating a 14.33% rise. Similarly, the Shareholders' Funds had a 13.76% positive change from N5.67bn in 2020 to N6.45bn at the end of 2021.

We held on to our avowed regular claims payment policy which has continued to set us apart in the competition. We paid a total sum of N997.42m as claims to genuine affected policyholders as against the N1.29bn response in 2020. This shows a 22.62% positive drop in claims paid. This positive claims management was a direct result of the improvement the Claims Team has continued to make. The Team's thorough investigations and assessments have severally saved the Company from incurring fraudulent claims.

We would have surpassed the above income generated if premiums for most businesses (mainly in the public and financial sectors) we had concluded were paid.

### DIVIDEND

Our dear Shareholders, you will recall in 2021, the Company paid a dividend of 4kobo per share as approved by you. At the meeting last year, the Board assured you that we would do better as our profit margin gets higher.

In keeping with this promise, the Board is proposing a dividend of 4.5kobo per share for your approval at this Annual General Meeting.

Permit me to assure you again that the Board will maintain this trend as the profit margin continues to gain such yearly momentum.

### FUTURE OUTLOOK

We will pursue the recapitalization of our dear **Anchor Insurance Company** to its quickest conclusion. We are sure such a feat achieved will give more strength to the Company to take any business of any size and thereby help its speedy race to being among the top first five players in the industry.

At the moment, we are on rent at our Lagos Corporate Head Office. This does not represent the Company well as a very solvent one in the estimation of the public. We will look at raising a befitting structure which will speak good volume of our brand status and personality in the industry.

We will look at creating more people-oriented retail products as further multiple premium generation channels.

We value our Management and Staff for their dedication and ownership spirit in the discharge of their duties. They are directly responsible for the good report we are presenting today. The Board will work closely with the Management and ensure that appropriate welfare rewards are extended to all deserving hands in the Company's employ.

### CONCLUSION

My well respected Shareholders, distinguished Directors and goal-getting Management of our great Company, I must thank you for your supports by way of your prayers, suggestions, advice, guidance and business referrals. 2021 was good to us but it is my prayer that 2022 will make a child's play of the performance we are reporting today.

Thank you for your attention.

God bless our dear **Anchor Insurance Company Limited**,  
God bless you all.



**Dr. Elijah Akpan**

Chairman, Board of Directors.  
Thursday, 18th August, 2022





**Dr. Elijah Akpan**

Chairman, Board of Directors

Dr. Elijah Akpan, a Clinical Pharmacist by profession and an industrialist par excellence, had traversed the length and breadth of the Private Sector, owning businesses both nationally and internationally, before venturing into the Public Sector, on his appointment as the Executive Chairman of Akwa Ibom Investment Corporation (AKICORP), in 2015. Dr. Elijah Akpan has also recently doubled as a member of the Akwa Ibom State Public Procurement Council. He is highly resourceful and innovative, a passionate team player with integrity and a philanthropist.

He obtained his Basic Studies and Higher School Certificate from the erstwhile School of Arts & Science, Uyo, affiliated to Cambridge University, London, in the old Cross River State, in 1983.

Dr. Akpan is a 1993 American Post-Graduate trained Doctor of Pharmacy at the prestigious University of Southern California (USC) in Los Angeles, California. He did his undergraduate studies at the Los Angeles Trade Technical College, Los Angeles, in 1986 and El Camino College, Torrance, California, in 1988. Dr. Akpan is a Drug Information Specialist, having been trained at Kaiser Permanente, Downey, California. He also got trained in Community Pharmacy Practice/Business Development at Kaiser Permanente, West Los Angeles, California. He obtained his special training in Psycho- Pharmacy at King Drew Medical Centre, Compton, California, as well as in Intensive and Critical Care Medicine at USC and LAC Hospital Facilities, all in Los Angeles, California, USA.

Dr. Akpan was certified as an Intern Pharmacist by the California State Board of Pharmacy in 1993 and obtained his licence to practise Pharmacy in 1994, from Nevada State Board of Pharmacy, Carson City, Nevada, USA.

Before his appointment in July, 2015, to head the One-stop Investment Promotion Agency in Akwa Ibom State, the Akwa Ibom Investment Corporation (AKICORP), Dr. Akpan had been the Chairman/Chief Executive Officer of several companies located in the United States of America and Nigeria. These include: Tropicana Global Group of Companies, Nigeria and USA; Tropicana Medical Centers, Las Vegas, Nevada USA; PowerBling Television, Las Vegas Nevada, USA; PowerBling Nig. Ltd; as well as Chairman/Executive President of the Voice of Diaspora, Akwa Ibom State in USA, Europe and Canada. He also served as the Executive Vice President, SuNergy Enterprises, Las Vegas Nevada, USA. By his appointment as the Executive Chairman of Akwa Ibom Investment Corporation (AKICORP), he is Chairman of Board of Directors of companies with Government interests. These include, Chairman, Champion Breweries Plc; Chairman, Anchor Insurance Company Limited; Chairman, Universal Energy Resources Ltd, Chairman, Greenwell Technologies Ltd, Chairman, Ibom Hotels and Resort Ltd, Chairman, Tropicana Shopping Mall/Cineplex Ltd, Chairman, Dakkada Cottage Industries Ltd, Chairman, Raffia City Hotels Ltd managed by Four Points By Sheraton, whilst supervising many other Government-owned Companies/Investments in Akwa Ibom State.

He was recently elected as the Vice President of the Association of Nigerian Development Finance Institutions (ANDFI) representing the South-South Zone of the Federal Republic of Nigeria, and equally voted as the “Best Civil Servant of the Year” by the Nigerian Youth parliament in 2021.

Dr. Akpan is a recipient of several awards, both nationally and internationally, among which are Honorary Doctorate Degree, Doctor of Science in Public Finance and Corporate Governance, by European-American University, 2018; African Leader of Integrity Merit Award, Ghana, by Integrity International Magazine, 2017; Investment Promotion Merit Award, 2017, Lagos, by Institute of Purchasing & Marketing Consultants, Nigeria and Award for Leadership in Industrial Investments, by The Nigerian Institute of Mechanical Engineers Services, among others.

Dr. Elijah Akpan is a Senior Fellow, Institute of Purchasing & Marketing Consultants (SF, Inst. PMC), Nigeria; Fellow: Chartered Institute of Public Management of Nigeria; Institute of Industrialists & Corporate Administrators (IICA) and Member: Institute of Directors of Nigeria; Financial Reporting Council of Nigeria; Sigma Pi Phi Organisation, USA; Senior Fellow, Institute of Purchasing & Marketing Consultants (SF, Inst. PMC), Nigeria; Delta Theta Boule, USA; American Pharmacists Association, USA; National Pharmaceutical Association, USA; Nevada Pharmacy Alliance, USA; California Pharmacist Association, USA; American Society of Health Systems Pharmacist, USA, among others.



### Mr. Ebose Augustine Osegba

Managing Director/CEO

Mr. Ebose Augustine Osegba is the Managing Director/Chief Executive Officer of the burgeoning, path-defining and Insurance Company of the Year award winning risk-bearing outfit, Anchor Insurance Company Limited.

Prior to his appointment to this office in February, 2018 by his Board of Directors and subsequent confirmation by the National Insurance Commission (NAICOM) in March, 2018, he was the Company's Executive Director, Business Development and Marketing, overseeing the entire marketing chains of the organisation. He joined Anchor Insurance in January, 2017 from Standard Alliance Insurance Plc where he had worked for not less than eleven years and became General Manager, Business Development.

Mr. Ebose started his working career with Erikana Nigeria Limited in 2000 as a Marketing Officer,

overseeing sales and marketing. He switched over to the insurance industry in 2001 when he joined Alliance & General Insurance Company Limited as a Marketing Executive and speedily rose to the position of a Branch Manager due to his productive contributions to the growth of the company's bottom line. In 2004, he moved over to Capital Express General Insurance Company Limited as a Business Development Manager (Public Sector & Energy) where he developed and supervised strategies that deepened the company's market share in that sector. Mr. Ebose later left for Standard Alliance Insurance Plc in 2006. While here, he garnered extensive experience and created a niche for himself in insurance business. He started as Deputy Manager/Group Head, Public Sector. For his exceptional performance, he was promoted to the position of Manager, Public Sector/Energy & Telecommunications, a year after. He was saddled with the responsibility of starting and developing the Public Sector Group to an enviable level as well as identifying fresh business opportunities for the company.



During the course of the same year, 2007, he was again promoted Principal Manager/Divisional Head, Public Sector/Energy & Telecoms, due to his knack for success and achieving set targets with the added function of driving corporate and product development.

In July and December, 2008, he was promoted to the positions of an Assistant General Manager/Divisional Head and Deputy General Manager/Divisional Head respectively of Public Sector/Energy & Telecommunications. Mr. Ebose later rose to the position of General Manager/Divisional Head overseeing Public Sector, Brokers' Marketing and Emerging Markets with credible results and expansion of these portfolios before he left the service of the company in December, 2016 to resume in January, 2017 at Anchor Insurance Company Limited as Executive Director, Business Development and Marketing.

He holds B.Sc (Hons.) degree in Economics, Delta State University, Abraka; MBA, University of Ado-Ekiti, Ado-Ekiti; Masters in Business Administration, specialising in Research (M.Res. degree) from the University of Liverpool, United Kingdom and Ph.D (in-view) in Business Administration, specialising in Entrepreneurial and Small Scale Business Management at Babcock University, Ilishan, Ogun State.

Mr. Ebose Augustine Osegha is a Member of the Governing Council of the Nigerian Insurers' Association (NIA); Vice Chairman, Local Organising Committee on ECOWAS Brown Card Scheme Council; Member, Governmental Relations Committee of the Chartered Insurance Institute of Nigeria (CIIN) and Advisory Board member, Institute of Counselling in Nigeria. He was also a Member of the Organising Committee and Logistics/Publicity Committee respectively of the African Insurance Organisations' (AIO) Conference hosted by Nigeria in 2021.

He is a Fellow, Chartered Institute of Administration; Member, Chartered Insurance Institute of Nigeria (CIIN); Member, Institute of Directors (M.IoD) and Member, Ikoyi Club 1938, among others. He has attended courses and seminars locally and overseas.



### Mr. Imo-Abasi Jacob

Non- Executive Director

Mr. Imo-Abasi Jacob is currently the Chairman, Ibom Air and Executive Director (Operations), Akwa Ibom Investment Corporation where he is in charge of Entrepreneurship/Business Development, Project Implementation/Supervision and Investment Promotion/Appraisal.

He started his professional career as a Partner with Arthur Anderson & Co. in 1982. He rose to head the Banking and Finance Group in the Audit and Business Advisory Division.

Between 1995 and 2001, Mr. Jacob was at RAITAS Consulting as an Executive Director, heading its core value training and consultancy unit. From 1999 to 2007, he was the Chairman of the Privatization Committee of Akwa Ibom Investment and Industrial Promotion Council (AKIIPC) where he successfully handled the

privatization of Champion Breweries Plc, Plasto Crown Limited, Qua River Hotel, Akwa Feeds Ltd, Akwa Hatcheries Ltd and Abuja Guest Suites.

Mr. Jacob was the President of Haggai Business School and Managing Partner at Imo-Abasi Jacob & Co. Chartered Accountants. He also served as Chairman of Rosimo Associates Limited. He was the Chairman of Akwa Savings and Loans Limited (Mortgage Bankers) and had previously served as a Director, Anchor Insurance Company Limited as well as Ibom Power Company Limited. He was on the faculty of the Money Market Association of Nigeria and Centre for Law and Development Studies, among many others.

He obtained a First Class Bachelor of Science degree in Management Studies from the University of Calabar in 1981 and he is a Fellow of the Institute of Chartered Accountants. A widely exposed and experienced scholar and technocrat, Mr. Jacob is a recipient of Dr. Pepper Bottling Co. (Nig.) award as one of the best graduating students from Management Studies (1981) and Best Performing Group Leader, Haggai Institute, Singapore (2005).





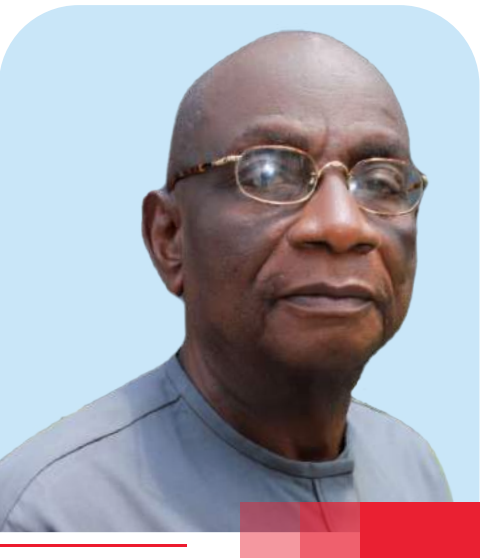
### Mrs. Comfort Ewang

Non - Executive Director

Mrs. Comfort Ewang, a seasoned educationist, is since 2013 the Director of the prestigious Beulah International School based in Akwa Ibo m State. She commenced her teaching career at ECWA Secondary School, Makurdi, Benue State in 1985. She moved to Air Force Secondary School, Makurdi in 1986 where she continued as a Teacher before she was engaged by the Ministry of Defence as a Physics Teacher between 1996 and 1999

She holds a 2001 Master of Science degree from the London School of Economics, United Kingdom; Master's degree in Education (1995) from the University of Calabar; a First degree in Education (1984) from the University of Nigeria, Nsukka and an NCE (1977) from the College of Education, Uyo.

Mrs. Ewang who is a Member, Association of Christian Schools International was a one-time First Lady of Rivers and Ogun states. She brings to the Board her deep knowledge of administration and governance matters.



### Mr. Ukpong Ekwere Ukpong

Non- Executive Director

Mr. Ukpong Ekwere Ukpong, a resourceful and business reference point has since 1996 been the Managing Director/CEO, Anituson Enterprises Nigeria Ltd; ENID, Production and Construction Limited and Chairman, ENID Laboratories Limited. He also consults for Aluworks in Ghana.

He had worked in the United Kingdom after his studies over there and upon his return to Nigeria, he started off as an External Auditor at PEAT MARWICK now KPMG. He later joined Savannah Bank Nigeria Plc, Lagos, as Head Office Accountant.

Thereafter, he moved to First City Merchant Bank Plc as Group Accountant. In 1987, he joined First Aluminum Plc as Chief Accountant.

His innovativeness as an Accountant with keen interest and mastery of the entire business of the company earned him a promotion as the company's Business Centre Manager, West. He was the first Nigerian to take over such position from an expatriate. He was a member of the team that transformed First Aluminum Group to its enviable status in the industry today.

He was Co-promoter of Chartered Aluminum System Ltd and later held the office of Executive Director/General Manager, West/Abuja of the company.

A Fellow, Chartered and Certified Accountant, FCCA, Mr. Ukpong was educated at the College of Technology, Calabar and Newcastle Upon Tyne Polytechnic, England.

Mr. Ukpong who proudly never forgot his root was, at different times, President of the Lagos Branch of Awa Development Association, Awa Clan Development Association and Onna Development Association respectively.





### Mr. Christopher Attah

Non-Executive Director

Mr. Christopher Attah is a Partner in The Zenith Law Firm. An intelligent and smart boardroom player, Mr. Christopher Attah sits as Director in reputable companies which include Meristem Securities Limited, Unitech Drilling Company Limited, Alvita Mineral Ventures Limited and Brownstone C.C. (PTY) Limited SA.

He started his legal professional career with Paul Usoro and Co. in 1996. He functioned as the Head of the South-South/South-East Division of the firm until 1997 when he moved to Aluminum Smelter Company of Nigeria Limited (ALSON) as a pioneer staff of its Legal Department. Since 2000, he is a Partner in The Zenith Law Firm which was set up by him and two other partners.

He had his 'A' Levels in 1990 from Ackworth School, W. Yorks. He obtained his LLB. degree from the University of Wolverhampton,

Mr. Christopher Attah is a member of the Nigerian Capital Markets Solicitors Association, Nigeria Gas Association, Vision 20: 2020 Judiciary Committee and Business Support Group as well as Emerging Markets Private Equity Association.



### Mr. Nsikan Linus Nkan

Non - Executive Director

Mr. Nsikan Linus Nkan is the Commissioner for Finance in Akwa Ibom State.

A Fellow, Institute of Chartered Accountants of Nigeria (FCA) and an Associate Member of Chartered Institute of Taxation of Nigeria (ACITN), Mr. Nkan holds a Master's degree in Business Administration from the University of Ado Ekiti (2003-2005) and a B.Sc. in Accounting from the University of Cross River State, now University of Uyo.

Prior to his appointment as Commissioner, he had served as the Akwa Ibom State Accountant-General. Mr. Nsikan Linus Nkan had earlier on worked at Zenith Bank as the Assistant General Manager/Zonal Head, Akwa Ibom State, supervising six branches and four cash offices (2014-2015).

He had served variously as Assistant General Manager/Branch Head, Aka Road Branch, Uyo (2013-2014); Merchant Bankers Ltd., Lagos (1993-1997); First Bank Nigeria Plc (1992-1997) and Ideal Flour Mills Ltd, Kaduna.

He has attended series of training, locally and internationally in relevant areas, including leadership, capacity building, risk management, internal control and audit/fraud control management. Some of the trainings attended include: Macro Economic Review for Bank Executive, High performance people skills at London Business School (2004) and Leading High Performance Leaders by Harvard Business School (2004).



### Mr. Ntuk . J . Udo

Non - Executive Director

Mr. Ntuk Udo, a rounded Boardroom and turn-around expert is a certified Microfinance Practitioner of the Chartered Institute of Bankers of Nigeria.

Mr. Udo obtained his Bachelor's Degree in Geology from the University of Calabar in 1986 and Master's Degree in Business Administration from the University of Uyo in 2007.

He is a member of both the Nigeria Mining and Geoscience Society (NMGS) and the Council of Mining Engineers and Geoscientists (COMEG).

Mr. Udo has a varied interest spanning from Extractive to Financial industries. At different times, he was an Executive Director of Anchor Insurance Company Limited in 2003 when the Company was privatized.

He played a major role in the restructuring and repositioning of the company. He later became a Non-Executive Director in the Company between 2005 and 2008.



### Mr. Akinola Taiwo

Independent Director

A Fellow of the Institute of Chartered Accountants of Nigeria and an Associate of the Chartered Institute of Taxation of Nigeria, Mr. Akinola Taiwo is an accomplished technocrat and thoroughbred professional.

Mr. Taiwo cut his professional teeth at the then International Professional firm, Coopers and Lybrand, now Price Waterhouse Coopers.

He has garnered vast experience in the Nigerian private and public sectors and with international developmental institutions. As Principal Consultant at Akin Taiwo and Company Consortium and Rhief Taiwo Associates Ltd, he has been a Consultant to The World Bank, International Finance Corporation, African Development Bank and Shelter Afrique.

Locally, he has been a Consultant to the Federal Ministry of Finance, National Assembly (Finance Committee). After attending the World Congress of Accountants in Washington DC in 1992, Mr. Taiwo published "The changing role of the Chartered Accountants in the business world."

In the public sector, Mr. Taiwo has led major consultancy services for the Federal Government of Nigeria as well as Ministries, Departments and Agencies. He was the Lead Consultant, Federal Inland Revenue Services, Revenue Mobilization and Fiscal Commission. He was also a Member of Council, University of Nigeria, Nsukka; Director, College of Medicine, Enugu and Vice Chairman, Atlantic Hall, Lagos.

Mr. Taiwo is currently Chairman of the Audit and Compliance Committee and the Recapitalization Committee of the Board of Anchor Insurance Company Limited. He is also Chairman, RHSL Property and Investment Ltd and Rhief Lane Properties Ltd.

He is a life member of Ikoyi Club 1938, Lagos and a long-standing member, Metropolitan Club, Lagos.





**Mr. Adebisi Ikuomola**

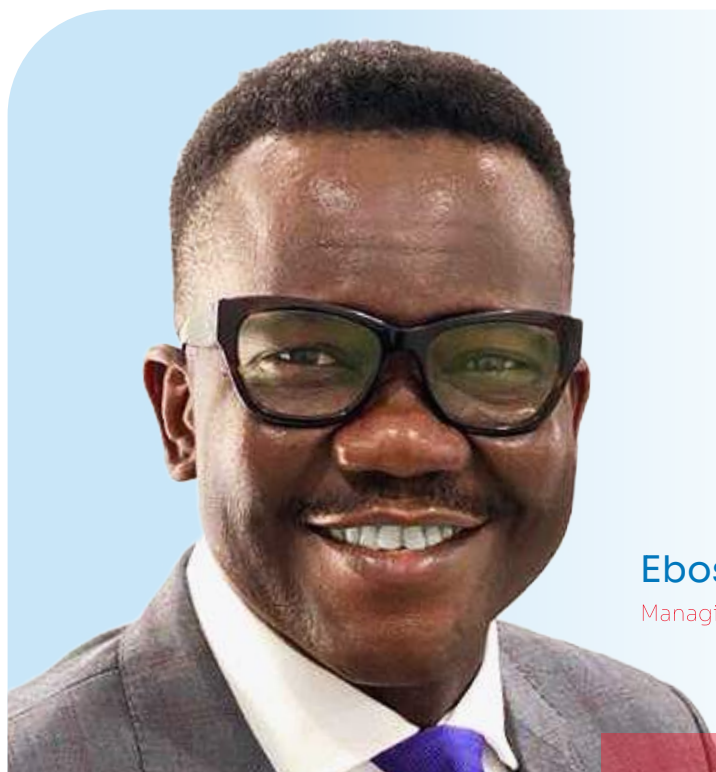
Executive Director (Technical)

Mr. Adebisi Ikuomola is our Executive Director, Technical. A versed and experienced asset in insurance technical operations, he started his insurance career with Marine & General in 1989 and has actively remained in the sector ever since.

He has worked respectively with Trustworld Insurance Company Limited as Controller, Technical, Colenson Insurance Brokers as Deputy General Manager, A&G Insurance Company as Chief Technical Officer and later joined Anchor Insurance Company Limited as the Group Head, Technical.

He holds an HND in Business Administration from Akwa Ibom State Polytechnic and MBA in Marketing, Ladoke Akintola University of Technology. He is an Associate of the Chartered Insurance Institute of Nigeria (ACIIN).

He is widely travelled and has attended training both locally and internationally to further solidify his skills.



**Ebose Augustine Osegha**

Managing Director/Chief Executive Officer

Mr. Ebose Augustine Osegha is the Managing Director/Chief Executive Officer of the burgeoning, path-defining and Insurance Company of the Year award winning risk-bearing outfit, Anchor Insurance Company Limited.

Prior to his appointment to this office in February, 2018 by his Board of Directors and subsequent confirmation by the National Insurance Commission (NAICOM) in March, 2018, he was the Company's Executive Director, Business Development and Marketing, overseeing the entire marketing chains of the organisation. He joined Anchor Insurance in January, 2017 from Standard Alliance Insurance Plc where he had worked for not less than eleven years and became General Manager, Business Development.

Mr. Ebose started his working career with Erikana Nigeria Limited in 2000 as a Marketing Officer, overseeing sales and marketing. He switched over to the insurance industry in 2001 when he joined Alliance & General Insurance Company Limited as a Marketing Executive and speedily rose to the position of a Branch Manager due to his productive contributions to the growth of the company's bottom line. In 2004, he moved over to Capital Express General Insurance Company Limited as a Business Development Manager (Public Sector & Energy) where he developed and supervised strategies that deepened the company's market share in that sector.

Mr. Ebose later left for Standard Alliance Insurance Plc in 2006. While here, he garnered extensive experience and created a niche for himself in insurance business. He started as Deputy Manager/Group Head, Public Sector. For his exceptional performance, he was promoted to the position of Manager, Public Sector/Energy & Telecommunications, a year after. He was saddled with the responsibility of starting and developing the Public Sector Group to an enviable level as well as identifying fresh business opportunities for the company.

During the course of the same year, 2007, he was again promoted Principal Manager/Divisional Head, Public Sector/Energy & Telecoms, due to his knack for success and achieving set targets with the added function of driving corporate and product development.

In July and December, 2008, he was promoted to the positions of an Assistant General Manager/Divisional Head and Deputy General Manager/Divisional Head respectively of Public Sector/Energy & Telecommunications. Mr. Ebose later rose to the position of General Manager/Divisional Head overseeing Public Sector, Brokers' Marketing and Emerging Markets with credible results and expansion of these portfolios before he left the service of the company in December, 2016 to resume in January, 2017 at Anchor Insurance Company Limited as Executive Director, Business Development and Marketing.

He holds B.Sc (Hons.) degree in Economics, Delta State University, Abraka; MBA, University of Ado-Ekiti, Ado-Ekiti; Masters in Business Administration, specialising in Research (M.Res. degree) from the University of



## OUR MANAGEMENT(CONT'D)



Liverpool, United Kingdom and Ph.D (in-view) in Business Administration, specialising in Entrepreneurial and Small Scale Business Management at Babcock University, Ilishan, Ogun State.

Mr. Ebose Augustine Osegha is a Member of the Governing Council of the Nigerian Insurers' Association (NIA); Vice Chairman, Local Organising Committee on ECOWAS Brown Card Scheme Council; Member, Governmental Relations Committee of the Chartered Insurance Institute of Nigeria (CIIN) and Advisory Board member, Institute of Counselling in Nigeria. He was also a Member of the Organising Committee and Logistics/Publicity Committee respectively of the African Insurance Organisations' (AIO) Conference hosted by Nigeria in 2021.

He is a Fellow, Chartered Institute of Administration; Member, Chartered Insurance Institute of Nigeria (CIIN); Member, Institute of Directors (M.IoD) and Member, Ikoyi Club 1938, among others. He has attended courses and seminars locally and overseas.



### Adebisi Ikuomola

Executive Director, Technical

Mr. Adebisi Ikuomola is our Executive Director, Technical. A versed and experienced asset in insurance technical operations, he started his insurance career with Marine & General in 1989 and has actively remained in the sector ever since.

He has worked respectively with Trustworld Insurance Company Limited as Controller, Technical, Colenson Insurance Brokers as Deputy General Manager, A&G Insurance Company as Chief Technical Officer and later joined Anchor Insurance Company Limited as the Group Head, Technical.

He holds an HND in Business Administration from Akwa Ibom State Polytechnic and MBA in Marketing, Ladoke Akintola University of Technology. He is an Associate of the Chartered Insurance Institute of Nigeria (ACIIN).

He is widely travelled and has attended training both locally and internationally to further solidify his skills.



### Ime Umoh

Company Secretary/Legal Adviser

Mr. Ime Umoh, a Deputy General Manager, is the Company Secretary/Legal Adviser. He is a long standing Legal Practitioner with experience in legal research, corporate legal practice, insurance and financial services. He joined the Company in September 2004 from Nnedu Endeavours Nigeria Limited where he was the Company Secretary/Legal Adviser.

He holds a National Diploma in Mass Communication from The Polytechnic, Calabar, Cross River State, an LLB (Hons.) from University of Uyo and is a Barrister and Solicitor of the Supreme Court of Nigeria.

He is a Fellow of the Institute of Chartered Secretaries and Administrators, Nigeria and an Associate member of the Institute of Chartered Secretaries and Administrators, UK.



### Familugba Adetayo

Head, Treasury and Investment

Mr. Familugba Adetayo, a seasoned accountant and an experienced banker, is the Group Head, Treasury and Investment. He joined Anchor Insurance Company Limited in August 2018 from Standard Alliance Insurance Plc where he was Regional Accountant, North.

He commenced his working career with Wema Bank (formerly National Bank of Nigeria Limited) in December 2000. He later left in 2006 after six years of garnering cross-departmental banking experience for then Oceanic Bank International Plc, now EcoBank where he functioned in different capacities at the Reconciliation/Investigations and Trade Services Departments. He crossed over to the insurance sector in June 2012 when he joined Standard Alliance Insurance Plc as Treasurer.

Mr. Familugba holds a 2004 Master in Business Administration (MBA) degree from Obafemi Awolowo University. A well-travelled Familugba Adetayo who came out in the third position nationwide in ICAN November 1999 examinations is a Fellow, Institute of Chartered Accountants and an Associate, Chartered Institute of Bankers of Nigeria.



### Valentine Edeifo Afegbai

Group Head, Business Development

Mr. Valentine Edeifo Afegbai, a pedigreed goal-getter with not less than 15 years' experience in Oil and Gas Marketing as well as Underwriting is our Group Head, Business Development. He further directly leads the Oil and Gas Team of the Company. He joined Anchor Insurance Company Limited in June 2018 from Standard Alliance Insurance Plc where he was the Unit Head, Energy and Special Risks.

He started his working career at Development Information Network, Lagos in 2001 as Assistant Programme Officer. He later joined Standard Alliance Insurance Plc in 2005 as Personal Assistant to the Managing Director. In 2009, he was moved to pioneer the Oil and Gas Unit in the company's Technical Department.

He subsequently became the Head of the Unit in 2012. As the Unit Head, he was in charge of all Oil and Gas Underwriting, Claims Administration and Reinsurance of Oil and Gas businesses.

Mr. Afegbai holds a Bachelor of Science (Hons.) in Botany from Edo State University (now Ambrose Alli University), Ekpoma (1988) and in 2005, he obtained Master of Business Administration (Management) from the University of Calabar.

He is an Associate of the Chartered Insurance Institute of Nigeria (ACIIN) and Associate Member, Nigerian Institute of Management. He has attended various professional trainings locally and outside the shores.





### Nelson Egboboh

Head, Corporate Services/Media

Mr. Nelson Egboboh, a brand expert and an experienced journalist, is the Head, Corporate Services/Media. He joined the Company in April, 2018 after ten years with Standard Alliance Insurance Plc where he was Head, Brand and Corporate Communications. He was, at a time, Managing Director, Indexplus Marketing Solutions Limited, a sister-company to Standard Alliance Insurance Plc. Prior to moving to the insurance sector in June 2007, he had worked with The Guardian, Vanguard and was Founding Editor of The Union, a South-South regional newspaper then based in Uyo, Akwa Ibom State.

He holds an ND, Mass Communication, Auchi Polytechnic; B.A (Hons.) Philosophy and M.A, History & Diplomatic Studies, Lagos State University;

M.A, Philosophy, University of Lagos and MBA, Advertising and Public Relations, ESUT Business School, Enugu.

He is a Fellow, Institute of Brand Management Nigeria and an Associate Member, Nigerian Institute of Public Relations, among others.



### Bulama Mohammed

Regional Co-ordinator, Core North

Mr. Bulama Mohammed is the Regional Co-Ordinator of our business in the Core North with office in Gombe, Gombe State. He joined the Company in February, 2019 from Regency Alliance Insurance Plc where he was Regional Manager supervising the organisation's operations in Kano, Gombe, Adamawa, Borno and Yobe States.

He commenced his working career in the nation's insurance sector in August, 2003 as an Analyst with Industrial and General Insurance Plc at its Maiduguri office, Borno State. In January, 2006, he moved to NICON Insurance Plc in Maiduguri as a Sales Executive.

A restless Mohammed returned to his earlier Industrial and General Insurance Plc's office as Supervisor in July, 2006.

He later joined Standard Alliance Insurance Plc in January, 2008 as Area Manager, North-East, overseeing the company's businesses in Borno, Bauchi, Adamawa and Gombe States. He did this for eight years before moving to Regency Alliance Insurance Plc as Regional Manager in January, 2016.

Bulama Mohammed holds a B.A (Hons.) in English and a Master's degree in Public Administration from the University of Maiduguri. He further holds a Diploma in Computer Applications (Yaysib Computer Institute) and National Diploma in Civil Law (College of Legal and Islamic Studies).

He is a Member, Chartered Insurance Institute of Nigeria and Chartered Institute of Loans and Risk Management of Nigeria respectively. He has attended several professional training programmes held at different centres in Nigeria.





### Emmanuel Paul

Group Human Resources/Admin Manager

Mr. Paul Emmanuel is the Company's Group Human Resources/Administration Manager. He is well versed in human capital management and administration with not less than sixteen uninterrupted years of experience. He joined us in January 2021 from Olamsanyo Foods Limited (makers of Cherie Noodles) where he performed Senior Human Resources and Administration roles.

He started his working career with UACN Plc (Mr. Biggs and UAC Foods Limited) in 2002 as a Marketing IT Staff. He was later at different times Office Clerk, Supervisor and Acting Staff Manager before he moved to Rumon Organisation (SKG Pharma and Avro Pharma) as Assistant Human Resources Manager in 2013. He left in 2014 for Olamsanyo Foods Limited as Senior Human resources/Administration before January 2021 when he joined us.

While he was with UACN Plc (Mr. Biggs and UAC Foods Limited), he won the Best HR Officer (2009), Best Overall Employee (2009) and Long Service (2012) awards respectively. At Rumon Organisation (SKG Pharma and Avro Pharma), he further proved himself and received Best Employee award in 2015.

He holds a Diploma in Computer Science (Lagos City Computer College, 2001); Diploma in Computer Engineering (Compute – Rite Professional Institute, 2003); B.Sc, Mass Communication (Lagos State University, 2010) and a Master's degree in Mass Communication (University of Lagos, 2017).

Mr. Paul Emmanuel who has attended several strategic trainings is a professional Member, Nigerian Institute of Public Relations (NIPR) and Chartered Institute of Personnel Management (CIPM).



### Linda Okoh

Head, Acting Financial Controller

Mrs. Linda Okoh, a thorough-bred Accountant, is the Acting Financial Controller. Prior to joining Anchor Insurance Company Limited in August, 2019, her work experience spanned through Okechukwu Agu and Co, a firm of Chartered Accountants (where she gained experience in Audit and Management Accounting) and Technology Distribution Company, as a Senior Executive Accountant in charge of the accounts of TD Mobile, a subset of TD. She holds a First degree in Accounting and a Master of Science in Finance from Enugu State University of Science and Technology and the University of Lagos respectively.

She is an Associate Member of the Institute of Chartered Accountants of Nigeria (ICAN). She has attended other professional certification courses, most notably the MCP trainings by ICAN.

She is strongly enthusiastic and passionate about trending developments in the Insurance industry, especially as they relate to finance.





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2021

# Directors' Report



## DIRECTORS' REPORT



The Directors have pleasure in presenting their report on the affairs of Anchor Insurance Company Limited and the audited financial statements of the Company for the year ended 31 December 2021.

### The Company

The Company was incorporated in Nigeria as a Private Limited Liability Company on 6th June, 1989 and received its certificate as an insurer on 17th October, 1989. The Company was re-certified by NAICOM in February, 2007.

### Principal activities

The Company's principal activities continue to be the provision of General Insurance Business.

### Operating results

The following is the Company's operating results for the year in thousands of Nigeria Naira

	N'000
<b>Gross Premium</b>	10,445,192
Profit before tax	1,020,170
Income Tax (Expenses)/Credit	(152,619)
Profit after tax	867,551
Transfer to Contingency Reserve	(313,356)
Dividend for the year	-
Earnings per share (kobo)	38.64

### Dividends

The Directors proposed dividend of 4.5 kobo per Ordinary Share to be paid to shareholders. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as liability in these financial statements until approved and declared by the shareholders. The proposed dividends is subject to withholding tax at the appropriate rate and is payable to shareholders whose names appear in the Register of members at the closure date.

### Business Review and Future Development

The Company shall continue to fulfill its objectives in business review and future development as contained in its Articles and Memorandum of Association.

The Company shall continue to pursue and fulfill standards set by the regulatory authority, NAICOM.



## DIRECTORS' REPORT (CONT'D)



### Directors and their interests

The Directors who held office during the year and their beneficial interests in the Company's issued share capital are given below:

Names of Directors		As at 31 December 2021 N	As at 31 December 2020 N
Dr. Elijah Akpan	Rep. Akwa Ibom Investment Corporation	-	-
Mr. Augustine Osegha Ebose	MD/CEO		
Barr. Christopher Attah	Rep. Leeked Investment Ltd	-	-
Mr. Nsikan Linus Nkan	Rep. Akwa Ibom Investment Corporation	-	-
Mrs. Comfort Ewang	Rep. Ukartel Nigeria Ltd	-	-
Mr. Imo-Abasi Jacob	Rep. Akwa Ibom Investment Corporation	-	-
Mr Ukpong Ekwere Ukpong	Rep. Akwa Ibom Investment Corporation	-	-
Mr. Akinola Taiwo	Independent Director	-	-
Mr. Adebisi Ikuomola	Executive Director (Technical)	-	-
Mr. Ntuk Udo	Rep. Ukartel Nigeria Ltd	-	-

### Directors' interest in contracts

In compliance with section 277 of the Companies and Allied Matters Act of Nigeria, none of the Directors notified the Company of any declared interest in contracts deliberated by the Company during the year under review.

### Major Shareholding

According to the Register of Members, no shareholder other than the under mentioned held more than 5% of the issued share capital of the Company as at year ended 31 December 2021.

	No. of Shareholding	No. of Shareholding
Akwa Ibom state Government	1,364,153,449	60.76%
Ukartel Nigeria Limited	614,296,551	27.36%
Leeked Investment Limited	135,059,055	6.02%

### Analysis of shareholding

The analysis of the distribution of the shares of the Company as at year ended 31 December, 2021 is as follows:

Share Range	No. of Shareholders	No. of Holdings	% of Holdings
1,000,001 – 5,000,000	5	17,150,000	0.77
5,000,001 – 10,000,000	3	26,090,945	1.16
10,000,001 – 50,000,000	3	88,250,000	3.93
50,000,001 – 1,000,000,000	2	749,355,606	33.38
1,000,000,001 – 2,000,000,000	1	1,364,153,449	60.76
<b>Total</b>	<b>14</b>	<b>2,245,000,000</b>	<b>100.00</b>



### Agencies and Brokers

The Company maintains a network of licensed Agents throughout the country. The Company also renders services to its customers through Brokers licensed by the National Insurance Commission.

### Employment and Employees

Health and safety regulations are in force within the Company's premises and employees are aware of the existing regulations. The Company provides subsidy to all employees for utilities, transportation and housing and also entered into agreement with a Health Management Company for the provision of medical care for the workers.

### Employee development and training

The Company is committed to keeping employees as fully informed as possible regarding its performance and progress and seeking their views where practicable on matters which particularly affect them as employees. Management and staff are the Company's major assets and investment in their future development will continue. The Company's expanding skills base has been extended by a range of training provided to its employees whose opportunities for career development within the Company have thus been enhanced.

### Property and Equipment

Information relating to changes in property and equipment during the year is given in Note 17 to the financial statements.

### Donations and Charitable Gifts

A total sum of N13,189,000 (2020 : N18,060,161) was donated to non-political and charitable organisations in order to identify with the aspirations of the community and the environment within;

	N
Rabiu Maryam Magaji	1,000,000
Inoyo Toro Foundation	600,000
Philkon Nigeria Limited	1,000,000
Caption-Point Concept Nig. Ltd	2,239,000
Empire Entertainment	1,000,000
Duke of Shomolu	800,000
Benin Royal Lion's Club	1,000,000
Bodex Media Ltd	500,000
Adegboyega Adepegba	350,000
Habeeb Okunola Foundation	1,000,000
Enodiah Concept	650,000
Institute of Secretaries and Administration	200,000
Christ The Saviour Ministries	250,000
Rising Star Powerhouse Ltd	1,500,000
Connak Foundation	1,000,000
Lanipekun Lawal Olauwasempo	100,000

## DIRECTORS' REPORT (CONT'D)



### Acquisition of Own Shares

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

### Event after the Reporting Date

There were no post balance sheet events after the reporting date which could have a material effect on the financial position of the company as at 31 December, 2021.

### Auditors

The auditors, **Messrs Seyi Katola & Co. (Chartered Accountants)**, were appointed to replace the former auditors who have outlived their term. The auditors have indicated their willingness to continue in office as auditors to the company in accordance with section 375(2) of the Companies and Allied Matters Act of Nigeria. The auditors will be re-appointed at the next Annual General Meeting of the Company.

### By order of the Board



**Barrister Ime F. Umoh**

Company Secretary

FRC/2013/NBA/00000002876

Lagos, Nigeria.  
17th May, 2022



# REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE



In compliance with the provisions of section 359(6) of the Companies and Allied Matters Act of Nigeria, the members of the Audit and Compliance Committee of Anchor Insurance Company Limited hereby report as follows:

We have exercised our statutory functions under Section 359(6) of the Companies and Allied Matters Act of Nigeria and acknowledged the co-operation of Management and Staff in the conduct of these responsibilities.

We are of the opinion that the accounting and reporting policies of the Company are in compliance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 31 December, 2021 were satisfactory.

We have confirmed with the external auditors, that necessary cooperation was received from Management in the course of their statutory audit and we are satisfied with management’s responses to their recommendations for improvement and with the effectiveness of the Company’s accounting and internal control.

The members of the Audit and Compliance Committee are:

S/N	Names	Position	
1	Mr. Akinola Taiwo	Independent Director	Chairman
2	Mr. Imo-Abasi Jacob	Shareholders’ representative	Member
3	Mr. Christopher Attah	Shareholders’ representative	Member
4	Mr. Ntuk Udo	Shareholders' representative	Member

**Mr. Akinola Taiwo**  
Chairman

FRC/2013/ICAN/00000004548





2021

# Corporate Governance Report



## Corporate Governance Report

Anchor Insurance Company Limited has consistently 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.

In order to ensure consistency in its practice of good corporate governance, the Company continuously reviews its practice to align with the various applicable codes of corporate governance and the National Insurance Commission (NAICOM) regulations.

## Governance Structure

The governance of Anchor Insurance Company Limited resides with the Board of Directors which is accountable to shareholders for creating and delivering sustainable value through the management of the Company's business.

The Board of Directors is responsible for the efficient operation of the Company and to ensure that the Company fully discharges its legal, financial and regulatory responsibilities.

Like any other Company, while the formulation of policies and objectives are the responsibilities of the Board of Directors, the execution of these plans and policies are the functions of Management.

At present, the total number of Directors are ten (10). Two (2) of the Directors are acting in Executive capacity while eight (8) are Non-Executive Directors. There is one (1) independent Director out of the eight (8) that are Non- Executive.

The Board also reviews corporate performance, monitors the implementation of corporate strategy and sets the Company's performance objectives. The Board monitors the effectiveness of its governance practices, manages potential conflicts 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) Committees to ensure the proper management and direction of the Company via interactive dialogue on a regular basis.

The Board membership comprises ten (10) members, which includes the Chairman, six (6) Non-Executive Directors, two (2) Executive Directors and one (1) Independent Director appointed based on the criteria laid down by NAICOM for the appointment of Independent Director(s). The Independent Director does not have any significant shareholding interest or any special business relationship with the Company.

The effectiveness of the Board derives from the appropriate balance and mix of skills and experience of Directors, both Executive and Non-Executive. The Company's Board is made up of seasoned professionals, who have excelled in their various professions and possess the requisite integrity, skills and experience to bring to bear independent judgment on the deliberations of the Board.

The Board meets quarterly and additional meetings are convened when required. The Board met four (4) times during the year ended 31 December, 2021. During each of the meetings, the Directors are provided with detailed current information about the Company and are also briefed on business development.

## Responsibilities of the Board

The Board determines the strategic objectives of the Company in delivering long-term growth and short term goals. In fulfilling its primary responsibility, the Board is aware of the importance of achieving a balance between compliance to governance principles and economic performance.

The responsibilities of the Board; including the powers reserved for the Board in the Articles of Association of the Company are:

- i. Review corporate strategy, major plans of actions, risk policy, business plans, setting performance objectives, monitoring implementation and corporate performance and overseeing major capital expenditures and acquisitions.
- ii. Select, compensate, monitor and when necessary, replace key executives and ensures succession planning.
- iii. Monitor the effectiveness of the governance practices under which it operates and make changes as may be necessary.

- iv. Ensure the integrity of the Company's accounting and financing reporting systems, including the independent audit and that appropriate systems of control are in place, in particular, systems for monitoring risk, financial control and compliance with the law.
- v. Monitor and manage potential conflicts of interest of Management, board members and Shareholders, including misuse of corporate assets and abuse in related party transactions when applicable.
- vi. Supervise and monitor the execution of policies and providing direction for the management.
- vii. Monitor potential risks within the Company including recognizing and encouraging honest whistle blowing.
- viii. Oversee the process of disclosure and communication in the Company.

### Roles of Key Members of the Board

The positions of the Chairman of the Board and the Chief Executive Officer are separate and held by different persons. The Chairman and the Chief Executive Officer are not members of the same extended family.

#### The Chairman

The Chairman's main responsibility is to lead and manage the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The Chairman is responsible for ensuring that Directors receive accurate, timely and clear information to enable the Board take informed decisions, monitor effectively and provide advice to promote the success of the Company.

The Chairman also facilitates the contribution of Non-Executive Directors to promote effective relationships and open communications, both inside and outside the Boardroom, between Executive and Non-Executive Directors. The Chairman strives to ensure that any disagreement on the Board is resolved amicably.

#### The Chief Executive Officer

The Board has delegated the responsibility for the day-to-day management of the Company to the Chief Executive Officer (CEO), who is responsible for leading Management and for making and implementing operational decisions. The CEO is responsible to the Board of Directors and ensures that the Company complies strictly with regulations and policies of both the Board and Regulatory Authorities. The CEO ensures that optimization of the Company's resources is achieved at all times and has the overall responsibility for the Company's financial performance.

### Executive Director, Technical

The Executive Director, Technical is a Board member who is responsible for strategic business. He provides direction and leadership on the overall technical operations of the Company towards achievement of the goals and objectives of the Company.

Assessment/underwriting of various risks presented to the company for acceptance by carrying out Pre- Loss survey of risks.

Other technical duties are: Preparation of Insurance policies; Claims Handling and settlements; Re- insurance Placement of risks; Monitoring, Management and report on risk underwriting on the enterprise on regular basis.

### The Independent Director

In line with the National Insurance Commission (NAICOM) code of corporate governance practices, the Board has an independent Director who does not represent any particular shareholding interest nor holds any business interest in the Company.

### Company Secretary

The Company Secretary is a point of reference and support for all Directors. It is his responsibilities to update the Directors with all requisite information promptly and regularly. The Board may through the Company Secretary obtain information from external sources, such as consultants and other advisers, where there is a need for outside expertise. The Company Secretary is further responsible to assist the Chairman and Chief Executive Officer to formulate Annual Board Plans and with the administration of other strategic issues at the Board level; organize Board meetings and ensure that the minutes of Board meetings clearly and properly capture Board's discussions and decisions.

### Director Nomination Process

The Board agrees upon the criteria for the desired experience and competencies of new Directors. The Board has power under the Articles of Association to appoint a Director to fill a casual vacancy or as an additional Director. The criteria for the desired experience and competencies of new Non-executive Directors are agreed upon by the Board. The balance and mix of appropriate skills and experience of Non-executive Directors is taken into account when considering a proposed appointment. In reviewing the Board composition, the Board ensures a mix with representatives from different industry sectors.

The appointment of Directors is subject to the approval of National Insurance Commission (NAICOM). The following core values are considered critical in nominating a new Director:

- i. Integrity
- ii. Professionalism
- iii. Career Success
- iv. Recognition
- v. Ability to add value to the Organization

### Training and Development of Board Members

On appointment to the Board and to Board Committees, all Directors receive a formal induction tailored to meet their individual requirements. The New Directors are oriented about the Company and its operations through the Company Secretary via the provision of the Company's Articles of Association, relevant statutory books and regulations and adequate information on the operations. The Directors are also given a mandate and terms of reference to aid in performance of their functions. The Management further strives to acquaint the new Directors with the operations of the Company via trainings/seminars to the extent desired by new Directors to enable them function in their position. The training and education of Directors on issues pertaining to their oversight functions is a continuous process, in order to update their knowledge and skills and keep them informed of new developments in the insurance industry and operating environment.

### Non-Executive Directors Remuneration

The Company's policy on remuneration of Non-Executive Directors is guided by the provisions of the NAICOM which stipulate that Non- Executive Directors' remuneration should be limited to Directors' fees and reimbursable travel and hotel expenses. Director's fees and sitting allowance were paid to only Non-Executive directors as recommended by the Board's Committee on Enterprise Risk Management & Governance.

Details of remuneration paid to Non-Executive Directors is as stated below:

S/N	Names	Fees N'000	Sitting All'wce N000	Fuelling All'wce N000	Club Subs. N000	Committee All'wce N000	Vacation All'wce N000	Total N'000
1	Dr. Elijah Akpan	4,300	1,000	1,200	3,000	-	2,120	11,620
2	Mr. Ukpong Ekwere Ukpong	4,000	750	1,200	3,000	990	1,500	11,440
3	Mr. Imo-Abasi Jacob	4,000	750	1,200	3,000	1,530	1,500	11,980
4	Barr. Christopher Attah	4,000	750	1,200	3,000	1,350	1,500	11,800
5	Mrs. Comfort Ewang	4,000	750	1,200	3,000	990	1,500	11,440
6	Mr. Nsikan Linus Nkan	4,000	750	1,200	3,000	720	1,500	11,020
7	Akinola Taiwo	4,000	750	1,200	3,000	1,530	1,500	11,980
8	Mr. Ntuk Udo	4,000	750	1,200	3,000	1,450	1,500	11,900
		32,300	6,100	9,600	24,000	8,560	12,620	93,180

### Board Committees

The Board carries out its responsibilities through its Committees, which have clearly defined terms of reference, setting out their rules, responsibilities, functions and scope of authority.

Through their Committees, the Board is able to more effectively deal with complex and specialized issues and to fully utilize its expertise to formulate strategies for the Company. The Committees make recommendations to the Board, which retains responsibility for final decision making.

All Committees in the exercise of their powers as delegated conform to the regulations laid down by the Board, with well-defined terms of reference contained in the roles and responsibilities of each Committee. The Committees render reports to the Board at the Board's quarterly meetings.

A summary of the roles, responsibilities, composition and frequency of meetings of each of the Committees are as stated herein:

#### i. Enterprise Risk Management & Governance Committee

This Committee has supervisory function over risk management, the risk profile, the enterprise-wide risk management framework, underwriting functions of the Company and the risk-reward strategy determined by the Board.

The main function of the Committee is to assist in the oversight review and approval of the Company's risk management policy including risk appetite and risk strategy; to oversee Management's process for the identification of significant risks across the Company and the adequacy of prevention, detection and reporting mechanisms.

The Committee is also charged with the review of large underwritten risks for adequacy of Reinsurance and other risk management techniques including environmental & social management system.

The Committee has supervisory functions over the whole Company, recruitment and ensuring corporate governance compliance. The main function of the Committee is to establish the criteria for Board and Board Committee memberships, review candidates qualifications and any potential conflict of interest, assess the contribution of current Directors in connection with their re-nomination and make recommendations to the Board.

The Committee ensures that a succession policy and plan exist for the positions of Chairman and Executive management.

The Board Enterprise Risk Management/Governance Committee comprised the following members during the period under review:

S/N	Names	Position
1	Mr. Imo-Abasi Jacob	Chairman
2	Mr. Nsikan Nkan	Member
3	Mrs. Comfort Ewang	Member
4	Mr. Akinola Taiwo	Member
5	Mr. Ukpong Ekwere Ukpong	Member

### ii. Finance, Investment and General Purpose Committee

The Board Finance, Investment and General Purpose Committee is responsible for the approval of financial matters and set expenditure limits for the Management of the Company. This Committee has supervisory functions over finance issues and other related such as capital expenditures.

The functions of the Committee are to approve all expenditures above the limit of the Management. Where it is not expedient for the members of the committee to meet, a finance investment approval can be obtained through circularization of the approval. Also, approve investment decisions and portfolio limits by Management of the Company. The Committee is also responsible for the review and approval of the accounting manual and shall have supervisory functions over investment and other finance-related issues such as capital & funding requirements.

Other functions of the Committee is to approve all investment above the limit of the Management. Where it is not expedient for the members of the committee to meet, an investment approval can be obtained through circularization of the approval. The Committee is also responsible for the review and approval of the investment manual on a periodic basis and to further identify specific areas for review as approved by the Board in particular the financial implications of new and major investment strategies/initiatives.

The Committee is to make recommendations of investment policies for consideration and adoption by the Board, including proposed ethical positions with respect to appropriate investments and shall conduct a review of the performance of the major assets in the Company's investment portfolios on a quarterly basis.

The Finance, Investment and General purposes Committee comprised the following members during the period under review:

S/N	Names	Position
1	Mr. Ukpong Ekwere Ukpong	Chairman
2	Barr. Christopher Attah	Member
3	Mr. Nsikan Nkan	Member
4	Mrs. Comfort Ewang	Member
5	Mr. Ntuk Udo	Member

### iii. Audit & Compliance Committee

Auditing is vital to ensuring that accounting norms for insurance businesses are effectively applied and maintained and to monitor the quality of internal control procedures; ensure compliance with all regulatory directives. The Committee shall be responsible for the review of the integrity of the data and information provided in the Audit and/or Financial Reports.

The Committee provides oversight functions with regard to both the company's financial statements and its internal control and risk management functions. The Committee shall ensure compliance with legal and other regulatory requirements, assessment of qualifications and independence of external auditor; and performance of the company's internal audit function as well as that of external auditors



The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its functions and responsibilities. The Committee makes whatever recommendations it deems appropriate to the Board on any area within its remit where action or improvement is needed.

The Board Audit & Compliance Committee comprised the following members during the period under review:

S/N	Names	Position
1	Mr. Akinola Taiwo	Chairman
2	Mr. Imo-Abasi Jacob	Member
3	Barr. Christopher Attah	Member
4	Mr. Ntuk Udo	Member

#### Attendance of Board and Board Committee Meetings

The table below shows the frequency of meetings of the Board of Directors, as well as Members' attendance for the year ended 31 December 2021.

S/N	Names of Directors		No of Board meetings attended	April	July	Aug	Dec
1	Dr. Elijah Akpan	Chairman	4	√	√	√	√
2	Mr. Augustine Osegba Ebose	Director	4	√	√	√	√
3	Mr. Ukpung Ekwere Ukpung	Director	4	√	√	√	√
4	Mr. Imo-Abasi Jacob	Director	4	√	√	√	√
5	Mrs. Comfort Ewang	Director	4	√	√	√	√
6	Barr. Christopher Attah	Director	4	√	√	√	√
7	Mr. Akinola Taiwo	Director	4	√	√	√	√
8	Mr. Adebisi Ikuomola	Director	4	√	√	√	√
9	Mr. Nsikan Linus Nkan	Director	3	√	√	√	√
10	Mr. Ntuk Udo	Director	4	√	√	√	√



**Annual General Meeting (AGM)**

The Annual General Meeting of the Company is the highest decision making body of the Company. The Company is driven by its desire to deliver significant returns on its shareholders investment. The Shareholders have an opportunity to express their concerns (if any) and opinions on the Company’s financial results and all other issues at the Annual General Meeting of the Company. The Meetings are conducted in a fair and transparent manner where the regulators are invited such as The National Insurance Commission, Corporate Affairs Commission, the Auditors as well as other Stakeholders.

**Shareholders Rights**

The Board ensures the protection of the statutory and general rights of shareholders at all times, particularly their right to attend and vote at general meetings. All shareholders are fairly treated, regardless of volume of shareholding or social status.

**Independent Advice**

The Board of Directors are at their own discretion and at the Company’s expense required to seek Independent professional advice to enable a Member of the Board effectively perform certain responsibilities.

**Management Committees**

The Company has four Committees which comprise of management staff.

The Management Committee (MC) is the Committee set up to identify and make recommendations on strategies that will aid the long term objectives of the Company.

**a. Claims Committee**

The functions of this committee are as stated below:

- To review and amend claims payment policy for Board approval from time to time.
- To assess claims reported and ensure timely processing and payment of all duly authenticated claims.
- To deliberate on emerging trends in claim process.

The membership of the committee is as follows:

S/N	Names	Position
1	Mr. Adebisi Ikuomola	Chairman (Executive Director, Technical)
2	Mrs. Linda Okoh	Member (Ag. Financial Controller)
3	Mr. Babajide Ademolu	Member (Ag. Chief Internal Auditor)
4	Mr. Alo Olusola	Member (Head of Claims)
5	Ms. Olubukola Koyenikan	Member (Head of ERM)



**b. Enterprises Risk Management Committee**

The functions of this committee are as stated below:

- Responsible for the assessing of risk in the Company and ensuring that they are compatible with the risk appetite of the Company.
- Reporting on risk profile of the Company
- Recommend risk management measures to management.

The membership of the committee is as follows:

S/N	Names	Position
1	Mrs Olubukola Koyenikan	Chairman (Head of ERM)
2	Barr. Ime Umoh	Member (Company Secretary)
3	Mrs. Linda Okoh	Member (Ag. Financial Controller)
4	Mr. Babajide Ademolu	Member (Ag. Chief Internal Auditor)

**c. Investement Committee**

The functions of this committee are as stated below:

- Responsible for the appropriate channeling of the investement of the company
- Responsible for carrying out/implementing of Board policy on Investment.

The membership of the committee is as follows:

S/N	Names	Position
1	Mr. Adetayo Familugba	Chairman (Chief Investment Officer)
2	Mr. Adebisi Ikuomola	Member (Executive Director, Technical)
3	Mr. Babajide Ademolu	Member (Ag. Chief Internal Auditor)
4	Mr. Valetine Afegbai	Member (Head, Marketing)
5	Ms. Olubukola Koyenikan	Member (Head of ERM)
6	Mrs. Linda Okoh	Member (Ag. Financial Controller)

**d. Disciplinary Committee**

The functions of this committee are as stated below:

- To ensure that the work force is disciplined in line with staff conditions of service as approved by the Board.

The membership of the committee is as follows:

S/N	Names	Position
1	Barr. Ime Umoh	Chairman (Company Secretary)
2	Mr. Babajide Ademolu	Member (Ag. Chief Internal Auditor)
3	Mrs. Linda Okoh	Member (Ag. Financial Controller)
4	Mr. Valetine Afegbai	Member (Head, Marketing)
5	Mr. Adetayo Familugba	Member (Chief Investment Officer)
6	Mr. Paul Emmanuel	Member (Group Head, Human Resources)

**Code of Professional Conduct for Employees**

The Company had an internal Code of Professional Conduct, which all members of Staff are expected to subscribe to upon assumption of duties. Staff are also required to reaffirm their commitment to the code annually. All members of staff are expected to strive to maintain the highest standard of ethical conduct and integrity in all aspect of their professional life as contained in the code of professional conduct which prescribes the common ethical standards. Culture and policies of the group relating to employee values.

**Internal Management Structure**

The Company operates an internal management structure where all officers are accountable for duties and responsibilities attached to their respective offices and there are clearly defined and acceptable lines of authority and responsibility.

An annual appraisal of the duties assigned and dedicated to each person is done by the first quarter of the preceding year.

**Business Strategy of the Company and Overall Performance**

The Company is registered and incorporated in Nigeria, Licenced to provide insurance services to both corporate and retail sectors in Nigeria. It also aims to establish itself as the apex insurance Company in Nigeria and the West African region as a whole.

Premium would only be recognized when cash is received.



## OPERATING RESULT, CASH FLOW AND FINANCIAL CONDITION



(In thousands of Nigerian Naira)

	December, 2021 N'000	December, 2020 N'000	Changes %
Gross Premium Written	10,445,192	6,763,376	54.44
Net Premium Income	5,793,406	5,247,226	10.41
Underwriting result	2,991,413	2,160,7043	38.45
Investment Income	114,208	139,992	(18.42)
Operating Expenses	(2,119,942)	(2,005,113)	(5.73)
Profit Before Tax	1,020,170	336,546	203.13
Earnings Per Share (Kobo)	38.64	19.44	98.75

### Revenue and Underwriting Result

The Company's level of activity witnessed significant improvement during the year as Net premium income increased by 10.4% over the last year from N5.2billion to N5.8billion. However the operating expenses increased by 5.7% resulting in increase in Profit before tax by 203.8% over same result for last year.

### Investment Income

Investment income for the year was N114.218million as against N139.9million in 2020

### Operating Expenses

Operating expenses for the year amounted to N2.1billion, a slight increase of circa 5.7% compared to N2.0billion in 2020.

2021

**Corporate  
Social  
Responsibility  
Report**



We consider the discharge of Corporate Social Responsibility (CSR) as an integral part of our existence as a company. We believe that as an organization that prides itself as a good corporate citizen, we owe it a duty to give back to the society that has ensured we remain in business through the years. Therefore, we are committed to the overall well-being of our immediate and larger society.

Among such CSR activities carried out in 2021 by the Company are the following:

- 1 Adegboyega Adepegba
- 2 Habeeb Okunola Foundation
- 3 Enodiah Concept
- 4 Connak Foundation
- 5 Rabiu Maryam Magaji
- 6 Inoyo Toro Foundation
- 7 Philkon Nigeria Limited

2021

# Independent Auditor's Report



## Seyi Katola & Company

Providence House, First Floor, Back Wing,  
1, Babatunde Ladega Street,  
Off Ogunnusi Road, Omole,  
Ikeja, Lagos, Nigeria.

Sanusi Dantata House,  
National Library Building,  
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Chartered Accountants

### INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Anchor Insurance Company Limited

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the financial statements of Anchor Insurance Company Limited ("the Company") which comprise the statement of financial position as at year ended 31 December, 2021 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 24 to 95.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at year ended 31 December, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") Guidelines and Circulars.

##### Basis for Opinion

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

##### Key Audit Matters

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

##### Valuation of Insurance contract liabilities

The 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 involve economic assumptions about inputs such as inflation rate, ultimate loss ratio and discount rates, hence the eventual outcome is uncertain.





Chartered Accountants

## REPORT OF THE INDEPENDENT AUDITORS

The level of complexity, the assumptions and judgments involved in estimating these amounts make insurance contract liabilities a matter of significance to our audit.

The Company's accounting policy on valuation of insurance contract liabilities and related disclosures are shown in Notes 2.7f, 4.1 and 19.

### How the matter was addressed in our audit

Our audit procedures included the following:

- \* We evaluated the design, implementation and operating effectiveness of key controls instituted by the Company which includes management review of data used for the valuation of insurance contract liabilities.
- \* We tested the accuracy and completeness of the underlying data used in actuarial valuations by checking the claims paid, outstanding claims and underwriting data.
- \* We relied on the professional judgment and the appropriateness of the methodology used by the Company's external actuary in calculating the insurance contract liabilities. This involved an assessment of the appropriateness of the valuation methods, taking into account available industry data and specific product features of the Company.
- \* We considered the Company's valuation methodology and assumptions for consistency between reporting periods as well as indicators of possible management bias.

### Valuation of investment property

The valuation of the Company's investment property is a key audit matter due to the significance of the balance and judgment required in assessing the key valuation assumptions and methodology.

The investment property is valued annually using the open market which reflects market condition at the reporting date.

The Company's accounting policy on investment property and related disclosures are shown in Notes 2.7g (accounting policy) and Note 15 (investment property).

### How the matter was addressed in our audit

- \* We addressed the appropriateness of the valuation methodology adopted by giving due consideration to the requirements of the relevant accounting standards and the company accounting policies.

### Other Information

The Directors are responsible for the other information. The other information comprises the Result at a Glance, Statement of Directors' Responsibility, Directors' report, Report of the Audit Committee and Compliance Committee, Corporate governance report, Corporate Social Responsibility report and other National Disclosures (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Chairman's statement and report from the Executives which is expected to be made available to us after that date.

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





Chartered Accountants

## REPORT OF THE INDEPENDENT AUDITORS

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

### Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act, Cap C 20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act 2011, the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") Guidelines and Circulars, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



Chartered Accountants

**REPORT OF THE INDEPENDENT AUDITORS**

- \* Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- \* Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

**Report on Other Legal and Regulatory Requirements**

In compliance with the requirements of fifth Schedule of the Companies and Allied Matters Act, Cap C 20, Laws of the Federation of Nigeria, 2004 and Section 28(2) of the Insurance Act 2003. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) in our opinion, proper books of account have been kept by the Company, in so far as it appears from our examination of those books;
- iii) the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account;
- iv) in our opinion, the financial statements have been properly prepared in accordance with the relevant provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 and Section 28(2) of the Insurance Act 2003 so as to present fairly, in all material respects, the statement of financial position and statement of profit or loss and other comprehensive income

**Penalties**

During the financial year under review, the Company contravened the provisions of the NAICOM Act and the Local VIO Law on third party insurance and has since respectively paid the penalty sums of =N=10million and =N=0.552million.

*Seyi Katola*  
 Seyi Katola, FCA  
 FRC/2014/ICAN/00000006285  
 For: Seyi Katola & Co  
 (Chartered Accountants)  
 Date: May 19, 2022  
 Lagos, Nigeria



# Anchor @32 Anniversary in October

*Different work balance games competitions were held to mark the anniversary*



2021

**Company  
Information  
& Accounting  
Policies**



### 1. Brief History

Anchor Insurance Company Limited (“the Company”) was incorporated in early 1989 and commenced operations by December of same year. The Company was established by the then government of Akwa Ibom State, South South Nigeria as a fully owned state Insurance Company. As a result of divestment, re-engineering and re-organisation, the Company has become a national insurance company with its corporate office in the business capital of Nigeria and more than a dozen branches all over Nigeria.

### Main Operations

Anchor insurance holds the license of General Insurance businesses which allows the Company to underwrite all classes of insurance other than life insurance. As at 31 December 2021 the main classes of business underwritten by the Company include:

- All classes of motor vehicle insurance
- Marine Cargo and Hull Insurance
- Aviation Insurance
- Fire & Allied perils Insurance
- Burglary and house breaking insurance
- All classes of Oil & Gas Insurance
- All classes of Bonds & Surety-ship
- Engineering & Telecommunication Insurance
- General Accident and micro insurance
- Employers & Directors Liability Insurance
- Passenger Liability

### Divisions of Operations in the Company

The Company is organized along divisional organogram comprising:

- Technical Division
- Finance & Investment Division
- Business Development & Marketing Division
- Legal & Compliance
- Internal Audit/Control
- Enterprise Risk Management
- Procurement
- Corporate Services/Media
- HR/Admin

Branches are organised in Zonal arrangement within five zones as follows:

- Northern Zone
- Eastern Zone
- Western Zone
- South South Zone
- Lagos

### Products Distribution Channel

The Company distributes its products through a network of branches in the Country with over sixty marketers in its employ and over two hundred and fifty licensed brokers and sub-agents. The company is increasingly placing emphasis on the use of information and communication technology especially the Global System of Mobile Communication (GSM) technology to reach out to thousands of potential customers.

### Underwriting Activities

Businesses brought in by marketers are accessed in the context of the risk exposures and the premium to be paid by the underwriting department under technical division. The Company has established risk appetites within all classes of insurance under its Enterprise Risk Management programme. Once a risk is accepted and rated it goes through a process of generating debit note and receipt for payment of the premium due from underwriting department to the finance department using its comprehensive insurance software called Easy Policy.Net. When a risk is accepted above our net capacity the reinsurance unit is alerted for a proper reinsurance of the risk.

### Remuneration Method

The remuneration method of Brokers and agents is based on commission. This is a proportion of gross premium generated based on statutory scale explicit in Insurance Acts of 2003.

### Claims Management

Claims processing and payment is at the centre of activities in the Company therefore the Company maintains a simple workflow of operations from branches to corporate office in the handling of claims. All claimants are treated the same way. It starts from identifying that the client has a valid policy of insurance with the Company and also that the claim demand emanates from the perils contemplated in the valid policy. Claim form will be sent or downloaded to the client from our website [www.anchorinsurance.ng](http://www.anchorinsurance.ng) and clients are encouraged to complete same with other substantiating documents. The Company pays high premium to timely settlement of claims to retain its reputation in the market.

### Investment Activities

The Company operates a strict investment policy that lays emphasis on liquidity and reduced investment risk exposures. Cash flow and investment schedules are updated weekly for investment committee of management to take decisions within Board established Investment policy.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 2.1 Basis of Preparation and Compliance with IFRS

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and IFRS interpretations committee (IFRIC) applicable to the companies reporting under IFRS and in the manner required by Companies and Allied Matters Act of Nigeria, the Insurance Act of Nigeria, the Financial Reporting Council of Nigeria Act (FRC Act) and Nigerian Insurance Commission (NAICOM) guidelines and circulars. Additional information regulations are included where appropriate.

The financial statements have been prepared under the historical cost convention, as modified by:

- i. Financial instruments at fair value through profit or loss
- ii. Available for sale financial assets
- iii. Investment properties
- iv. Revaluation of property, plant and equipment
- v. Valuation of Insurance liabilities

The financial statements include the statement of financial position, statement of comprehensive income, the statement of cash flows, the statement of changes in equity and the notes to the account.

The financial statements are presented in Nigeria Naira (N), which is the presentation currency, and rounded to the nearest thousand (N'000) unless otherwise indicated. The statement of financial position has been prepared in order of liquidity.

### 2.2 Going Concern

These financial statements have been prepared on a going concern basis. The Company has no intention or need to reduce substantially its business operations. Management believes that the going concern assumption is appropriate for the Company due to sufficient capital adequacy ratio and projected liquidity, based on historical experience that short – term obligations will be refinanced in the normal course of business. Liquidity ratio and continuous evaluation of current ratio of the Company is carried out by the Company to ensure that there are no going concern threats to the operations of the Company.

### 2.3 Basis of Measurement

The financial statements are prepared on the historical cost convention as modified by the revaluation of investment property, available for sale investments, financial assets and liabilities (Include derivatives) at fair value through income.

### 2.4 Judgements, Estimates and Assumptions

The preparation of financial statements in conformity with IFRS requires Management to make judgement and estimates that affect the application of policies and reported amounts of assets and liabilities, income and expenses.



The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, the result of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an ongoing basis to reflect the realities of the Company's business activities. Information about significant judgements, estimates and assumptions applied in the financial statements are contained from note 2.6

### 2.5 Foreign Currency Translation

#### i. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements, unless otherwise stated is presented in thousands of Naira, which is the company's functional and presentation currency.

#### ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains or losses resulting from the settlement of such transactions and from translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statements.

Foreign exchange gains and losses that relates to cash and cash equivalents are presented in the income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in the income statement within 'other operation income' or 'other operating expenses'.

### 2.6 IFRS 9 - Financial instruments

i. IFRS 9 is part of the IASB's project to replace IAS 39. It addresses classification, measurement and impairment of financial assets as well as hedge accounting. IFRS 9 replaces the multiple classification and measurement models in IAS 39 with a single model that has only three classification categories: amortized cost, fair value through OCI and fair value through profit or loss. It includes the guidance on accounting for and presentation of financial liabilities and derecognition of financial instruments which was previously in IAS 39. Furthermore for non-derivative financial liabilities designated at fair value through profit or loss, it requires that the credit risk component of fair value gains and losses be separated and included in OCI rather than in the income statement.

#### ii. Classification and measurement

The standard uses one primary approach to determine whether to measure a financial asset at amortized cost, fair value through OCI, or fair value through profit or loss. The Company's business model is the determining factor for classifying its financial assets. Financial assets are measured at amortized cost if the business objective is to hold the asset in order to collect contractual cash flows that are solely payments of principal and interest (SPPI). Financial assets are measured at fair value through OCI if the business's objective is to collect contractual cashflows as well as cashflows from selling the asset. The final category of financial assets are those assets where the business model is neither to hold for solely contractual cashflows and selling cashflows. These are financial assets that are held with the objective of trade and to realize fair value changes. The Company can also designate some of its financial assets at fair value through profit or loss if this helps to eliminate an accounting mismatch.



### iii. Impairment

IFRS 9 also requires that credit losses expected at the balance sheet date (rather than those incurred during the year) are reflected at the date of reporting on all financial assets. This approach is an expected credit loss as opposed to incur credit loss under IAS 39. This approach does not require a credit loss event to have occurred before the recognition of the loss on the date of reporting. The amount of the expected credit losses is expected updated at each reporting date to reflect changes in credit risks since initial recognition.

### 2.6.1 Applying IFRS 9 Financial Instrument with amendment to IFRS 4 Insurance Contracts

In September 2016, the IASB published an amendment to IFRS 4 which addresses the concerns of insurance companies about the different effective dates of IFRS 9 Financial instruments and the forthcoming new insurance contracts standard, IFRS 17. The amendment provides two different solutions for insurance companies: a temporary exemption from IFRS 9 (i.e. the 'deferral approach') for entities that meet specific requirements (applied at the reporting entity level), and the 'overlay approach'. Both approaches are optional. Effective date is 1 January 2018 or when the standards becomes effective for all entity in 1 January 2023

Amendment to IFRS 4 will be superseded by the forthcoming new insurance contracts standard. Accordingly, both the temporary exemption and the 'overlay approach' are expected to cease to be applicable when the new insurance standards becomes effective.

### 2.6.2 Accounting standards and interpretations issued and effective

The following revisions to accounting standards and pronouncements were issued and effective at the reporting date.

#### IFRS 16 Leases

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. However, there are additional disclosures required.

#### Impact of the new definition of a lease

The Company has made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to those contracts entered or modified before 1 January 2019. The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of

The Company applies the definition of a lease and related guidance set out in IFRS 16 to all contracts entered into or changed on or after 1 March, 2019.

#### Impact on Lessee Accounting

##### Former operating leases

IFRS 16 changes how the Company accounts for leases previously classified as operating leases under IAS 17, which were off balance sheet.

##### Former operating leases

- a. Recognises right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments except for short-term leases of low value assets.
- b. Recognises depreciation of right-of-use assets and interest on lease liabilities in profit or loss;

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)



- c. Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the consolidated .

### 2.6.3 New standards an interpretation not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 March, 2019, and have not been applied in preparing these financial statement. They will be adopted by the Company when they become effective. None of these is expected to have significant effect on the financial statements.

IFRS Reference	Title and Affected	Nature of change	Application date	Impact on initial
IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts	Insurance Contracts	<p>The new Standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance ontracts and supesede IFRS 4 Insurance Contracts.</p> <p>The Standard outlines a General Model, which is modified for insurance contracts with direct participatio features, described as the Variable Fee Approach. The General Model is simplified if certain criteria are met by measuring the liability for remaining coverage using the Premium Allocation Approach</p> <hr/> <p>The General Model will use current assumptions to estimate the amount, timing and uncertainty of future cash flows and it will explicitly measure the cost of that uncertainty, it takes into account market interest rates and the impact of policyholders' options and guarantees.</p>	Annual reporting periods beginning on or after 1 January, 2021	The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the financial statements.
IFRS 10 and IAS 28	Contribution of Assets between an investor and its Associate or Joint venture	<p>The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture.</p> <p>Similarly, gains and losses resulting from the measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.</p>	Annual reporting periods beginning on or after 1 January, 2021	The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the financial statements.



### 2.7 SIGNIFICANT ACCOUNTING POLICIES

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 March, 2019. These have not been applied in preparing these financial statements. They will be adopted by the Company when they become effective. None of these is expected to have significant effect on the financial statements.

#### a. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand and bank, unrestricted balances held with Central Bank, call deposits and short term highly liquid financial assets (including money market funds) with original maturities of less than three months, which are subject to insignificant risk of changes in their value and used by the Company in the management of its short-term commitments.

For the purpose of the statement of cash flow, cash and cash equivalents consist of cash and cash equivalents, net of outstanding bank overdrafts and treasury bills with original maturity of less than 3 months.

#### b. FINANCIAL ASSETS

In accordance with IAS 39, all investment securities have to be recognized in the statement of financial position and measured in accordance with their assigned category.

##### Classification of financial assets

The Company classifies its investment securities into the following categories:

- Fair Value through profit or loss (FVTPL)
- Held to maturity
- Loans and receivables
- Available-for-sale financial assets

Management determines the appropriate classification of its investments at initial recognition.

##### i. Financial assets at fair value through profit or loss (FVTPL)

Financial assets at fair value through profit or loss include 'financial assets classified as held for trading' or assets designated as such on initial recognition'. Financial assets classified as 'held for trading' are acquired principally for the purpose of selling in the short term. Financial assets designated at fair value through profit or loss are investments the company manages and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy.

Financial assets included in this category are recognized initially at fair value and changes therein including any appreciation/diminution interest or dividend income are recognized in profit or loss. Directly attributable transaction costs are recognized in profit or loss as incurred.

##### ii. Held to maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. Where a sale occurs, other than insignificant amount of held-to-maturity assets, the entire category would be tainted and classified as available-for-sale.

### iii. Loans and receivables

Loans and receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when Company provides money, goods or services directly to a debtor with no intention of trading the receivables.

### iv. Available – For –Sale financial assets (AFS)

This category represents financial assets that are designated as available-for-sale at cost or at fair value but do not include held to maturity investments or loans and receivables. Available-for-sale financial instrument are securities that are intended to be held for an indefinite period of time and which may be sold in response to liquidity needs or in response to changes in market conditions.

#### Initial recognition and measurement

Investment securities are initially recognized at fair value. Transaction costs except for transaction cost on financial assets fair valued through profit or loss are recognized as part of the carrying amount of the asset.

#### Subsequent measurement

##### Held to maturity

Held-to-maturity investments after initial measurements are carried at amortised cost using the effective interest rate method (EIR), less impairment. Gains and losses are recognized in the income statement when the investments are disposed.

Interest on held-to-maturity investments is included in profit and loss and reported as part of “Investment Income”. In the case of an impairment, the impairment loss is reported as a deduction in the carrying amount of the asset and recognized in the profit and loss as “impairment losses”.

##### Loans and receivables

Loans, advances and receivables after initial measurement are measured at amortized cost, using the effective interest rate method (EIR) less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR recognized is included in finance income in the income statement.

Loans and receivables on the statement of financial position comprise “trade receivables”. Interest on loans and receivables are included in profit and loss and reported as “investment income”. Where the asset is impaired, they are carried on the statement of financial position as a deduction from the carrying amount of the loan and receivable and recognized in profit or loss as “impairment losses”.

##### Available-for-sale financial assets

Changes in the carrying amount of “available for sale financial assets” are recognized in other comprehensive income and accumulated in the statement of financial position as a separate component of equity under the heading of fair value reserve.

Equity investment that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are stated at cost less any identified impairment losses at the end of each reporting period.



### Impairment of financial assets

#### Financial assets carried at amortised cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial assets or a group of financial asset is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is an objective evidence of impairment as a result of one or more events that occurred after 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 company about the following events:

- significant financial difficulty of the issuer or debtor;
- a breach of contract, such as a default or delinquency in payments;
- it becoming probable that the issuer or debtor will enter bankruptcy or other financial re-organisation;
- the disappearance of an active market for that financial asset because of financial difficulties.

For loans and receivables, the amount of loss is measured at the difference between its carrying value and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement. If a financial asset measured at amortised cost has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the previously recognized impairment loss is recognized in the income statement.

#### Available-for-sale financial assets

The Company assesses at the end of each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss. In this respect, a decline of 20% or more is regarded as significant, and a period of 12 months or longer is considered to be prolonged. If any such quantitative evidence exists for available-for sale financial asset, the asset is considered for impairment, taking qualitative evidence into account. The cumulative loss- measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss-is removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss equity instruments are not reversed through profit or loss. If in a subsequent period the fair value of a debt instrument classified as available-for-sale increases and the increase can be objective related to event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the income statement.

### De-recognition of investment securities

The Company derecognizes investment securities when the contractual rights to the cash flow from the assets expire, or it transfers the rights to receive the contractual cash flow on the investment securities in a transaction in which substantially all the risks and rewards of ownership of the investment securities are transferred, or has assumed an obligation to pay those cash flows to one or more recipients, subject to certain criteria. Any interest in transferred investment securities that is created or retained by the Company recognized as a separate asset or liability.

### c. TRADE RECEIVABLES

Trade receivables are recognized when due. These include amounts due from agents, brokers and insurance contract holders. Trade receivables are stated at cost less impairment.

The Company assesses at each reporting date whether there is objective evidence that a trade receivable is impaired. If there is objective evidence that the trade receivable is impaired, the carrying amount of the trade receivables is reduced accordingly through an allowance account and recognized as impairment loss in income statement. Allowance for impairments are made based on an impairment model (incurred loss model) which considers the loss given default for each customer, the probability of default for the group of debtors and the age of the debt. Impaired debts are derecognized when they are assessed as uncollectible.

### d. REINSURANCE ASSETS

The Company cedes business to reinsurers in the normal course of business for the purpose of limiting its net loss potential through the transfer of risks. Premium ceded comprise gross written premiums. Reinsurance arrangements do not relieve the company from its direct obligations to its policyholders.

Reinsurance assets are recognized when the related gross insurance claim is recognized according to the terms to the relevant contract. The Company has the right to set off reinsurance payables against amounts due from reinsurers and brokers in line with the agreed arrangement between both parties.

### e. OTHER RECEIVABLES

Other receivables are made up of prepayments. These are carried at cost less impairment losses.

### f. DEFERRED ACQUISITION COSTS

Commissions earned and payable are recognized during the period in which relevant premiums are written. A proportion of commission payable is deferred and amortised over the period in which the related premium is earned. Deferred acquisition costs represent the proportion of acquisition costs which corresponds to the unearned premium and are deferred as an asset and recognized in the subsequent period.

### g. INVESTMENT PROPERTIES

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods and services or for administrative purposes.

### Recognition and measurement

Investment properties are initially measured at cost, including all transaction costs. Subsequently, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair value are included in the income statement in the period in which they arise. Fair values are evaluated annually by an accredited external valuer.



### De-recognition

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the income statement in the period of de-recognition and surplus previously recorded in equity is transferred to retained earnings.

### Transfers

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

## h. INTANGIBLE ASSETS

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Computer software is stated at cost less amortization and impairment losses.

### Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. Costs associated with maintaining computer software programmes are recognized as an expenses as incurred.

### Amortization

Computer software acquisition costs recognized are amortised over their estimated useful lives of four years using the straight line method.

### Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from its use. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in income statement.

## i. PROPERTY AND EQUIPMENT

### Recognition and measurement

Land and buildings comprise mainly outlets and offices occupied by the company. Land is carried at cost. All other property and equipment are recorded at cost less accumulated depreciation and accumulated impairment charges. Historical cost includes borrowing cost and all other expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

### Assets under construction

All capital expenditure are initially recognised as assets under construction if it is probable that the company will derive future economic benefits from them and the amount can be measured reliably. They are measured at historical cost. They are not depreciated. When the assets are ready for use, they are transferred at the historical cost to property, plant and equipment, which is also when the depreciation at the expense of the income statement commences.



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)



### Depreciation

Depreciation is provided on a straight line basis so as to allocate the cost/revalued amounts less their residual values over the estimated useful lives of the assets. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is de-recognized or classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

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

Computer hardware	-	4 years
Furniture and office equipment	-	4 years
Motor vehicles	-	5 years
Library books	-	50 years
Office renovation	-	4 years
Computer software	-	4 years

The assets' residual values, useful lives and method of depreciation are reviewed, and adjusted if appropriate, at the end of the reporting period.

### De-recognition

An item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement of the year the asset is derecognized.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are included in income statement.

### j. STATUTORY DEPOSITS

Statutory deposits are cash balances held with Central Bank of Nigeria and are only available to the Company upon liquidation of the Company. They have been separately disclosed due to their nature and liquidity. They represent 10% of the minimum capital requirement of the Company as stipulated by Section 10(3) of the Insurance Act of 2003. Statutory deposits are measured at cost.

### k. INSURANCE CONTRACTS

#### Classification

IFRS 4 requires contracts written by insurers to be classified as either 'insurance contracts' or 'investment contracts' depending on the level of insurance risk transferred.

The Company issues contracts that transfer insurance risk or financial risk or both.



### Insurance Contracts

Insurance contracts are those contracts where a party (the policy holder) transfers significant insurance risk to another party (insurer) and the latter agrees to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder, or other beneficiary. Such contracts may also transfer financial risk when the insurer issues financial instruments with a discretionary participation feature.

A number of insurance and investment contracts contain a discretionary feature which entitles the holder to receive, as a supplement to guaranteed benefits, additional benefits or bonuses:

- That is likely to be a significant portion of the total contractual benefits.
- Whose amount or timing is contractually at the discretion of the Company; and
- That are contractually based on:
  - The performance of a specified pool of contracts or a specified type of contract
  - Realized and /or unrealized investment returns on a specified pool of assets held by the company
  - The profit or loss of the company, fund or other entity that issues the contract.

Insurance contracts and investment contracts are classified into two main categories, depending on the duration of risk and whether or not the terms and conditions are fixed. Long-term Insurance Business (i.e Long- term insurance with fixed and guaranteed terms, and Long-term insurance contracts without fixed terms and with DPF) includes insurance business incidental to any such class of business.

### Short term insurance contracts

#### General Insurance Business

General Insurance Business means insurance business of any class or classes not being long term insurance business. Classes of General Insurance include:

- Fire insurance business;
- General accident insurance business;
- Motor vehicle insurance business;
- Marine and aviation insurance business;
- Oil and gas insurance business;
- Engineering insurance business;
- Bonds credit guarantee and surety-ship insurance business;
- and Miscellaneous insurance business

For all these contracts, premiums are recognized as revenue proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risk at the end of reporting date is reported as the unearned premium liability.

Premiums are shown before deductions of commissions 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 contract holders.

### Recognition and Measurement of Insurance Contracts

Premium income is recognized on assumption of risks. For long term insurance business, premiums are recognized as revenue when they become payable by the contract holder. Premiums are shown before deduction of commission and are gross of any taxes.

For short term insurance business, premium income is recognized on assumption of risks, and includes estimates of premiums due but not yet received, less an allowance for cancellations, and less unearned premium.

### Gross Premium

Gross written premium comprises the premiums on insurance contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. These are shown gross of any taxes or duties levied on premiums.

### Gross Premium earned

Gross premium earned includes estimates of premiums due but not yet received, less unearned premium.

### Reinsurance

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

Premiums ceded, claims recovered and commission received are presented in the Income Statement and Statement of Financial Position separately from the gross amounts.

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

### Claims and policy holder benefits payable

For the long term insurance business, benefits are recorded as an expense when they are incurred. Claims arising on maturing policies are recognised when the claims become due for payment. Death claims are accounted for on notification. Surrenders are accounted for on payment.

For the general insurance business, claims incurred comprise claims paid and claims handling expenses paid during the financial year and changes in the provision for outstanding claims. Claims paid represent all payments made during the year whether arising from events during that or earlier years.

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.



### Salvage and Subrogation Reimbursement

Some insurance contracts permit the Company to sell (usually damaged) property acquired in settling a claim (for example salvage) The Company may also have the right to pursue third parties for payment of some or all costs (for example subrogation)

Salvaged property is recognized in other assets when the amount that can reasonably be recovered from the disposal of the property has been established and salvage recoveries are included as part of claims recoveries. Subrogation reimbursements are recognized in claim recoveries when the amount to be recovered from the liable third party has been established.

## I. INSURANCE CONTRACTS LIABILITIES

This represents the Company's liabilities to the policy holders. It comprises the unearned premium, outstanding claims and the incurred but not reported claims. At the end of each accounting period, this liability is reflected as determined by the actuarial valuation report.

### Unearned premium provision

The provision for unearned premiums represents the proportion of premiums written in the periods up to the accounting date that relates to the unexpired terms of policies in force at the end of reporting date. This is estimated to be earned in subsequent financial periods, computed separately for each insurance contract using a time apportionment basis.

### Reserve for unearned risk

A provision for additional unearned risk reserve is recognized for an underwriting year where it is envisaged that the estimated cost of claims and expenses exceed the unearned premium provision.

### Reserve for outstanding claims

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

### Reserve for incurred but not reported claims (IBNR)

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

### Liability Adequacy Test

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

### Offsetting financial instruments

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

## m. TRADE PAYABLES

Trade payables are recognized when due. These include amount due to agents, brokers and insurance contract holders. Trade payables are recognized 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 is less than one year, discounting is omitted.

### Provisions, contingent liabilities and assets

Provisions are liabilities that are uncertain in amount and timing. A provision is recognized if, as a result of a past event, the Company has a present obligation that can be reliably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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 obligation as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Contingent assets are never recognized as assets in the statement of financial position but may be disclosed if they are likely to eventuate.

### n. OTHER PAYABLES

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

### o. TAXATION

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken into tax returns with respect to situations in which applicable tax regulation is subjected to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the reporting period date and are expected to apply when the related deferred income tax liability is settled. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

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



### p. SHARE CAPITAL AND RESERVES

#### Share capital

The issued ordinary shares of the Company are classified as equity instruments. Incremental costs directly attributable to the issue of an equity are deducted from the initial measurement of the equity instruments.

#### Share premium

This represents the excess amount paid by shareholders on the nominal value of the shares. This amount is distributable to the shareholders at their discretion. The share premium is classified as an equity instrument in the statement of financial position.

#### Statutory contingency reserve

The Company maintains contingency reserves for the non-life business in accordance with the provision of S. 21 of the Insurance Act 2003 to cover fluctuations in securities and valuations 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.

#### General reserves

The reserve comprises of undistributed profit/(loss) from previous years and the current year. It also includes investment revaluation reserves and assets revaluation reserves. General reserves are classified as part of equity in the statement of financial position.

#### Dividend

Dividends on ordinary shares are recognized and deducted from equity when they are approved by the company's shareholders, while interim dividends are deducted from equity when they are paid. Dividends for the year that are approved after the reporting date are disclosed as an event after reporting date.

### q. INVESTMENT CONTRACT

Investment contracts are those contracts that transfer financial risk with no significant insurance risk. Financial risk is the risk of a possible change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

### r. REVENUE RECOGNITION

#### Insurance Premium Revenue

The revenue recognition policy relating to insurance contracts is set out under note 2.7k

#### Interest Income

Interest income for interest bearing financial instruments, recognized within 'investment income' in the income statement using the effective interest rate method. The effective interest rate is the rate that exactly discount the estimated future cash payments and receipts through the expected life of the financial asset (or, where appropriate, a shorter period) to the net carrying amount of the financial asset. The effective interest rate is calculated on initial recognition of the financial asset and is not revised subsequently.

#### Dividend Income

Dividend income is recognized in profit or loss when the Company's right to receive payment is established.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)



### Other Income

Other income represents income generated from sources other than premium revenue and investment income. Income is recognized when payment is received.

### s. FEES AND COMMISSION INCOME

Insurance and investment contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. These fees are recognised as revenue over the period in which the related services are performed. If the fees are for services provided in future period, then they are deferred and recognised over those future periods.

### t. EXPENSES RECOGNITION

#### Underwriting expense

Underwriting expense include acquisition costs and maintenance expense. Acquisition costs comprise all direct and indirect costs associated with the writing of insurance contracts. These include commission expenses and other technical expenses. Maintenance expenses are expenses incurred in servicing existing policies. All underwriting expenses are charged in consonance with the period of insurance cover from which they accrue.

#### Interest

Interest expense for interest bearing financial instruments, are recognized within 'interest expense' in the income statement using the effective interest rate method. The effective interest rate is the rate that exactly discount the estimated future cash payments and receipts through the expected life of the financial liability (or, where appropriate, a shorter period) to the net carrying amount of the financial liability. The effective interest rate is calculated on initial recognition of the financial liability and is not revised subsequently.

#### Management expenses

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

### u. SEGMENT REPORTING

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, which is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions. For management purpose, the company is organized into business units based on the products and services offered and have one reportable operating segment which is non – life business.

Non-life Business is the non-life insurance products which includes motor, fire, general accident, engineering, bond, marine and oil and gas.

### v. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary share in issue during the year excluding ordinary shares purchased by company and held as treasury shares, 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.




# STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER, 2021




ASSETS	Note	2021 N000	2020 N000
Cash and Cash equivalents	6	1,511,785	1,233,572
Financial Assets:			
- At fair value through profit or loss	7	110,244	95,421
- Held to maturity	8	3,405,166	2,168,762
- Available for sale	9	551,938	549,463
- Loans and Receivables	10	234,000	243,369
Trade Receivables	11	375,831	228,342
Reinsurance Assets	12	390,609	269,794
Other Receivables and Prepayments	13	147,982	178,370
Deferred Acquisition Costs	14	163,097	80,267
Investment Properties	15	7,355,101	7,355,101
Intangible Assets	16	34,780	35,210
Property and Equipment	17	891,261	792,677
Statutory Deposits	18	315,000	315,000
<b>Total Assets</b>		<b>15,486,794</b>	<b>13,545,348</b>
<b>LIABILITIES</b>			
Insurance Contract Liabilities	19	2,289,672	1,445,116
Trade Payables	20	414,302	346,520
Other Payables	21	312,707	151,268
Deposit for Shares	21.4	5,467,880	5,467,880
Borrowings	22	157,988	159,572
Income Tax Liabilities	23	229,827	148,456
Deferred Tax Liabilities	24	165,014	157,361
<b>Total Liabilities</b>		<b>9,037,390</b>	<b>7,876,172</b>
<b>EQUITY</b>			
Share Capital	25	2,245,000	2,245,000
Share Premium	26	355,200	355,200
Contingency Reserves	27	1,541,800	1,228,444
Retained Earnings	28	1,959,095	1,494,699
Other Reserves	29	348,309	345,834
Shareholders' Funds		6,449,404	5,669,177
		15,486,794	13,545,348

The financial statements were approved by the board of directors on May 17, 2022 and signed on its behalf by:

  
**Dr. Elijah Akpan**  
 Chairman  
 FRC/2017/IODN/O  
 0000016127

  
**Linda Okoh**  
 Ag. Financial Controller  
 FRC/2021/001/00  
 000022647

  
**Augustine Osegha Ebose**  
 Managing Director  
 FRC/2019/IODN/  
 0000001937



# STATEMENT OF COMPREHENSIVE INCOME



FOR THE YEAR ENDED 31 DECEMBER, 2021

Assets	Note	2021 N000	2020 N000
Gross Premium Written		10,445,192	6,763,376
Changes in Unearned Premium		(356,282)	(238,024)
Gross Premium Income		10,088,910	6,525,352
Reinsurance Expense	31	(4,295,504)	(1,278,126)
<b>Net Premium Income</b>	30	<b>5,793,406</b>	<b>5,247,226</b>
Fee and Commission Received	32	517,801	141,426
<b>Underwriting Income</b>		<b>6,311,208</b>	<b>5,388,652</b>
	33	(1,257,202)	(1,342,744)
	34	(2,062,593)	(1,885,204)
<b>Total Underwriting Expenses</b>		<b>(3,319,795)</b>	<b>(3,227,948)</b>
<b>Total Underwriting Result</b>		<b>2,991,413</b>	<b>2,160,704</b>
Investment Income	35	114,208	139,992
Gains/(loss) on revaluation of investment properties	36	-	-
Gains/(loss) on assets at fair value	36	(2,076)	16,985
Exchange differences on held to maturity	8	-	3,200
Other Operating Income	37	36,568	20,778
<b>Net Operating Income</b>		<b>3,140,112</b>	<b>2,341,659</b>
Management Expenses	38	(2,119,942)	(2,005,113)
<b>Profit Before Tax</b>		<b>1,020,170</b>	<b>336,546</b>
Income Tax (Expenses)/Credit	39	(152,619)	99,952
		<b>867,551</b>	<b>436,498</b>
<b>Profit for the year</b>		<b>867,551</b>	<b>436,498</b>
<b>Other comprehensive income:</b>			
Items that may be subsequently reclassified to the profit or loss account:			
Exchange differences on available for sale	9.2	2,475	37,664
Gain/(Loss) on available-for-sale financial assets net of taxes	36.1		
Items within OCI that will not be reclassified to the profit or loss:			
Loss on disposal of revalued asset	29		(26,662)
<b>Other comprehensive income:</b>		<b>2,475</b>	<b>11,002</b>
<b>Total comprehensive income for the year</b>		<b>870,027</b>	<b>447,500</b>
<b>Earnings per share (EPS) for profit attributable to the equity holders of the company</b>			
Basic (kobo)		38.64	19.44

The results shown above for both 2021 and 2020 relate to continuing operations.



# STATEMENT OF CHANGES IN EQUITY



FOR THE YEAR ENDED 31 DECEMBER, 2021

	Share Capital N'000	Share Premium N'000	Contingency Reserves N'000	Retained Earnings N'000	Fair value reserve on Available for sale financial assets N'000	Asset Revaluation reserve N'000	Foreign Exchange	Total N'000
Balance at 1 January 2020	2,245,000	355,200	1,228,444	1,494,700	136,462	145,025	64,347	5,669,178
<b>Comprehensive Income for the year:</b>								
Profit after tax	-	-	-	867,551				867,551
Share increase costs								-
Transfer to contingency reserves	-	-	313,356	(313,356)				-
	-	-	1,541,800	2,048,896	136,462	145,025	64,347	
Dividend approved to equity holders				(89,800)				(89,800)
<b>Other comprehensive income:</b>								
Exchange difference on available for sale							2,475	2,475
<b>Loss on disposal of revalued asset</b>								(26,662)
Revalued of property, plant & equipment	-	-	-			-		-
Net gain/loss on Financial asset available for sales								-
Deferred tax					-	-		-
Total transactions with owners	-	-		(89,800)	-	-	2,475	-
<b>Balance at 31 December, 2021</b>	<b>2,245,000</b>	<b>355,200</b>	<b>1,541,800</b>	<b>1,959,096</b>	<b>136,462</b>	<b>145,025</b>	<b>66,822</b>	<b>6,449,405</b>

	Share Capital N'000	Share Premium N'000	Contingency Reserves N'000	Retained Earnings N'000	Fair value reserve on Available for sale financial assets N'000	Asset Revaluation reserve N'000	Foreign Exchange	Total N'000
Balance at 1 January 2020	2,245,000	355,200	1,025,543	1,350,903	136,462	171,687	26,683	5,311,478
<b>Comprehensive Income for the year:</b>								
Profit after tax	-	-	-	436,498				436,498
Share increase costs								-
Transfer to contingency reserves	-	-	202,901	(202,901)				-
	2,245,000	355,200	1,228,444	1,584,500	136,462	171,687	26,683	-
<b>Dividend approved to equity holders</b>				(89,800)				(89,800)
<b>Other comprehensive income:</b>								
Exchange difference on available for sale							37,664	37,664
<b>Loss on disposal of revalued asset</b>						(26,662)		(26,662)
Revalued of property, plant & equipment						-		-
Net gain/loss on Financial asset available for sales					-			-
Deferred tax						(26,662)	37,664	
Total transactions with owners	-	-	-	(89,800)		(26,662)	37,664	
<b>Balance at 31 December, 2020</b>	<b>2,245,000</b>	<b>355,200</b>	<b>1,228,444</b>	<b>1,494,700</b>	<b>136,462</b>	<b>145,025</b>	<b>64,347</b>	<b>5,669,178</b>

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER, 2021



CASH FLOW FROM OPERATING ACTIVITIES	2021 N000	2020 N000
Premium Received from Policy Holders	9,968,709	6,655,435
Commission Received	517,801	141,426
Reinsurance receipts in respect of Claims	259,573	142,242
Cash Paid to and on behalf of Employees	(473,867)	(429,042)
Reinsurance Premium Paid	(4,050,625)	(1,338,831)
Maintainance Expenses	(333,571)	(565,438)
Acquisition expenses paid	(1,811,851)	(1,330,514)
Prepayments	-	(18,221)
Premium received in advance	-	328,994
Net receipts/payments for other services and suppliers	161,490	(86,306)
Other operating Cash Receipt/(Payment)	(1,462,904)	(1,270,278)
Claims Paid	(997,419)	(1,288,940)
Company Income Tax Paid	(63,594)	-
<b>Net Cash Provided By Operating Activities</b>	<b>1,713,741</b>	<b>940,528</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(241,541)	(423,708)
Proceeds from disposal of asset	135	4,281
Purchase of Financial Assets	(16,900)	-
Purchase of Intangible Assets	(11,164)	(18,965)
Placement during the year HTM	(1,236,404)	(886,065)
Disposal of Treasury Bills Available for Sale	-	100,000
Receipt/ (Issue )of loan	18,657	20,740
Staff Loan advance	(9,289)	(130,767)
Additions to investment property	-	(21,559)
Investment Income and Other Receipts	152,362	-
<b>Net Cash Provided by Investing Activities</b>	<b>(1,344,144)</b>	<b>160,770</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Deposit for Shares		
Dividend paid	(89,800)	(106,828)
Addition to loan - borrowings	172,451	59,137
Repayment of loan - borrowing	(174,035)	(173,869)
<b>Net Cash Provided by Financing Activities</b>	<b>(91,384)</b>	<b>446,320</b>
 Net Increase / (Decrease) in Cash	 278,213	 191,575
Cash as at 1st January, 2021	1,233,572	1,041,997
Cash as at 31ST DEC, 2021	1,511,785	1,233,572



# FINANCIAL RISK MANAGEMENT

FOR THE YEAR ENDED 31 DECEMBER, 2021



## 3. FINANCIAL RISK MANAGEMENT

### 3.1 Financial Risk Factor

The Company's business activities expose it to a variety of financial risk (including foreign exchange, interest rate, and price), credit risk and liquidity risk. The objective of the Company's risk management programmes to minimize potential adverse impacts on the Company's financial performance.

Risk management is carried out in line with policies approved by the Board of Directors. The board provides written principles for overall risk management, as well as set the overall risk appetite for the Company. Specific risk management approaches are defined for respective risks such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity. The company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is the responsibility of the Treasury manager, which aims to effectively manage the financial risk of Anchor insurance, according to the policies approved by the Board of Directors. The treasury manager identifies and monitors financial risk. The Board provides principles for overall risk management, as well as policies covering specific areas such as foreign exchange, interest rates and credit risks, use of financial instruments and investment of excess liquidity.

The Company's financial instruments consist of financial assets at fair value through profit or loss, available for-sale financial assets, trade and other receivables and trade and other payables and cash and cash equivalents.

#### a. Market Risk

This is the risk that the value of investment will decrease due to movements in the market factors. Such movement may be accessioned market factors (volatilities) that are directly related to an individual investment and /or systematic risk.

##### i. Foreign exchange risk

Foreign exchange risk is a potential risk of loss of an asset value held in foreign currency due to changes in currency exchange rates. The company enters into most of its transactions are in Naira which is also the functional currency. The company is therefore not exposed to any material foreign exchange risk. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities are denominated in a currency that is not the entity's functional currency.

##### ii. Price risk

The Company is exposed to equity securities price risk because of investments held by the Company and classified on the statement of financial position either as available-for-sale or at fair value through profit or loss. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

If the all-share index of NSE moves by 100 basis point at 31 December 2021, the effect on the fair value of these quoted securities on post-tax profit for the year would increase/decrease by N xxx million (2020: N937 million) as a result of gains/losses on equity securities classified at fair value through profit or loss. Other comprehensive income would increase/decrease as a result of gains/losses on equity securities classified as available for sale.

# FINANCIAL RISK MANAGEMENT (CONT'D)



FOR THE YEAR ENDED 31 DECEMBER, 2021

Sensitivity analysis	Value of Equity	1% increase in Equity	Impact on Profit
December 31, 2021	102,577	1026	1026
December 31, 2020	95,420	954	954

Sensitivity analysis	Value of Equity	1% increase in Equity	Impact on Profit
December 31, 2021	(102,577)	(1026)	(1026)
December 31, 2020	95,420	(954)	(954)

### iii. Interest Rate risk

The Company is not exposed to interest rate risk as it does not hold any borrowings.

### b. Credit risk

This risk arises from the default of a counterparty to fulfill its contractual obligation. Being an insurance Company non-remittance of premium after the required thirty (30) days period available to Insurance Brokers as stipulated by NAICOM's premium collection and remittance guidelines and the possibility of default by counterparties on investments placed with corporate entities, could result in cash flow shortages.

Credit risk is the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from cash and cash equivalents as well as credit exposures to customers, including outstanding receivables and committed transactions.

The Company uses policies to ensure that sales of product are to customers with appropriate credit history. The granting of credit is controlled by credit limits and the application of certain terms of sale. The continuous credit worthiness of the existing customers is monitored periodically based on history of performance of the obligations and settlement of their debt. Appropriate provision for impairment losses is made for specific credit risks. At the year end, Anchor insurance considered that there were no material credit risks that had not been covered by doubtful debt provisions.

No credit limits were exceeded during the reporting period and management does not expect any losses from non-performance by these counterparties. None of the counterparties renegotiated their terms in the reporting period.

The maximum exposure to credit risk for trade receivables approximates the amount recognized on the statement of financial position. The Company does not hold any collateral as security. In measuring credit risk, the Company considered three models:

- The Probability of Default (PD), the likelihood that the insured will fail to make full and timely payment of financial obligations.
- The Exposure At Default (EAD) is derived from the Company's expected value of debt at the time of default.
- The Loss Given Default (LGD) which state that the amount of the loss if there is a default, expressed as a percentage of the (EAD)



# FINANCIAL RISK MANAGEMENT (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER, 2021



## Impairment Model

Premium debtors, which technically falls under receivables is recognised at fair value and subsequently measured at amortised cost, less provision for impaired receivables. Under IFRS, an asset is impaired if the carrying amount is greater than the recoverable amount. The standard favours the use of the incurred loss model in estimating the impairment of its receivables.

Following the provisions of IAS 39, the impairment of the premium debtors will be assessed at two different levels; individually or collectively. The premium debt of the Company will be assessed for impairment using the incurred loss model adapted for insurance business.

The model used is defined thus:  
 Impairment loss = EP \* LGD \* EAD \* PD

Where: EP is Emergency Period  
 LGD is Loss Given Period  
 EAD is Exposure at Default; and  
 PD is 1-year Probability of Default

## Credit Quality

The Company loan and receivables has no collateral as security and other credit enhancements, thus the Company has no loan or receivables that are past due but not impaired. Insurance receivables are to be remitted by the Registered Insurance Brokers to Company after the permissible thirty (30) days grace period as mandated by NAICOM. As a result the carrying amount is not significantly different from the fair value.

December 31, 2021	Significant Non Impaired N'000	Significant Impaired N'000	Non- Significant Non Impaired N'000	Non- Significant Impaired N'000
<b>Financial assets:</b>				
Cash and cash equivalents (Note 6)	1,511,785	-	-	-
Held to maturity investment securities (Note 8)	3,405,166	-	-	-
Available for sale investment security (Note 9)	551,938	-	-	-
Trade receivables (Note 11)	375,831	-	-	-
Reinsurance receivables (Note 12)	390,609	-	-	-
Staff debtors (Note 10)	234,000	-	-	-
	<u>6,469,331</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>December 31, 2020</b>				
<b>Financial assets:</b>				
Cash and cash equivalents (Note 6)	1,233,572	-	-	-
Held to maturity investment securities (Note 8)	2,168,762	-	-	-
Available for sale investment security (Note 9)	549,463	-	-	-
Trade receivables (Note 11)	228,342	-	-	-
Reinsurance receivables (Note 12)	269,794	-	-	-
Staff debtors (Note 10)	243,369	-	-	-
	<u>4,693,301</u>	<u>-</u>	<u>-</u>	<u>-</u>

## FINANCIAL RISK MANAGEMENT (CONT'D)



FOR THE YEAR ENDED 31 DECEMBER, 2021

### c. Liquidity Risk

The characteristics nature of our business requires adequate cash flow to meet our contractual obligations in the event of claim settlement. This is the risk loss arising due to insufficient liquid assets to meet Cash flow requirement or to fulfill financial obligation once claims crystallise.

Liquidity risk is managed by maintaining sufficient cash reserves to operational needs at all times so that the Company does not breach financial obligation once claims crystallise. The company manages liquidity risk by effective working capital and cashflow management.

Anchor Insurance company Limited invests its surplus cash in interest yielding accounts.

The table below analyses the Company's financial liabilities and into relevant maturity based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 December 2021	Up to 90 days N'000	91 - 180 days N'000	Over 180 days N'000	Total N'000
<b>Financial liabilities</b>	414,302	-	-	414,302
Trade payables	312,707	-	-	312,707
Other payables	727,009	-	-	727,009

At 31 December 2020	Up to 90 days N'000	91 - 180 days N'000	Over 180 days N'000	Total N'000
<b>Financial liabilities</b>	346,520	-	-	346,520
Trade payables	151,268	-	-	151,268
Other payables	497,788	-	-	497,788



# CAPITAL RISK MANAGEMENT

FOR THE YEAR ENDED 31 DECEMBER, 2021



## 3.2 Capital Risk Management

The primary source of capital used by the Company is equity shareholders' funds. The Company's capital management strategy focuses on the creation of shareholders' value while meeting the crucial and equally important objective of providing an appropriate level of the capital to protect stakeholders' interest and satisfy regulators.

The adequacy level of capital determines the degree of confidence that stakeholders (suppliers, client, investors, depositors and counterparties) would have in a business.

As a result, the Company ensures that adequate capital exist to buffer the following:

- Absorb large unexpected losses
- Protect clients and other creditors
- Provide confidence to external investors and rating agencies
- Support a good credit rating; and
- Run operations of the Company efficiently and generate commensurate returns

The capital management process is governed by the board of directors who has ultimate responsibility for the capital management process. The board of directors is supported by the ERM Committee and finance and general purpose committee whom all have various input into the capital management process.

The capital management process involves establishing the methodology for determining and maintaining an appropriate quantity and quality of capital and solvency. The capital adequacy and solvency regime comprises the:

- Requirement on assets, including requirements for valuation of assets and regulatory distribution of assets.
- Definition of appropriate forms of capital; and
- Required solvency margin.

Management uses regulatory capital ratios to monitor its capital base. The allocation of capital between specific operations and activities is to a large extent driven by optimization of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily on the regulatory capital, but in some cases the regulatory requirements do not fully reflects the varying degree of the risk associated with different activities. In such cases, the capital requirement may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes.

The make-up of the Company's capital in 2021 compared with 2020 financial year is as follows:



## CAPITAL RISK MANAGEMENT (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER, 2021



	2021 N'000	2020 N'000
Share Capital	2,245,000	2,245,000
Share premium	355,200	355,200
Contingency Reserves	1,541,800	1,228,444
Retained Earnings	1,959,095	1,494,699
Other reserves	348,309	345,834
	<u>6,449,404</u>	<u>5,669,177</u>

The table below summaries the minimum required capital for the Company and the regulatory capital held against it.

Regulatory Capital held	6,449,404	5,669,177
Minimum regulatory capital	<u>3,000,000</u>	<u>3,000,000</u>

Given the above, the Company has complied with the external capital requirements

The Company's objectives with respect to capital management are to maintain a capital base that is structured to exceed regulatory and to best utilize capital allocations. Insurance industry regulator measure the financial strength of non-life insurer using a solvency margin model.

NAICOM generally expect non-life insurers to comply with this capital adequacy requirement. Section 24 of the Insurance Act 2003 defines Solvency Margin of a non-life insurer as the difference between the admissible assets and liabilities and this shall not be less than 15% of Net Premium Income (Gross Premium Income less Re-Insurance Premium paid) or the minimum capital base (N3 billion) whichever is higher.

margin of 100%. During the year, the Company has consistently exceeded this minimum. The regulator has the authority to request more extensive reporting and can place restrictions on the Company's operations if the Company falls below this requirement as deemed necessary.



# CAPITAL RISK MANAGEMENT (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER, 2021



The solvency margin for the Company as at 31 December 2021 and 2020 are as follows:

	Total N'000	Inadmissible N'000	Admissible 2021 N'000	Total N'000	Inadmissible N'000	Admissible 2020 N'000
<b>Admissible assets:</b>						
Cash and cash equivalents	1,511,785		<b>1,511,785</b>	1,233,572		1,233,572
<b>Financial assets:</b>						
-At fair value through profit or loss	110,244		<b>110,244</b>	95,421		95,421
- Held to maturity	3,405,166		<b>3,405,166</b>	2,168,762		2,168,762
- Available for sale	551,938		551,938	549,463		549,463
- Loan & receivables (Staff loan)	234,000		234,000	243,369		243,369
Trade receivable	375,831		375,831	228,342		228,342
Reinsurance assets	390,609		390,609	269,794		269,794
Other receivables and prepayments	147,982	(147,982)	-	178,370	(178,370)	
Deferred acquisition cost	163,097		<b>163,097</b>	80,267		80,267
Investment property	7,355,101	(6,439,207)	<b>915,894</b>	7,355,101	(6,108,301)	1,246,800
Intangible assets	34,780		<b>34,780</b>	35,210		35,210
Property, Plant & Equipment	891,261	(128,020)	<b>763,241</b>	792,677	(421,015)	371,662
Statutory Deposit	315,000		<b>315,000</b>	315,000		315,000
	<u>15,486,796</u>	<u>(6,715,209)</u>	<u><b>8,771,587</b></u>	<u>13,545,348</u>	<u>(6,707,686)</u>	<u>6,837,662</u>

## Admissible liabilities

Insurance contract liabilities	2,289,672		<b>2,289,672</b>	1,445,116		1,445,116
Trade Payables	414,302		<b>414,302</b>	346,520		346,520
Provisions and other payables	312,707		<b>312,707</b>	151,268		151,268
Deposit for Shares	5,467,880	(4,800,000)	<b>667,880</b>	5,467,880	(4,800,000)	667,880
Borrowings	157,988		<b>157,988</b>	159,572		159,572
Income tax liabilities	229,827		<b>229,827</b>	148,456		148,456
Deferred tax liabilities	165,014	(165,014)		(157,361)	(157,361)	-
	<u>9,037,391</u>	<u>(4,965,014)</u>	<u><b>4,072,377</b></u>	<u>7,876,172</u>	<u>(4,957,362)</u>	<u>2,918,811</u>

## Excess of admissible assets over liabilities (Solvency Margin)

The higher of:						
Test I -15% of Net Premium Income (15% of N3,505,098)	<b>937,041</b>			787,084		
Test II -Minimum capital base	<b>3,000,000</b>		<u><b>3,000,000</b></u>	3,000,000		<u>3,000,000</u>
Surplus of Solvency			<b>1,699,210</b>			918,851
Solvency ratio (%)			<b>157</b>			131

# FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES



FOR THE YEAR ENDED 31 DECEMBER, 2021

## 3.3 Fair value of financial assets and liabilities

### a. Financial Instruments Not Measured at Fair Value

	December 31, 2021		December 31, 2020	
	Carrying value N'000	Fair value N'000	Carrying value N'000	Fair value N'000
<b>Financial assets:</b>				
Cash and bank balances	1,511,785	1,511,785	1,233,572	1,233,572
Held to maturity financial assets	3 405,166	3 405,166	2,168,762	2,168,762
Trade receivables (premium debtors)	375,831	375,831	228,342	228,342
Reinsurance assets	390,609	390,609	269,794	269,794
Staff debtors	234,000	234,000	243,369	243,369
Available for sale financial assets:				
Anchor HMO	100,000	100,000	100,000	100,000
Statefarm Investment Limited	110,000	110,000	110,000	110,000
AWICA Re	341,938	341,938	339,463	339,463
	<u>6,469,331</u>	<u>6,469,331</u>	<u>4,693,302</u>	<u>4,693,302</u>
<b>Financial Liabilities</b>				
Trade Payables	414,302	414,302	346,520	346,520
Other payables	312,707	312,707	151,268	151,268
	<u>727,009</u>	<u>727,009</u>	<u>497,788</u>	<u>497,788</u>

### b. Fair Value Hierarchy

The company's accounting policy on fair value measurements is discussed under note 2.7(b). The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments which are measured at fair value by evaluation technique.

The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)



## FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONT'D)



FOR THE YEAR ENDED 31 DECEMBER, 2021

### c. Fair Value Method and Assumptions

#### i. Cash and bank balances

Cash and bank balances represent cash held with banks of the various jurisdictions in which the Company operates. The fair value of these balances is their carrying amounts.

#### ii. Trade receivables

Trade receivables from premium debtors represent balances with brokers and insurance agents and items in the course of collection. They are carried at cost net of impairment. The carrying amount is a reasonable approximation of fair value because they are short term in nature.

#### iii. Other receivables

Other receivables are Staff debtors which are carried at amortised cost net of impairment. The fair value of loans and advances represent an estimation of the value of the loans using average benchmarked lending rates which were adjusted to reflect the fair value of the employee benefit. The rates used were obtained from the industry rates published by the Central Bank of Nigeria.

The following table presents the Company's assets that are measured at fair value at 31 December 2021.

Assets	Level 1	Level 2	Level 3
Bank placements	3,098,352	-	-
Financial assets at fair value through profit or loss			
- Listed equity	110,244	-	-
Total assets	<u>3,208,596</u>	<u>-</u>	<u>-</u>

The following table presents the Company's assets that are measured at fair value at 31 December 2020.

Assets	Level 1	Level 2	Level 3
Bank placements	2,106,912	-	-
Financial assets at fair value through profit or loss			
Listed equity	95,421	-	-
Total assets	<u>2,202,333</u>	<u>-</u>	<u>-</u>

## FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER, 2021



The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry, Company, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily NSE equity investments classified as trading securities or available for sale.

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

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. For unquoted equities where the fair value cannot be reliably estimated, they are carried at cost.

Unquoted equities where the fair value cannot be reliably determined are carried at cost.



# MANAGEMENT OF INSURANCE RISK

FOR THE YEAR ENDED 31 DECEMBER, 2021



## 3.4 Management of Insurance Risk

The Company issues contracts that transfer insurance risk. This section summarises the nature and management of these risks. 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 company 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 Company 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.

Anchor Insurance holds the license of General Insurance business which allows the Company to underwrite all classes of insurance other than life insurance. As at December 31, 2021 the main classes of business underwritten by the Company include:

- 1 All classes of motor vehicle
- 2 Marine cargo and Hull
- 3 Aviation Insurance
- 4 Fire & Allied Peril Insurance
- 5 Burglary and House Breaking
- 6 All classes of Oil & Gas
- 7 All classes of Bonds
- 8 Engineering
- 9 General Accident and Micro
- 10 Employers & Directors Liability
- 11 Passenger Liability

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk.

### a. Underwriting risk

Businesses brought in by marketers are accessed in the context of the risk exposures and the premium to be paid by the Underwriting Department under technical division. The Company has established risk appetites within all classes of insurance under its Enterprise Risk Management programme. Once a risk is accepted and rated it goes through a process of generating debit note and receipt for payment of the premium due from Underwriting Department to the Finance Department using its comprehensive insurance software called Easy Policy.Net. When a risk is accepted above our net capacity the Reinsurance Department is alerted for a proper reinsurance of the 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.

## MANAGEMENT OF INSURANCE RISK (CONT'D)



FOR THE YEAR ENDED 31 DECEMBER, 2021

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 cognizance of past experience. The Company manages these risks through its underwriting strategy, reinsurance arrangements and claims handling processes.

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

Claims processing and payment is at the centre of activities in the Company therefore the Company maintains a simple workflow of operations from branches to corporate office in the handling of claims. All claimants are treated the same way. It starts from identifying that the client has a valid policy of insurance with the Company and also that the claim demand emanates from the perils contemplated in the valid policy, claim form will be sent or downloaded to the client from our website [www.anchorinsurance.ng](http://www.anchorinsurance.ng) and clients encourage to complete same with other substantiating documents. The Company pays high premium in timely settlement of claims to enhance its reputation in the market.

### b. Remuneration Method

The remuneration method of Brokers and agents is based on commission. This is a proportion of gross premium generated based on statutory scale explicit in Insurance Acts of 2003.

Claims risk is represented by the fact that the Company may incur unexpectedly high losses on 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.

### c. Investment Activities

The Company operates a strict investment policy that lays emphasis on liquidity and reduced investment risk exposures. Cash flow and investment schedules are updated weekly for investment committee of management to take decisions within Board established Investment policy.

### d. 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. Estimated inflation is also a significant factor due to the long period typically required to settle cases where information are not readily available. The company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claim 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 Company 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 Company should not suffer total net insurance losses of more than N10 million on any policy. In addition to the overall Company reinsurance programme, individual business units are permitted to purchase additional reinsurance protection.

The Company has specialized 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 Company actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.



## MANAGEMENT OF INSURANCE RISK (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER, 2021

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

We summarize our calculated technical reserves below adopting both the Basic Chain Ladder and Inflation Adjusted Chain Ladder methods. We have also assumed a discounted approach of the methods used and results presented in the Table set below:

2021 Discounted Inflation Adjusted Basic Chain Ladder Method – Gross Outstanding Claims.

Class of business	Gross Outstanding Claims N'000	Estimated Reinsurance Recoveries N'000	Net Outstanding Claims N'000
Accident	14,905	(7,572)	7,334
Fire	514,424	(20,983)	493,441
Marine	130,509	(10,838)	119,671
Motor	50,724	-	50,724
Oil& Gas	44,783	-	44,783
Bond	59,676	(1,061)	58,615
Engineering	11,080	(5,023)	6,057
	<u>826,101</u>	<u>(45,477)</u>	<u>780,624</u>

2020 Discounted Inflation Adjusted Basic Chain Ladder Method – Gross Outstanding Claims.

Class of business	Gross Outstanding Claims N'000	Estimated Reinsurance Recoveries N'000	Net Outstanding Claims N'000
Accident	224,670	(59,470)	165,200
Fire	79,911	(43,951)	35,960
Marine	140,441	(9,065)	131,376
Motor	53,781	-	53,781
Oil& Gas	42,940	(27,911)	15,029
Bond	186,408	(9,745)	176,663
Engineering	71,045	(5,362)	65,683
	<u>799,196</u>	<u>(155,505)</u>	<u>643,691</u>



## MANAGEMENT OF INSURANCE RISK (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER, 2021

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2021 UPR (Gross and Reinsurance)

Class of business	2021 Gross UPR N'000	Reinsurance UPR N'000	2021 Net N'000
Accident	48,884	2193.588	51,078
Fire	277,020	19097.294	296,117
Marine	91,298	23278.847	114,577
Motor	114,577	1870.63	116,658
Oil& Gas	383,620	182397.776	566,017
Bond	24,111	669.121	24,781
Engineering	62,484	36678.864	99,163
	<u>1,002,203</u>	<u>266,186</u>	<u>1,268,389</u>

2020 UPR (Gross and Reinsurance)

Class of business	2020 Gross UPR N'000	Reinsurance UPR N'000	2020 Net N'000
Accident	151,827	(15,166)	136,661
Fire	23,986	(11,150)	12,836
Marine	70,346	(8,663)	61,683
Motor	165,046	(24,081)	140,965
Oil& Gas	10,313	(2,221)	8,092
Bond	102,015	(6,019)	95,996
Engineering	122,387	(46,988)	75,399
	<u>645,920</u>	<u>(114,288)</u>	<u>531,632</u>

### e. Sources of uncertainty in the estimation of future claim payments

Claims on contracts are payable on a claims-occurrence basis. The Company 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.

### f. Individual Business

For all individual risk business, the gross premium method of valuation was adopted. Future claims liabilities were calculated via a cash flow projection approach, taking into account future office premiums, expenses and benefit payments.



# Anchor 2021 Night of Bliss

End of the Year Party in Pictures



# Anchor 2021 Night of Bliss

End of the Year Party in Pictures



# HYPOTHECATION OF ASSETS

FOR THE YEAR ENDED 31 DECEMBER, 2021

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## Hypothecation of Assets

### Admissible assets:

	Policy-holders Funds N'000	Share-holders & Other Funds N'000	Total 2021 N'000	Policy-holders Funds N'000	Share-holders & Other Funds N'000	Total 2020 N'000
Cash and cash equivalents	624,527	887,259	1,511,785	128,522	1,105,050	1,233,572
Financial assets:			-			-
At fair value through profit or loss	-	110,244	110,244	-	95,421	95,421
Held to maturity (Treasury Bills & Placements)	1,269,548	1,828,805	3,098,352	950,000	1,156,912	2,106,912
Held to maturity (Corporate bond)		306,814	306,814		61,850	61,850
Available for sale	-	551,938	551,938	-	549,463	549,463
Loan & receivables (Staff loan)	-	234,000	234,000	-	243,369	243,369
Trade receivable	-	375,831	375,831	-	228,342	228,342
Reinsurance assets	390,609	-	390,609	269,794	-	269,794
Other receivables and prepayments	-	147,982	147,982	-	178,371	178,371
Deferred acquisition cost	-	163,097	163,097	-	80,267	80,267
Investment Properties	246,800	7,108,301	7,355,101	246,800	7,108,301	7,355,101
Intangible assets	-	34,780	34,780	-	35,210	35,210
Property, Plant & Equipment	-	891,261	891,261	-	792,677	792,677
Statutory Deposit	-	315,000	315,000	-	315,000	315,000
<b>Total Assets</b>	<b>2,531,483</b>	<b>12,955,313</b>	<b>15,486,796</b>	<b>1,595,116</b>	<b>11,950,232</b>	<b>13,545,348</b>
<b>Funds</b>	<b>2,289,672</b>	<b>13,197,124</b>	<b>15,486,796</b>	<b>1,445,116</b>	<b>12,100,232</b>	<b>13,545,348</b>
<b>Excess/(Deficit) in Assets</b>	<b>241,811</b>	<b>(241,811)</b>		<b>150,000</b>	<b>(150,000)</b>	

### Admissible assets:

	2021 Policy-holders funds N'000	2020 Policy-holders funds N'000
Cash and cash equivalents	624,527	128,522
Financial assets:		
At fair value through profit or loss		
Held to maturity (Treasury Bills & Placements)	1,269,548	950,000
Reinsurance assets	390,609	269,794
Investment Properties	246,800	246,800
<b>Total Assets</b>	<b>2,531,483</b>	<b>1,595,116</b>
<b>Funds</b>	<b>2,289,672</b>	<b>1,445,116</b>
<b>Excess/(Deficit) in Assets</b>	<b>241,811</b>	<b>150,000</b>

# CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2021



## 4. Critical accounting policies and key sources of estimation uncertainty

### 4.1 Critical accounting estimates and judgments

The preparation of financial statements requires Directors to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on Directors' experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Significant accounting judgments and estimates made in the preparation of the financial statements is shown below.

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

Liabilities for unpaid claims are estimated on case by case basis. The reserves made for claims fluctuate based on the nature and severity of the claims reported. Claims incurred but not reported are determined using statistical analyses and the Company deem the reserves as adequate.

### 4.2 Impairment of receivables

In accordance with the accounting policy stated in Note 2.4, the Company tests annually whether premium receivables have suffered any impairment. The recoverable amounts of the premium receivables have been determined based on the incurred loss model. These calculations require the use of estimates (see note 3.1b on disclosure on credit risk).

Where this is not applicable, we have based the impairment on debt not collected 30 days after the year end.

## 5. Segment information

IFRS 8 'Operating segments requires operating segments to be determined based on the Company's internal reporting to the Chief Operating Decision Maker ("CODM"). The CODM has been determined to be the Board of Directors which includes executive directors and other key management. It is the Board of Directors that has responsibility for planning and controlling the activities of the Company.

Segment Information is presented in respect of the Company's business segments which represents the primary segment reporting format and is based on the Company's management and reporting structure. No geographical segment has been provided in these financial statements as there is only one geographical segment.

### Operating Segment

The Company operates only general business which includes general insurance transaction with individuals and corporate customers.

The Company's reportable segment has been identified on a product basis for a general insurance business. Anchor insurance is a seven segment business.



# SEGMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER, 2021



The Company's business reporting information comprises

	Accident N'000	Fire N'000	Marine N'000	Motor N'000	Oil & Gas N'000	Bond N'000	Engineering N'000	2021 N'000	2020 N'000
Revenue	1,646,214	248,680	2,337,953	858,442	4,642,480	48,995	451,527	10,234,292	6,608,204
Derived from external customers	51,619	53,627	23,654	21,873	-	44,861	210,900	406,534	
<b>Gross premium written</b>	<b>1,697,832</b>	<b>302,307</b>	<b>2,361,607</b>	<b>880,315</b>	<b>4,642,480</b>	<b>93,856</b>	<b>662,427</b>	<b>10,640,826</b>	<b>155,172</b>
(Inc.)/Decr. In Unearned Income	(125,192)	(24,897)	50,260	10,716	(261,232)	(13,799)	7,863	(356,282)	6,763,376
Investment Income	18,223	3,245	25,347	9,448	49,828	1,007	7,110	114,208	(238,024)
Commission received	141,958	107,726	151,550	15,333	101	14,903	86,230	517,801	139,992
Other Income	90,342	16,086	125,662	46,842	247,028	4,994	35,248	566,203	141,426
<b>Total Segment Reporting</b>	<b>1,823,163</b>	<b>404,466</b>	<b>2,714,426</b>	<b>962,655</b>	<b>4,678,205</b>	<b>100,962</b>	<b>798,878</b>	<b>11,482,756</b>	<b>6,844,533</b>
Outward Re-insurance	(275,777)	(175,298)	(1,221,173)	(83,041)	(2,310,309)	(24,450)	(205,455)	(4,295,504)	(1,278,126)
<b>Net Segment revenue</b>	<b>1,547,386</b>	<b>229,168</b>	<b>1,493,253</b>	<b>879,614</b>	<b>2,367,895</b>	<b>76,512</b>	<b>539,424</b>	<b>7,187,252</b>	<b>5,566,407</b>
Depreciation	(26,137)	(4,654)	(36,356)	(13,552)	(71,468)	(1,445)	(10,198)	(163,810)	(277,330)
Other expenses	(914,648)	(162,857)	(1,272,234)	(474,239)	(2,500,975)	(50,562)	(356,860)	(5,732,375)	(4,950,258)
<b>Profit/loss before Taxation</b>	<b>606,600</b>	<b>61,657</b>	<b>184,663</b>	<b>391,823</b>	<b>(204,548)</b>	<b>24,505</b>	<b>226,366</b>	<b>1,291,067</b>	<b>338,819</b>
Total assets	2,471,047	439,981	3,437,113	1,281,222	6,756,725	136,600	964,105	15,486,794	13,545,348
<b>Total assets less current liabilities</b>	<b>1,029,056</b>	<b>183,228</b>	<b>1,431,370</b>	<b>533,559</b>	<b>2,813,807</b>	<b>56,886</b>	<b>401,497</b>	<b>6,449,404</b>	<b>5,669,176</b>

	Accident N'000	Fire N'000	Marine N'000	Motor N'000	Oil & Gas N'000	Bond N'000	Engineering N'000	Total N'000
<b>Gross Premium Written</b>	<b>1,697,832</b>	<b>302,307</b>	<b>2,353,220</b>	<b>882,096</b>	<b>4,664,354</b>	<b>48,995</b>	<b>496,388</b>	<b>10,445,1923</b>
Changes in Unearned Premium	(125,192)	(24,897)	50,260	10,716	(261,232)	(13,799)	7,863	(56,282)
<b>Gross Premium Earned</b>	<b>1,572,640</b>	<b>277,410</b>	<b>2,403,480</b>	<b>892,812</b>	<b>4,403,121</b>	<b>35,197</b>	<b>504,251</b>	<b>10,088,910</b>
Outward Reinsurance Premium	(275,777)	(175,298)	(1,221,173)	(83,041)	(2,310,309)	(24,450)	(205,455)	(4,295,504)
<b>Net Premium Earned</b>	<b>1,296,863</b>	<b>102,111</b>	<b>1,182,306</b>	<b>809,772</b>	<b>2,092,812</b>	<b>10,746</b>	<b>298,796</b>	<b>5,793,406</b>
Commission Received	141,958	107,726	151,550	15,333	101	14,903	86,230	517,801
<b>Total Underwriting Income</b>	<b>1,438,821</b>	<b>209,837</b>	<b>1,333,857</b>	<b>825,105</b>	<b>2,092,913</b>	<b>25,650</b>	<b>385,026</b>	<b>6,311,208</b>
Claims Expense	(789,650)	(17,569)	(24,355)	(228,698)	(102,473)	(32,308)	(62,150)	(1,257,202)
Underwriting Expenses	(327,849)	(243,711)	(416,855)	(233,378)	(653,797)	(34,830)	(152,173)	(2,062,593)
<b>Total Underwriting Expenses</b>	<b>(1,117,500)</b>	<b>(261,280)</b>	<b>(441,210)</b>	<b>(462,075)</b>	<b>(756,270)</b>	<b>(67,137)</b>	<b>(214,323)</b>	<b>(3,319,795)</b>
<b>UNDERWRITING RESULT</b>	<b>321,321</b>	<b>(51,443)</b>	<b>892,647</b>	<b>363,029</b>	<b>1,336,642</b>	<b>(41,488)</b>	<b>170,703</b>	<b>2,991,413</b>

# THE COMPANY FINANCIAL ASSETS AND LIABILITIES

FOR THE YEAR ENDED 31 DECEMBER, 2021



## 5.1 The Company

Anchor Insurance Company Limited was licensed on 6th June 1989 as a General Business (Non-Life) Insurance outfit and started operations in November 1989. The Company added the Life/Pension Class of insurance in January 1992 and was registered by NAICOM as a Composite Insurance Company (RIC-072) in 1998. The Company was re-certified by NAICOM in February 2007 as a General Business Insurance Company (RIC-005).

The address of its registered office is - No. 7/13, Aka Road, Uyo, Akwa Ibom State

## 5.2 Principal Activities and Corporate Development

During the year under review, the Company engaged in General Insurance Business and maintained Offices in major cities with corporate headquarters at Plot 21, Ahmed Onibudo Street, Victoria Island Lagos.

## 5.3 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are disclosed on pages 25 to 45. These policies have been consistently applied to all the years presented, unless otherwise stated.

## 5.4 Financial Assets and Liabilities

### Determination of fair value

The determination of fair value for each class of financial instruments was based on the particular characteristic of the instruments. The method and assumptions applied are enumerated below:

### Cash and cash equivalent, borrowings and unquoted held-to-maturity bonds

The estimated fair value of fixed interest placement with banks, bonds and borrowings is based on the discounted cash flow techniques using prevailing money market interest rates for debts and similar credit risk and remaining maturity.

### Quoted securities (held-to-maturity and held for trading)

The fair value for treasury bills and bonds assets is based on market prices or brokers/dealers price quotations. Where this information is not available, fair valuation is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.

### Unquoted equity securities available for sale

The fair value of available-for-sale securities is based on the dividend discount model using an estimated cost of capital of 15.3% to discount future earnings multiples.

Equity investment that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are stated a cost less any identified impairment losses at the end of each reporting period.

### Trade receivables and payables, reinsurance receivables and other payables

The estimated fair value of receivables and payables with no stated maturity which includes no interest payables and receivables is the amount repayable or to be received on demand

### Insurance liabilities

See Note 2.71 for method and assumptions used to determine the fair value of life and non-life insurance contracts.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2021

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## 6. CASH AND CASH EQUIVALENTS

	2021 N'000	2020 N'000
Cash	827	3,346
Bank Balances	1,121,585	223,602
Short Term Deposit and Placements	389,373	1,006,624
<b>Balance at 31 December</b>	<b>1,511,785</b>	<b>1,233,572</b>

### 6.1 CASH AND CASH EQUIVALENTS

	Policy-holders funds N'000	Share-holders Funds & Other Funds N'000	Total N'000
Cash and cash equivalents	-	827	827
Cash in hand	-	1,121,585	1,121,585
Bank balances - Local	-	389,373	389,373
Short term deposits	-	1,511,785	1,511,785

For the purpose of cash flow statement, cash and cash equivalents are those balances with less than three (3) months maturity from the date of acquisition.

## 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Investment in trading securities (Note 7.1)	110,244	95,421
<b>Balance at 31 December</b>	<b>110,244</b>	<b>95,421</b>
<b>Non-current</b>	<b>110,244</b>	<b>95,421</b>

### 7.1 Movement in financial assets through profit or loss:

At 1st January,	95,420	78,436
Addition	16,900	-
Fair value Gain/(loss)	(2,076)	16,985
<b>At 31 December</b>	<b>110,244</b>	<b>95,421</b>



**NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER, 2021**



**7.1. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	Policy-holders funds N'000	Share-holders Funds & Other Funds N'000	Total 2021 N'000
Investment in Quoted/Trading securities	-	110,244	110,244
	-	110,244	110,244

**7.2 Analysis of equity securities as at 31 December 2021 is shown below:**

S/N	Institutions	Quantity	Price N'000	31-Dec-21 Value N'000
1	ACCESS BANK PLC	147,946.00	9.30	1,376
2	CORONATION INSURANCE PLC	3,000.00	0.56	2
3	DANGCEM	38,781.00	257.00	9,967
4	DANGOTE SUGAR REFINERY	331,850.00	17.40	5,774
5	DUNLOP	1,000,000.00	0.20	200
6	FBN HOLDINGS PLC	1,140,000.00	11.40	12,996
7	GUARANTY TRUST BANK	1,187,945.00	26.00	30,887
8	INTENEGINS	258,748.00	0.38	98
9	LAFARGE CEMENT WAPCO	9,320.00	23.95	223
10	MTN NIGERIA COMMUNICATIONS	100,000.0	169.00	16,900
11	NB	3,051.00	50.00	153
12	NIGERINS	560.00	0.20	0
13	UNION HOMES LTD	1,325.00	3.02	4
14	UNITED BANK FOR AFRICA	500,000.00	8.05	4,025
15	ZENITH BANK PLC	1,099,006.00	25.15	27,640
	<b>TOTAL</b>			<b>110,244</b>

**8. HELD TO MATURITY FINANCIAL ASSETS - 2021**

	Corporate Bond N'000	Euro Bond N'000	Treasury bills N'000	Bank Placement N'000	Total N'000
Opening Balance as at 1 January	20,000	41,850	-	2,106,912	2,168,762
Additions during the year	81,850	163,114	-	991,440	1,236,404
Gain on foreign exchange	-	-	-	-	-
Disposal/redemptions	-	-	-	-	-
As at 31 December	<b>101,850</b>	<b>204,964.00</b>	-	<b>3,098,352</b>	<b>3,405,166</b>

<b>Current</b>	<b>3,098,352</b>
<b>Non-current</b>	<b>306,814</b>



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)



### 8.1. HELD TO MATURITY FINANCIAL ASSETS - 2020

	18.5% Wema Bond 2023 N'000	Euro Bond N'000	Treasury bills N'000	Bank Placement N'000	Total N'000
Opening Balance as at 1 January	20,000		100,000	1,259,497	1,379,497
Additions during the year	-	38,650		847,415	886,065
Gain on foreign exchange		3,200	-		3,200
Disposal/redemptions	-		(100,000)		(100,000)
As at 31 December	<u>20,000</u>	<u>41,850</u>	<u>-</u>	<u>2,106,912</u>	<u>2,168,762</u>

<b>Current</b>	<b>2,106,912</b>
<b>Non-current</b>	<b><u>61,850</u></b>

### 8.2 HELD TO MATURITY FINANCIAL ASSETS

	Policy-holders funds N'000	Share-holders Funds & Other Funds N'000	Total 2021 N'000
Corporate Bond	-	101,850.00	101,850.00
Euro Bond		204,964.00	204,964.00
Bank Placements	800,000	2,298,352	3,098,352
	<u>800,000</u>	<u>2,605,166</u>	<u>3,405,166</u>

### 9. AVAILABLE FOR SALE FINANCIAL ASSETS

Unquoted investment	2021 N'000	2020 N'000
At Cost (Note 9.1)	210,000	210,000
At Fair Value ( Note 9.2)	341,938	339,463
<b>Balance at 31 December</b>	<u><b>551,938</b></u>	<u><b>549,463</b></u>
<b>Non-current</b>	<u><b>551,938</b></u>	<u><b>549,463</b></u>

The management is in the process of disposing of the above available-for-sale financial assets.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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### 9.1 Unquoted investment at Cost :

Anchor HMO	100,000	100,000
Statefarm Investment Limited	110,000	110,000
	<u>210,000</u>	<u>210,000</u>

### 9.2 Unquoted investment at fair value :

	2021 N'000	2020 N'000
<b>WAICA Re</b>		
Opening Balance	339,463	301,799
Addition	-	-
Disposal	-	-
Fair value Gain/(loss)	-	-
Exchange Gain/(loss)	2,475	37,664
<b>At 31 December</b>	<u>341,938</u>	<u>339,463</u>

### 9.3 AVAILABLE FOR SALE FINANCIAL ASSETS

	Policy-holders funds N'000	Share-holders Funds & Other Funds N'000	Total 2021 N'000
Anchor HMO	-	100,000	100,000
State Farm Investment Limited	-	110,000	110,000
WAICA Re	-	341,938	341,938
	<u>-</u>	<u>551,938</u>	<u>551,938</u>

### 10. FINANCIAL ASSETS – LOANS AND RECEIVABLES:

Staff Loans (Note 10.1)	<u>234,000</u>	<u>243,369</u>
<b>Current</b>	<u>227,085</u>	<u>7,369</u>
<b>Non-current</b>	<u>6,916</u>	<u>236,000</u>
	<u>234,000</u>	<u>243,369</u>



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER, 2021

## 10.1 Movement in Staff Loan:

At 1 January	243,369	133,342
Addition	-	-
Repayment during the year	9,289	130,767
At 31 December	(18,657)	(20,740)
	<u>234,000</u>	<u>243,369</u>

## 11. TRADE RECEIVABLES

	2021 N'000	2020 N'000
Premium Debtors (Note 11.1)	375,831	228,342
<b>Balance at 31 December</b>	<b>375,831</b>	<b>228,342</b>

### 11.1 Counterparty Categorization of insurance receivables

Brokers	370,828	75,577
Insurers ( Co-Insurance Companies)	5,003	152,765
	<u>375,831</u>	<u>228,342</u>

### 11.2 Counterparty Categorization of insurance receivables

0 – 30 days	375,831	228,342
Above 30 days	-	-
	<u>375,831</u>	<u>228,342</u>

## 12. REINSURANCE ASSETS

Unexpired reserve (Note 12.1)	266,186	114,289
Reinsurance share of outstanding claims & IBNR (Note 12.2)	124,423	155,505
<b>As 31 December</b>	<b>390,609</b>	<b>269,794</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER, 2021



## 12.1 Movement in Unexpired reserved:

At 1 January	114,289	64,912
Changes during the year	151,897	49,377
At 31 December	<b>266,186</b>	<b>114,289</b>

## 12.2 Movement in Outstanding claims & IBNR:

At 1 January	155,505	132,045
Changes during the year	(31,082)	23,460
At 31 December	<b>124,423</b>	<b>155,505</b>

## 13. OTHER RECEIVABLES AND PREPAYMENTS

	2021 N'000	2020 N'000
Prepayments - Rent	45,150	18,221
Prepayments - Other expenses	31,279	-
Receivable from Aquila Capital	51,703	51,703
Interest receivable (Note 13.1)	7,793	19,444
Advance payment for Renovation of Office Building	9,681	38,723
Value added tax	-	35,096
Withholding tax receivables	2,376	15,183
<b>Balance at 31 December</b>	<b>147,982</b>	<b>178,370</b>
<b>Current</b>	<b>147,982</b>	<b>178,370</b>

### 13.1 Advance Payment for Renovation of Office Building

Balance as at January	38,723	39,513
Additional payment during the year	-	-
Refund of advance payment	-	-
Amortisation during the year	(29,042)	(790)
Balance as at December 31	<b>9,681</b>	<b>38,723</b>



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER, 2021

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## 13.1 Interest receivable

	2021 N'000	2020 N'000
Ecobank Limited	169	-
Fidelity Bank Plc, Apapa	47	132
Fidelity Bank Plc, Head Office	48	33
First City Monument Bank Plc, Ilesha	-	2
First City Monument Bank Plc, MMM, Ikeja	-	1,625
Globus Bank Limited	-	15
Heritage Bank Kofo Abayomi	848	-
Heritage Bank Awolowo Road	7	-
Keystone Bank Ltd, Adeola Hopewell Branch	56	-
Keystone Bank Limited	-	49
Nova Merchant Ban	23	-
Polaris Bank, Ikota Branch	7	8
Polaris Bank Limited Apapa	3	54
Prudential Mortgage Bank	-	31
Sterling Bank Limited, Ogunlana Drive	-	24
Sterling Bank Limited, Yaba	-	34
Union Bank	3,717	4,648
United Capital Nigeria Fund	-	1,063
Unity Bank Plc, Abuja	40	328
Unity Bank Plc, HQ	16	8
Unity Bank Plc, Ikorodu	89	86
Unity Bank Plc, PHC	61	-
Unity Bank Mushin-Usd	15	-
Unity Bank Mushin-Usd	14	-
Unity Bank Plc, Mushin	-	6
Wema Bank , Calabar	-	100
Wema Bank , Energy Group	14	1
Wema Bank Uyo-Usd	9	-
Zenith Bank Plc, Gbagada	-	10,562
Zenith Bank Plc, Yaba	487	-
Zenith Bank Plc, Yaba	2,009	3
Zenith Bank Yaba-Usd	74	-
Zenith Bank Yaba-Usd	41	-
Growth & Asset Development	-	53
UT Financial Services Limited	-	91
Credited Capital Finance & Investment Limited	-	360
Dangote Cement Commercial papers	-	121
	<b>7,793</b>	<b>19,444</b>

Interest Receivable represents accrued interest that has been earned in 2021 from various bank placement

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER, 2021



## 14. DEFERRED ACQUISITION COST

Deferred acquisition costs represent commissions on unearned premium relating to the unexpired risks.

### 14.1 Deferred acquisition cost by line of business:

	2021 N'000	2020 N'000
- Fire	9,592	5,063
- Accident	78,376	19,433
- Marine	29,987	8,598
- Motor	26,130	13,666
- Bond	4,375	21,017
- Oil & Gas	935	10,448
- Engineering	13,700	2,041
	<b>163,097</b>	<b>80,267</b>
<b>Current</b>	<b>163,097</b>	<b>80,267</b>

### 14.2 The movement in the deferred acquisition cost during the year is shown below:

At 1 January	80,267	69,520
Deferred acquisition costs during the year	1,811,851	1,330,514
	1,892,118	1,400,034
Amortisation during the year	(1,729,021)	(1,319,767)
<b>At 31 December</b>	<b>163,097</b>	<b>80,267</b>

## 15. INVESTMENT PROPERTY

At 1 January	7,355,101	2,533,542
Additions within the year (Improvement costs)	-	4,821,559
Gain in fair value	-	-
Impairment loss	-	-
<b>Valuation as at 31 December</b>	<b>7,355,101</b>	<b>7,355,101</b>



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER, 2021



## 15.1 The locations of the properties are as stated below:

	2021 N'000	2020 N'000
1. 7/13 Aka Road, Uyo, Akwa Ibom State	915,894	915,894
2. A28 MCC Road, Calabar, Cross Rivers State.	151,300	151,300
3. 29 Wellington Bassey Way, Uyo, Akwa Ibom State	1,487,907	1,487,907
4. 22 Molade Thomas Street, Victoria Island, Lagos	1,288,000	1,288,000
5. 14 Ajose Adeogun Street, Victoria Island, Lagos	1,712,000	1,712,000
6. 17B Furo Ezimoru Street, Lekki, Lagos	160,000	160,000
7. 37 Campbell Street, Lagos	140,000	140,000
8. Block 30, Glover Estate, Ebute Metta	200,000	200,000
9. 122-124 Broad Street, Lagos Island, Lagos	400,000	400,000
10. 16 Kolda Street, Adetokunbo Ademola Cr. Wuse 11, Abuja	350,000	350,000
11. 31A Bishop Aboyade Close, Victoria Island, Lagos	550,000	550,000
<b>Total</b>	<b>7,355,101</b>	<b>7,355,101</b>

Landed properties (item 4-11) worth N4.8billion was transferred to Anchor Insurance Company Limited by Akwa Ibom State government in part settlement for shares allotted to the State. In line with NAICOM Circular on recapitalization, the transfer is not acceptable for recapitalization except the properties are sold and cash proceeds excrowded in an account with CBN as at 31st December 2021. The sale of these properties have not been completed as at 31 December 2021. In view of this, the assets and the resulting liabilities have been excluded from solvency margin computation.





# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER, 2021



## 15.2 Movement in Investment Properties (2021):

	Status of Title	1 Jan. 2021	Improvement Cost	Disposal	Reclassification	Revaluation Gain	31 Dec. 2021
7/13, Aka Road, Uyo, Akwa Ibom State	Cert. of Occupancy	915,894	-	-	-	-	915,894
A28, MCC Road, Calabar, Cross Rivers State	Deed of Assignment	151,300	-	-	-	-	151,300
29 Wellington Bassey Way, Uyo, Akwa Ibom State	Deed of Assignment	1,487,907	-	-	-	-	1,487,907
22 Molade Thomas Street, Victoria Island, Lagos	Transfer by AKS Gov	1,288,000	-	-	-	-	1,288,000
14 Ajose Adeogun Street, Victoria Island, Lagos	Transfer by AKS Gov	1,712,000	-	-	-	-	1,712,000
17B Furo Ezimonu Street, Lekki, Lagos	Transfer by AKS Gov	160,000	-	-	-	-	160,000
37 Campbell Street, Lagos	Transfer by AKS Gov	140,000	-	-	-	-	140,000
Block 30, Glover Estate, Ebute Metta	Transfer by AKS Gov	200,000	-	-	-	-	200,000
122-124 Broad Street, Lagos Island, Lagos	Transfer by AKS Gov	400,00	-	-	-	-	400,000
16 Kolda Street, Adetokunbo Ademola Cr. Wuse	Transfer by AKS Gov	350,000	-	-	-	-	350,000
11, Abuja			-	-	-	-	
31A Bishop Aboyade Close, Victoria Island, Lagos	Transfer by AKS Gov	550,000	-	-	-	-	550,00
Total		7,355,101	-	-	-	-	7,355,101



15.2 Movement in Investment Properties (2020):

	Status of Title	1 Jan. 2020	Improvement Cost	Disposal	Reclassification	Revaluation Gain	31 Dec. 2020
7/13, Aka Road, Uyo, Akwa Ibom State	Deed of Assignment	915,894		-	-		915,894
A28, MCC Road, Calabar, Cross Rivers State	Deed of Assignment	151,300	-				151,300
29 Wellington Bassey Way, Uyo, Akwa Ibom State	Deed of Assignment	1,466,348	21,559	-	-		1,487,907
22 Molade Thomas Street, Victoria Island, Lagos	Transfer by AKS Gov		1,288,000				1,288,000
14 Ajose Adeogun Street, Victoria Island, Lagos	Transfer by AKS Gov		1,712,000				1,712,000
17B Furo Ezimonu Street, Lekki, Lagos	Transfer by AKS Gov		160,000				160,000
37 Campbell Street, Lagos	Transfer by AKS Gov		140,000				140,000
Block 30, Glover Estate, Ebute Metta	Transfer by AKS Gov		200,000				200,000
122-124 Broad Street, Lagos Island, Lagos	Transfer by AKS Gov		400,000				400,000
16 Kolda Street, Adetokunbo Ademola Cr. Wuse	Transfer by AKS Gov		350,000				350,000
11, Abuja							
31A Bishop Aboyade Close, Victoria Island, Lagos	Transfer by AKS Gov		550,000				550,000
<b>Total</b>		<b>2,533,542</b>	<b>4,821,559</b>				<b>7,355,101</b>

Investment property comprises eleven (11) commercial properties held for the purpose of capital appreciation and rental income. The properties are located at Uyo, Akwa Ibom State, Calabar, Cross River State, Lagos and Abuja, FCT. The properties have been rented out. The investment property is carried at fair value which was determined based on fair value. The Properties were independently valued by Ekere & Associates (Estate Surveyors & Valuers) with FRC number FRC/2014/00000002836 as at 31st December 2021.

The market values of the properties as at last valuation on 31st December 2021 were N915million, N151million and N1,487million for the properties located in Uyo and Calabar.

The rental income on investment property included in the statement of comprehensive income for the year was N53,671,528 (2020: N35,671,338)

## 16. INTANGIBLE ASSETS

### Cost:

As at 1 January 2021  
 Additions  
**Balance at 31 December 2021**

Computer Software N'000	
	91,471
	11,164
	<b>102,635</b>

### Accumulated amortization and impairment:

As at 1 January, 2021  
 Amortization charged for the year  
**As at 31 December 2021**

	56,261
	11,594
	<b>67,855</b>

### Cost:

As at 1 January 2020  
 Additions  
**Balance at 31 December 2020**

Computer Software N'000	
	72,506
	18,965
	<b>91,471</b>

### Accumulated amortization and impairment:

As at 1 January, 2020  
 Amortization charged for the year  
**As at 31 December 2020**

	41,525
	14,736
	<b>56,261</b>

### Net Book Value

**As at 31 December 2021**  
**As at 31 December 2020**

	<b>34,780</b>
	<b>35,210</b>



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)



## 17. PROPERTY AND EQUIPMENT

	Land 0% N'000	Moto Vehicles 20% N'000	Office Equipment 25% N'000	Assets Under Con- struction 0% N'000	Library Books 2% N'000	Computer Equipment 25% N'000	Office Furniture & Fitting 25% N'000	Total N'000
<b>Cost</b>								
At 1 January 2021	128,020	887,997	145,020	292,995	2,193	87,858	50,279	1,594,363
Additions	-	218,048	5,755	-	89	13,237	4,413	241,541
Disposal	-	-	(2,859)	-	-	-	(568)	(3,427)
Reclassifications (note 15)	-	-	-	-	-	-	-	-
<b>At 31 December 2021</b>	<b>128,020</b>	<b>1,106,045</b>	<b>147,916</b>	<b>292,995</b>	<b>2,282</b>	<b>101,095</b>	<b>50,279</b>	<b>1,832,476</b>
<b>Depreciation</b>								
At 1 January 2021	-	568,693	127,729	-	470	65,239	39,554	801,684
Charged for the year	-	113,756	10,719	-	44	11,974	6,043	142,535
Disposal	-	-	(2,436)	-	-	-	(568)	(3,004)
<b>At 31 December 2021</b>	<b>-</b>	<b>682,449</b>	<b>136,012</b>	<b>-</b>	<b>514</b>	<b>77,213</b>	<b>45,028</b>	<b>941,215</b>
<b>NET BOOK VALUE</b>								
<b>At 31 December 2021</b>	<b>128,020</b>	<b>423,596</b>	<b>11,904</b>	<b>292,995</b>	<b>1,768</b>	<b>23,882</b>	<b>9,096</b>	<b>891,261</b>
<b>At 31 December 2020</b>	<b>128,020</b>	<b>319,304</b>	<b>17,292</b>	<b>292,995</b>	<b>1,723</b>	<b>22,619</b>	<b>10,725</b>	<b>792,679</b>
<b>Reconciliation of Movement in Land During The Year</b>								
		Opening Balance N'000	Addition N'000	Transfer N'000	Disposal N'000	Deprecia- tion N'000	Impairment N'000	Closing Balance N'000
Plot 4, Block 'E' banks/offices layout, Udo Udoma Av, Uyo		128,020	-	-	-	-	-	128,020
<b>Total</b>		<b>128,020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128,020</b>
<b>Cost</b>								
At 1 January 2020	126,520	873,599	144,982	-	2,193	83,909	48,315	1,279,518
Revaluation	-	-	-	-	-	-	-	-
Additions	1,500	120,975	2,160	292,995	-	3,949	2,129	423,708
Disposal	-	(106,576)	(2,122)	-	-	-	(165)	(108,863)
Reclassifications (note 15)	-	-	-	-	-	-	-	-
<b>At 31 December 2020</b>	<b>128,020</b>	<b>887,998</b>	<b>145,020</b>	<b>292,995</b>	<b>2,193</b>	<b>87,858</b>	<b>50,279</b>	<b>1,594,363</b>
<b>Depreciation</b>								
At 1 January 2020	-	420,615	119,072	-	426	53,372	33,207	626,692
Charged for the year	-	223,711	10,779	-	44	11,867	6,512	252,913
Disposal	-	(75,633)	(2,122)	-	-	-	(165)	(77,920)
<b>At 31 December 2020</b>	<b>-</b>	<b>568,693</b>	<b>127,729</b>	<b>-</b>	<b>470</b>	<b>65,239</b>	<b>39,554</b>	<b>801,685</b>
<b>NET BOOK VALUE</b>								
<b>At 31 December 2020</b>	<b>128,020</b>	<b>319,305</b>	<b>17,291</b>	<b>292,995</b>	<b>1,723</b>	<b>22,619</b>	<b>10,725</b>	<b>792,678</b>
<b>At 31 December 2019</b>	<b>126,520</b>	<b>452,984</b>	<b>25,910</b>	<b>-</b>	<b>1,767</b>	<b>30,537</b>	<b>15,108</b>	<b>652,826</b>
<b>Leasehold Land &amp; Freehold Buildings</b>								
	Status of Title	Opening Balance N'000	Addition N'000	Transfer N'000	Disposal N'000	Deprecia- tion N'000	Impairment N'000	Closing Balance N'000
Plot 4, Block 'E' banks/offices layout, Udo Udoma Av, Uyo		126,520	1,500	-	-	-	-	128,020
<b>Total</b>		<b>126,520</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128,020</b>

## 18. STATUTORY DEPOSITS

This represents the amount deposited with the Central Bank of Nigeria as at 31st December, 2021 in

	2021 N'000	2020 N'000
Statutory Deposit with the Central Bank of Nigeria:		
Balance 1 January,	315,000	315,000
<b>Balance at 31 December</b>	<b>315,000</b>	<b>315,000</b>
<b>Non-Current</b>	<b>315,000</b>	<b>315,000</b>

## 19. INSURANCE CONTRACT LIABILITIES

Provision for unexpired risks (Note 19.1)	1,002,203	645,921
Provision for IBNR (Note 19.2)	461,368	290,918
Provision for outstanding claims (Note 19.3)	826,101	508,277
<b>Balance at 31 December</b>	<b>2,289,672</b>	<b>1,445,116</b>
<b>Current</b>	<b>2,289,672</b>	<b>1,445,116</b>

The actuarial valuation of insurance liability was carried out by a firm of Independent Actuaries, Logic Professional Services with FRC No FRC/NAS/00000000938 as at 31 December 2021. The valuation was based on fair value.

### 19.1 Movement in the unearned premium account during the year was as follows:

Balance at the beginning of the year	645,921	407,897
Changes in unearned income	356,282	238,024
<b>Balance at the end of the year</b>	<b>1,002,203</b>	<b>645,921</b>

#### 19.1.1 Break down of provision of unearned premium per class of business:

Fire	48,884	23,987
Accident	277,020	151,827
Motor	91,298	70,346
Marine	114,787	102,015
Oil & Gas	383,620	122,387
Bond	24,111	165,046
Engineering	62,484	10,313
<b>Balance at 31 December</b>	<b>1,002,203</b>	<b>645,921</b>

19.2 Movement in the provision for IBNR during the year was as follows:

	2021 N'000	2020 N'000
Balance at the beginning of the year	290,918	190,169
Changes in IBNR	170,450	100,749
<b>Balance at the end of the year</b>	<b>461,368</b>	<b>290,918</b>

19.2.1 Break down of provision for IBNR per class of business:

Fire	48,358	34,902
Accident	75,385	79,030
Motor	53,967	38,465
Marine	124,207	32,485
Oil & Gas	79,937	55,337
Bond	25,903	16,424
Engineering	53,611	34,275
<b>Balance at 31 December</b>	<b>461,368</b>	<b>290,918</b>

19.3 Movement in the provision for outstanding claims during the year was as follows:

Balance at the beginning of the year	508,277	389,521
Changes in outstanding claims	317,824	118,756
<b>Balance at the end of the year</b>	<b>826,101</b>	<b>508,277</b>

19.3.1 Break down of provision for outstanding claims per class of business:

Fire	14,905	45,008
Accident	514,424	145,640
Motor	130,509	101,976
Marine	50,724	153,923
Oil & Gas	44,783	15,708
Bond	59,676	37,357
Engineering	11,080	8,665
<b>Balance at 31 December</b>	<b>826,101</b>	<b>508,277</b>

## 19.4 AGE ANALYSIS OF OUTSTANDING CLAIMS

Financial assets	2021		2020	
	Number of Claimants	Outstanding claim N'000	Number of Claimants	Outstanding claim N'000
0 - 30 Days	90	396,691	106	31,432
31 - 90 Days	143	24,943	202	73,930
91 - 180 Days	212	67,146	199	64,642
181 - 360 Days	374	79,025	371	200,650
360 Days and above	964	258,296	439	137,623
<b>TOTAL</b>	<b>1,783</b>	<b>826,101</b>	<b>1317</b>	<b>508,277</b>

- The outstanding claims above 90 days are claims that are not fully documented and substantiated by claimant
- The loss adjusters could not advise the lead underwriter, for further processing of the claim.
- The claimant not being reachable to provide further information for processing after initial report.

## 20. TRADE PAYABLE

	2021 N'000	2020 N'000
Due to Brokers	-	-
Due to Reinsurers	414,302	17,526
Premium received in advance	-	328,994
<b>Balance at 31 December</b>	<b>414,302</b>	<b>346,520</b>
<b>Current</b>	<b>414,302</b>	<b>346,520</b>

## 21. OTHER PAYABLES

Other Creditors (Note 21.1)	281,034	118,249
Accruals	31,673	33,019
<b>Balance at 31 December</b>	<b>312,707</b>	<b>151,268</b>
<b>Current</b>	<b>312,707</b>	<b>151,268</b>
Accruals	33,019	
Balance - 1 January	(1,346)	
Payment during the year - ITF	<b>31,673</b>	



## 21.1 Other Creditors is further broken down as follows:

	2021 N'000	2020 N'000
Staff Pension Contribution	13,040	6,047
Pay As You Earn (PAYE)	1,209	1,450
Staff Cooperative Society (Contributions to Staff Cooperative not remitted before year end)	-	-
State Farm Investment Ltd.**	28,638	32,367
Other sundry creditors (Note 21.2)	220,843	56,706
Withholding tax payable	17,304	21,678
Dividend payable (Note 28.1)	-	-
<b>Balance at 31 December</b>	<b>281,034</b>	<b>118,248</b>

\*\* This represent the salaries of outsourced Staff of State Farm Investment Limited to Anchor Insurance.

## 21.2 Other sundry creditors be further broken down as follows:

Receipt in Advance on rent	-	10,354
Direct cash credit**	213,400	43,635
Sundry creditors (Note 21.3)	7,443	2,717
	<u>220,843</u>	<u>56,706</u>

\*\* Direct Cash credit of N21.34m represents inflows into Bank current accounts which are for post year-end period.

## 21.3 Sundry Creditors

MTN CUG (Staff)	27	27
Development levy	147	-
ITF	4,739	160
Staff Aspire investments	2,530	2,530
	<u>7,443</u>	<u>2,717</u>

The carrying amounts disclosed above is the appropriate fair value at the reporting date. All amounts are payable within one year.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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### 21.4 Deposit for Shares

Receipts for deposits for Shares  
\*Akwa Ibom State Government

	2021 N'000	2020 N'000
	667,880	667,880
	4,800,000	4,800,000
	<b>5,467,880</b>	<b>5,467,880</b>

\* This represents the value of landed properties transferred to Anchor in anticipation of part settlement for shares allotted to the State Government. In line with NAICOM Circular on recapitalization the transfer is not acceptable for recapitalization except the properties are sold and cash proceeds escrowed in an account with CBN. The sale of these properties have not been completed as at 31 December 2021

### 22 BORROWINGS

Balance as 1 January  
Additions during the year  
Accrued interest  
Repayment during the year  
**Balance at 31 December**

	159,572	263,303
	172,451	59,137
	-	11,001
	(174,035)	(173,869)
	<b>157,988</b>	<b>159,572</b>

This is 24 months bank loan at 19% interest rate

### 23. INCOME TAX LIABILITIES

At 1 January  
Charged for the year (see Note 39)  
Payment during the year  
At 31 December

	148,456	-
	144,966	253,220
	(63,594)	(104,764)
	<b>229,827</b>	<b>148,456</b>

### 24. DEFERRED TAX LIABILITIES

The movement in deferred tax liability is as follows:

At 1 January  
Charge in income statement for the year  
Charge on available-for-financial asset  
**Balance at 31 December**

	157,361	152,549
	7,653	4,812
	-	-
	<b>165,014</b>	<b>157,361</b>
<b>Non-Current</b>	<b>165,014</b>	<b>157,361</b>



25. SHARE CAPITAL

i. Authorised Equity Shares

11 billion ordinary shares of N1.00 each

ii. Issued and Fully Paid Equity Shares

2,245 billion ordinary shares of N1.00 each

Balance at 1 January

**Balance at 31 December**

	2021 N'000	2020 N'000
i. Authorised Equity Shares	11,000,000	11,000,000
ii. Issued and Fully Paid Equity Shares		
Balance at 1 January	2,245,000	2,245,000
<b>Balance at 31 December</b>	<b>2,245,000</b>	<b>2,245,000</b>

In compliance with NAICOM circular number DPR/CIR/25/2019 dated May 20, 2019 on minimum paid up share capital policy for insurance and re-insurance companies in Nigeria, the company by ordinary resolution and notice of increase in share capital dated the 19th day of August 2019 increased its share capital from 3,000,000,000 to 11,000,000,000 by the creation of 8,000,000,000 ordinary shares of N1.00 each and registered with Corporate Affairs Commission on 20th day of August 2019.

Analysis of the shareholdings is stated below:

Name

Akwa Ibom State Government

Ukartel Nigeria Limited.

Leeked Investment Ltd

Bassey Anwanane

Statefarm Investment Ltd (Staff Trust)

Comfort O. Essien (Mrs.)

Adeduro Ademayowa

Engr. Uyai Ekaette

Anaene Investment Ltd

Ime Umoh

Archibong Udeme

UM Associates

Mckanderson Company Ltd

Abraham Amkpa

**Total**

	2021 Number of Shares Allotted Unit	Proportionate Shareholding %
Akwa Ibom State Government	1,364,153,449	60.76%
Ukartel Nigeria Limited.	614,296,551	27.36%
Leeked Investment Ltd	135,059,055	6.02%
Bassey Anwanane	36,000,000	1.60%
Statefarm Investment Ltd (Staff Trust)	35,750,000	1.59%
Comfort O. Essien (Mrs.)	16,500,000	0.74%
Adeduro Ademayowa	10,000,000	0.45%
Engr. Uyai Ekaette	8,940,945	0.40%
Anaene Investment Ltd	7,150,000	0.32%
Ime Umoh	5,000,000	0.22%
Archibong Udeme	5,000,000	0.22%
UM Associates	1,787,500	0.08%
Mckanderson Company Ltd	3,575,000	0.16%
Abraham Amkpa	1,787,500	0.08%
<b>Total</b>	<b>2,245,000,000</b>	<b>100%</b>

## 26. SHARE PREMIUM

	2021 N'000	2020 N'000
Balance at 1 January	355,200	355,200
	-	-
<b>Balance at 31 December</b>	<b>355,200</b>	<b>355,200</b>

Share issue costs represents transaction costs incurred due to increase in company's authorised share capital from 3billion to 11billion ordinary shares.

## 27. STATUTORY CONTINGENCY RESERVES

This is maintained in compliance with section 21(1) and (2) and 22(16) of Insurance Act, 2003. In accordance with the Insurance Act, a contingency reserve is credited with the greater of 3% of total Premiums or 20% of the total profit after taxation. This shall accumulate until it reaches an amount equal to the greater of minimum paid-up capital or 50% of net premium.

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

Balance at 1 January	1,228,444	1,025,543
Transfer from statement of equity	313,356	202,901
<b>Balance at 31 December</b>	<b>1,541,800</b>	<b>1,228,444</b>

## 28. RETAINED EARNINGS

Balance at 1 January	1,494,699	1,350,903
Profit for the year	867,551	436,498
Transfer to Contingency reserve	(313,356)	(202,901)
Dividend approved to Equity Holders	(89,800)	(89,800)
<b>Balance at 31 December</b>	<b>1,959,095</b>	<b>1,494,699</b>

### 28.1 Dividend Payable

Balance as at January 1	-	26,008
Approved during the year	-	89,800
Paid during the year	-	(106,828)
Withholding tax deduction at 10%	-	(8,980)
<b>Dividend payable - see Note 21.1</b>	<b>-</b>	<b>-</b>



29. OTHER RESERVES

	2021 N'000	2020 N'000
Balance at 1 January	345,834	334,832
Profit or (loss) on disposal of revalued assets	-	(26,662)
Exchange differences on available for sale	2,475	37,664
Fair value reserve	-	-
<b>Balance at 31 December</b>	<b>348,309</b>	<b>345,834</b>

29.1 Profit or (loss) on disposal of Property, Plant and Equipment (PPE)

Revaluation amount of PPE (Note 17)	3,427	108,863
Less Depreciation on PPE disposal (Note 17)	(3,004)	(77,920)
Carrying amount at disposal	424	30,943
Less Previous revaluation gain reclassified to Retained Earning	-	(26,662)
Net carrying amount at disposal (a)	135	4,281
Proceeds on disposal of PPE (b)	(289)	-
<b>Profit or loss on disposal of PPE (b-a)</b>		

30. NET PREMIUM INCOME

This comprises the underwriting income from all the class of insurance engaged in by the Company during the years as stated below:

Gross Written Premium	10,445,192	6,763,376
Changes in unearned premium provision	(356,282)	(238,024)
	10,088,910	6,525,352
Re-insurance Expenses(Note 31)	(4,295,504)	(1,278,126)
<b>Net premium income</b>	<b>5,793,406</b>	<b>5,247,226</b>

31 REINSURANCE EXPENSES

Re-insurance Cost for the Period	4,447,401	1,327,504
Changes in Prepaid Reinsurance	(151,897)	(49,377)
<b>Balance at 31 December</b>	<b>4,295,504</b>	<b>1,278,126</b>

32 FEE AND COMMISSION EARNED

	2021 N'000	2020 N'000
Fire	107,726	30,188
Accident	141,958	43,169
Motor	15,333	3,726
Marine	151,550	36,706
Engineering	86,230	21,283
Bond	14,903	5,132
Oil & Gas	101	1,222
<b>Balance at 31 December</b>	<b>517,801</b>	<b>141,426</b>

33 CLAIMS EXPENSES

Claims Paid during the year	997,419	1,288,940
Changes in outstanding claims reserve	488,274	219,506
Gross claims incurred	1,485,693	1,508,446
Re-insurance receivables from claims reserves(33.1)	(228,491)	(165,702)
<b>Balance at 31 December</b>	<b>1,257,202</b>	<b>1,342,744</b>

33.1 Re-insurance recoverables from claims reserves

Re-insurance claims recoveries	259,573	142,242
Changes in re-insurance share of outstanding claims & IBNR	(31,082)	23,460
	<b>228,491</b>	<b>165,702</b>

33.2 Claim expenses

Fire	17,569	96,990
Accident	789,650	413,306
Motor	228,698	391,821
Marine	24,355	157,129
Engineering	62,150	62,361
Oil & Gas	102,473	287,133
Bond	32,308	6,003
	<b>1,257,202</b>	<b>1,342,743</b>



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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### 34 UNDERWRITING EXPENSES

	Commission N'000	Maintenance N'000	2021 Total N'000	Commission N'000	Maintenance N'000	2020 Total N'000
Fire	236,127	7,584	243,711	226,827	23,845	250,672
Accident	273,074	54,775	327,849	146,988	122,052	269,041
Motor	205,234	28,144	233,378	170,266	92,768	263,034
Marine	338,398	78,456	416,855	390,073	137,537	527,610
Engineering	137,600	14,573	152,173	307,079	80,832	387,911
Oil & Gas	505,358	148,439	653,797	70,994	100,690	171,685
Bond	33,230	1,600	34,830	7,538	7,713	15,251
	<u>1,729,021</u>	<u>333,571</u>	<u>2,062,593</u>	<u>1,319,767</u>	<u>565,438</u>	<u>1,885,204</u>

#### 34.1 Underwriting Expenses

	2021 N'000	2020 N'000
Commission (Note 34 above)	1,729,021	1,319,767
Maintenance (Note 34 above)	333,571	565,438
<b>Balance at 31 December</b>	<u>2,062,593</u>	<u>1,885,205</u>

### 35 INVESTMENT INCOME

Interest income (Note 35.1)	38,923	54,336
Dividend received	2,588	8,887
Investment property rental income	53,672	35,671
Statutory deposit income	8,006	41,098
Income from Corporate/Govt Bonds	11,020	-
<b>Investment income during the year</b>	<u>114,208</u>	<u>139,992</u>

35.1 Interest Income from Banks and Non Banks Financial Institutions

S/N	Description	2021 N'000	2020 N'000
1	Ecobank Limited	169	-
2	Fidelity BankPlc, Apapa	801	680
3	Fidelity BankPlc, Head Office	192	1,058
4	FirstCity Monument Bank Plc, MMA Ikeja	6	1,884
5	FirstCity Monument Bank Plc, Ilesha	77	2
6	Globus Bank Limited	426	322
7	Heritage Bank, Head Office	2393	1,457
8	HeritageBankLtd,Ikoyi	217	543
9	Keystone Bank, Head Office	1303	1,241
10	Nova Merchant Bank	1253	-
11	Polaris Bank Ltd, Apapa	243	122
12	Polaris Bank Ltd, Ikota	257	1,192
13	Sterling Bank Ltd, Adetokunbo Ademola	-	5,553
14	Sterling Bank Limited, Abuja	-	132
15	Sterling Bank Ltd, Ogunlana Drive	-	146
16	Sterling Bank Ltd,Yaba	-	80
17	Union Bank Limited, Marina	3717	4,692
18	United Bank For Africa Plc	-	779
19	United Bank For Africa Plc, Marina	-	171
20	UnityBankLtd,Abuja	1214	1,883
21	UnityBankLtd,Head Office	1233	1,165
22	UnityBankLtd,Ikorodu	360	535
23	UnityBankLtd,Nnamdi Azikiwe Str, P/H	61	-
24	UnityBankLtd,Mushin	890	6
25	Wema Bank Energy Group	884	759
26	Wema Bank Plc, Calabar	188	346
27	Wema Bank Plc, Uyo	421	373
28	ZenithBankPlc,Gbagada1	2082	9,677
29	ZenithBankPlc,Gbagada2	11545	6,026
30	ZenithBankLtd,Yaba	3583	5,510
31	ZenithBankPlc,Gbagada-USD	2803	-
33	CashlinkLeasingLimited	0	2,000
34	CrediteCapitalFinance&InvestmentsLimited	2551	2,214
35	Growth&DevelopmentAssetManagement	224	328
36	PrudentialMortgageBank	-	141
37	UTFinancialServicesLimited	-	826
38	DangoteCementCommercialPapers	-	123
39	TreasuryBills	-	2,150
	<b>Total</b>	<b>38,923</b>	<b>54,336</b>

### 36 GAINS/(LOSS) ON ASSETS AT FAIR VALUE

	2021 N'000	2020 N'000
Fair gain/(losses) on financial assets at FVTPL (Note 7[1])	(2,076)	16,985
Revaluation gain/(losses) on investment properties (Note 15[2])	-	-
	<b>(2,076)</b>	<b>16,985</b>

#### 36.1 Gain /(Loss) On Available-for-sale Financial Assets Net Of Taxes

Fair gain/(losses) on financial assets at OCI (Note 9[2])	-	-
Deferred Tax Liabilities (Note 24)	-	-
	-	-

### 37 OTHER OPERATING INCOME

Interest on staff loan	524	753
Sales of unserviceable items	-	20,025
Miscellaneous	4,795	-
Loss on Disposal of Assets	(289)	-
Loss recovery on company insurance	31,538	-
	<b>36,568</b>	<b>20,778</b>

### 38. MANAGEMENT EXPENSES

Employee benefits expenses	473,867	429,042
Depreciation	142,535	252,912
Amortisation	11,594	14,736
Amortisation - Office buiding & renovation	29,042	-
Auditors' remuneration	4,500	4,500
ITF	4,739	1,345
Directors' fees	32,300	32,300
Other operating expenses [Note 38(i)]	1,421,365	1,270,278
	<b>2,119,942</b>	<b>2,005,113</b>



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)



(i) Other operating expenses is further broken down as follows:

	2021 N'000	2020 N'000
Printing of AGM notices and Annual Report Other expenses	250	150
Directors and board meeting expenses	77,442	23,519
Directors sitting allowances	60,880	62,750
Rent & Rates	53,286	56,573
Water and electricity	9,333	7,883
Repair of office equipment & premises	42,887	14,863
Entertainment expenses	28,537	24,275
Telephone	3,402	4,121
Postage and couriers	2,724	2,529
Insurance	19,690	22,791
Motor Vehicles running	46,597	37,611
Generator running cost & repairs	23,105	15,025
Office expenses	14,968	13,417
Out of station allowances	2,813	-
Printing and stationeries	25,444	22,767
Advertisement & publicity	61,154	89,567
Business Relation	192,764	162,398
Subscription to Clubs & Associations	106,965	22,828
Donations	11,389	18,060
Staff pensions (Employers Contribution)	30,858	20,483
Insurance Supervision levy	-	67,634
Legal & other professional charges	59,667	88,438
Stamp duties & fines	662	7,443
Consultancy fees: information technology	-	3,781
Staff training and development	25,206	40,725
Travelling expenses	53,336	37,342
Payments to Disengaged staff	14,742	41,195
Bank charges	33,257	30,163
Finance Charge	29,627	44,101
Bad debt	-	494
Newspaper & Periodicals	143	238
Staff Welfare	103,576	75,753
Staff Medicals	39,673	17,626
Internet expenses	22,635	11,954
Penalty expenses	10,552	-
Agency & Marketing cost	213,800	181,781
	<b>1,421,365</b>	<b>1,270,278</b>



(ii) PROFIT BEFORE TAXATION

	2021 N'000	2020 N'000
Profit before taxation is stated after charging:		
Depreciation on fixed assets	152,216	252,912
Amortisation of intangible	11,594	14,736
Audit fees	4,500	4,500
Directors' fees	32,300	32,300
Directors' allowances	60,880	62,750
Staff costs	473,867	429,042
Industrial Training Funds	4,739	1,345

(iii) OTHER OPERATING CASH PAYMENT

ITF Levy paid during the year		1,345
Auditor remuneration	4,500	4,500
Directors' fees	32,300	32,300
Other cash expenses	1,384,565	1,220,179
	<b>1,421,365</b>	<b>1,258,324</b>

INCOME TAX (EXPENSE)/CREDIT

Charged for the year:		
Company Income Tax	125,315	63,137
Education Tax	-	4,211
NITDEF	-	2,807
Previous year tax provision no longer required		(174,949)
	144,966	(104,764)
Deferred tax charge	7,653.10	4,812
	<b>152,619</b>	<b>(99,952)</b>

**40. RELATED PARTIES DISCLOSURES**

The Company's shares are largely held by Akwa Ibom State Government which held 61%

**b. Key Management Personnel**

**i. Name**

Augustine Osegba Ebose  
 Mr. Adebisi Ikuomola  
 Barr. Ime F. Umoh  
 Mrs. Linda Okoh  
 Mr. Paul Emmanuel  
 Mr. Valentine Afegbai  
 Mr. Nelson Egboboh  
 Ms. Olubukola Koyenikan  
 Mr. Adetayo Familugba

**Position**

MD/CEO  
 Executive Director (Technical)  
 Company Secretary  
 Ag. Financial Controller  
 Group Head, Human Resources & Administration  
 Group Head, Marketing  
 Group Head, Corporate Services  
 Head ERM  
 Head, Treasury & Investment

**ii. Remuneration of Key personnel**

Key management personnel includes the Executive Directors and Management Staff. The compensation paid or payable to key management for employee service is shown below:

	2021 N'000	2020 N'000
Salaries and other short term employee benefits	<u>148,276</u>	<u>187,947</u>

**c. Loans and advances**

Loan and advances to key management personnel.

Loan outstanding as at 1st January	125,000	120,000
Loan issued during the year	-	5,000
Loan repayment during the year	<u>(12,000)</u>	<u>-</u>
Balance, end of year	<u>113,000</u>	<u>125,000</u>

No impairment has been recognised in respect of loan given to key management personnel.



**c. Employees**

The average number of persons employed by the company during the year was as follows:

	2021 Number	2020 Number
Managerial staff	16	21
Senior staff	36	33
Junior staff	84	89
	<b>136</b>	<b>143</b>
Wages and salaries	387,681	428,019
Other staff cost	86,186	3,000
	<b>473,867</b>	<b>431,019</b>

**d. The staff costs of the above persons were:**

**e. The number of employees in receipt of emoluments above N500,000 during the year were:**

	31-Dec-21 Number	31-Dec-20 Number
N550,001 – N640,000	-	-
N640,001 – N790,000	-	-
N790,001 – N990,000	-	-
N990,001 – N1,600,000	45	62
Above N1,600,000	91	81
	<b>136</b>	<b>143</b>

**f. Transactions with related party**

There were no related party transactions that came to the knowledge of the Board during the year.

### 41. RETIREMENT BENEFIT OBLIGATIONS

#### a. Post-Employment Benefit

The company has not adopted any form of gratuity for staff as a result of which there was no post-employment benefit scheme that was not funded as at 31 December 2021.

#### b. Defined Contribution Scheme

The company runs a defined contributory plan in accordance with the Pensions Reform Act of 2014 where contributions are made to approved Pension Fund Administrators. The contribution of the employer and employee's basic, transport and housing allowances. The company's contribution is charged to statement comprehensive income.

### 42. CONTINGENCIES AND COMMITMENTS

#### a. Legal Proceedings and Regulations

At the statement of financial Position date, there were seven (7) law suits in various courts against the Company. The summary of this cases amounted to N 34.94 (2020: N40.7m)  
The directors are of the opinion that the Company will not incur any significant loss with respect to these claims and no provision has been made in these financial statements.

#### b. Capital Commitments

The Company has no Capital commitment as at 31 December 2021 (31 December 2020: Nil)

### 43. EVENTS AFTER REPORTING YEAR

The directors are not aware of any events which occurred since 31 December, 2021 which may have

### 44. CONTRAVENTION AND PENALTIES

The company did not contravene any of the NAICOM rules and regulations during the year.

### 45. COMPARATIVE FIGURES

Certain prior year figures have been reclassified to conform with the current year's presentation and meet accpimtong standards disclosure requirements.



## REVENUE ACCOUNT NON LIFE



	Accident N'000	Fire N'000	Marine N'000	Motor N'000	Oil & Gas N'000	Bond N'000	Engineering N'000	TOTAL N'000	2020 N'000
<b>INCOME</b>									
Direct Premium Written	1,646,214	248,680	2,337,953	858,442	4,642,480	48,995	451,527	10,234,292	6,608,204
Inward Re-Insurance	51,619	53,627	15,267	23,654	21,873	-	44,861	210,900	155,172
<b>Gross Premium Written</b>	<b>1,697,832</b>	<b>302,307</b>	<b>2,353,220</b>	<b>882,096</b>	<b>4,664,354</b>	<b>48,995</b>	<b>496,388</b>	<b>10,445,192</b>	<b>6,763,375</b>
(Incr.)/Decr. in Unearned Premium	(125,192)	(24,897)	50,260	10,716	(261,232)	(13,799)	7,863	(356,282)	(238,024)
<b>Gross Premium Earned</b>	<b>1,572,640</b>	<b>277,410</b>	<b>2,403,480</b>	<b>892,812</b>	<b>4,403,121</b>	<b>35,197</b>	<b>504,251</b>	<b>10,088,910</b>	<b>6,525,352</b>
Outward Reinsurance Premium	(275,777)	(175,298)	(4,221,173)	(83,041)	(2,310,309)	(24,450)	(205,455)	(4,295,504)	(1,278,126)
<b>Net Premium Earned</b>	<b>1,296,863</b>	<b>102,111</b>	<b>1,182,306</b>	<b>809,772</b>	<b>2,092,812</b>	<b>10,746</b>	<b>298,796</b>	<b>5,793,406</b>	<b>5,247,225</b>
Commission Received	141,958	107,726	151,550	15,333	101	14,903	86,230	517,801	141,426
<b>Total Underwriting Income</b>	<b>1,438,321</b>	<b>209,837</b>	<b>1,333,857</b>	<b>825,105</b>	<b>2,092,913</b>	<b>25,650</b>	<b>385,026</b>	<b>6,311,208</b>	<b>5,388,651</b>
<b>EXPENSES</b>									
Claims	396,369	153,677	62,721	187,819	69,558	-	127,275	997,419	1,288,940
Less :Claims recovery	(50,871)	(97,150)	(49,283)	-	-	(2,324)	(59,944)	(259,573)	(142,242)
Net Claims paid	345,498	56,527	13,438	187,819	69,588	(2,324)	67,331	<b>737,847</b>	<b>1,146,698</b>
Incr./Decr.) Outstanding Claims	474,926	(27,027)	(92,734)	55,460	38,316	34,632	4,701	488,274	219,505
Gross Claim Incurred	820,424	29,500	(79,296)	243,280	107,874	32,308	72,032	<b>1,226,121</b>	<b>1,366,203</b>
Changes In Reinsurance Claim Recovery	(30,774)	(11,931)	103,650	(14,582)	(5,400)	-	(9,881)	31,082	(23,460)
<b>Net Claims Incurred</b>	<b>789,650</b>	<b>17,569</b>	<b>24,355</b>	<b>228,698</b>	<b>102,473</b>	<b>32,308</b>	<b>62,150</b>	<b>1,257,202</b>	<b>1,342,743</b>
<b>UNDERWRITING EXPENSES</b>									
Commission Expenses	273,074	236,127	338,398	205,234	505,358	33,230	137,600	1,729,021	1,319,767
Maintenance Expenses	54,775	7,584	78,456	28,144	148,439	1,600	14,573	333,571	565,438
<b>Total Expenses</b>	<b>327,849</b>	<b>243,711</b>	<b>416,855</b>	<b>233,378</b>	<b>653,797</b>	<b>34,830</b>	<b>152,173</b>	<b>2,062,593</b>	<b>1,885,205</b>
<b>UNDERWRITING RESULT</b>	<b>321,321</b>	<b>(51,443)</b>	<b>892,647</b>	<b>363,029</b>	<b>1,336,642</b>	<b>(41,488)</b>	<b>170,703</b>	<b>2,991,413</b>	<b>2,160,704</b>

2

2021

**OTHER  
NATIONAL  
DISCLOSURES**

## VALUE ADDED STATEMENT



	2021 N'000	%	2020 N'000	%
Gross Premium Written – Local	10,445,192		6,763,376	
Investment and other income – Local	150,776		160,770	
Bought in goods and services: Local	(8,544,646)		(5,598,209)	
<b>Value Added</b>	<b>2,051,322</b>	<b>100</b>	<b>1,325,937</b>	<b>100</b>
<b>Applied as follows:</b>				
<b>In payment of employee:</b>				
- Salaries and wages and other benefits	473,867	23	429,042	32
<b>In Payment to Government:</b>				
- Taxation	152,619	7	(99,952)	(8)
<b>In payment to Provider of Capital</b>				
- Dividend approved	89,800	4	89,800	7
<b>Retained for maintenance and expansion of enterprise</b>				
- Depreciation	154,129	8	267,648	20
- Contingency reserves	313,356	15	202,901	15
- Retained profit/(loss) for the year	867,551	42	436,498	33
<b>Value Added</b>	<b>2,051,322</b>	<b>100</b>	<b>1,325,937</b>	<b>100</b>

This statement represents the distribution of the wealth created through the use of the company's assets and its employee's efforts.



## FIVE YEARS FINANCIAL SUMMARY



	2021 N'000	2020 N'000	2019 N'000	2018 N'000	2017 N'000
<b>RESULTS</b>					
Gross Premium Income	10,445,1925	6,763,376	4,192,606	3,430,168	2,221,838
Net Premium Written	,793,406	5,247,226	3,436,280	2,787,864	1,968,858
Profit Before Tax	1,020,170	336,546	280,744	220,164	180,284
Profit After Tax	867,551	436,498	220,184	163,823	133,333
Basic Earnings per share (k)	<b>38.64</b>	<b>19.44</b>	<b>9.81</b>	<b>7.30</b>	<b>5.94</b>
<b>BALANCE SHEET</b>					
<b>Assets</b>					
Cash and cash equivalent	1,511,785	1,233,572	1,041,997	1,212,425	785,345
Financial Assets	4,457,958	3,083,440	2,103,073	1,605,593	2,077,092
Trade and other receivables	523,813	406,712	306,984	297,376	85,458
Investment properties	7,355,101	7,355,101	4,096,764	970,320	970,320
Statutory Deposit	315,000	315,000	315,000	315,000	315,000
Other assets	1,323,138	1,151,523	960,283	2,173,322	2,005,966
<b>Total Assets</b>	<b>15,486,794</b>	<b>13,545,348</b>	<b>8,824,101</b>	<b>6,574,034</b>	<b>6,239,181</b>
<b>Liability</b>					
Current Liabilities	6,424,716	6,114,123	1,696,948	494,662	454,553
Borrowings	157,988	159,572	263,303	-	-
Deferred Taxation	165,014	157,361	196,639	108,459	105,542
Insurance Contract Liabilities	2,289,672	1,445,115	1,080,651	814,516	607,436
	<b>9,037,391</b>	<b>7,876,171</b>	<b>3,237,541</b>	<b>1,417,637</b>	<b>1,167,531</b>
<b>Shareholders' Funds</b>					
Share Capital	2,245,000	2,245,000	2,245,000	2,245,000	2,245,000
Share Premium	355,200	355,200	355,200	475,200	475,200
Contingency reserves	1,541,800	1,228,444	1,151,321	899,765	796,860
Retained earnings	1,959,095	1,494,699	1,400,409	1,301,398	1,285,379
Other reserves	348,309	345,834	434,630	235,035	269,210
	<b>6,449,404</b>	<b>5,669,177</b>	<b>5,586,560</b>	<b>5,156,398</b>	<b>5,071,649</b>
<b>Total Assets</b>	<b>15,486,794</b>	<b>13,545,348</b>	<b>8,824,101</b>	<b>6,574,034</b>	<b>6,239,181</b>



## OFFICES



### SOUTH - WEST

#### LAGOS

**Corporate Head Office**  
Plot 21, Ahmed Onibudo Street,  
Victoria Island,  
Lagos.  
Tel: 01 4540100

**Lagos Mainland**  
4 Salvation Road,  
Opebi, Ikeja,  
Lagos.  
Tel: 09060000764.

#### OGUN

Cultural Village Complex,  
Obasanjo Presidential Library,  
Beside NNPC Mega Station,  
Oke-Mosan, Abeokuta.  
Tel: 08150384183

#### OYO

Audit Hub, 2nd Floor, Liberty  
Road,  
Opposite Liberty Stadium,  
Ibadan.  
Tel: 08150384197

#### OSUN

KM 4 Gbogan/Ibadan Road,  
Opposite Sterling Bank,  
Osogbo.  
Tel: 08150384175

#### ONDO

3rd Floor Tisco Building,  
Opposite Mr. Biggs  
Alagbaka, Akure.  
Tel: 08150384177

### FEDERAL CAPITAL TERRITORY

#### ABUJA

Yobe Investment House  
(Ground Floor),  
Plot 1332 Ralph Shodeinde  
Street, CBD, Abuja.  
Tel: 08150384165

### NORTH - EAST

#### COMBE

Suites 23/24 Zango Plaza,  
Along Sabon Layi Biu Road,  
Gombe.  
Tel: 08037211793, 08150384222

### NORTH - WEST

#### KANO

26B Post Office Road,  
Kano.  
Tel: 08098678681

#### KADUNA

8, Wharf Road,  
6th Floor, Bank of Industry  
House,  
Kaduna.  
Tel: 08150384222

### NORTH - CENTRAL

#### KWARA

Irewolede Shopping Complex,  
New Yidi Road,  
Ilorin.  
Tel: 08150384048

### SOUTH - EAST

#### ANAMBRA

44, New Market Road,  
Onitsha.  
Tel: 08150384218

### SOUTH - SOUTH

#### AKWA IBOM

**Registered Office**  
7/13 Aka Road, PMB 1151,  
Uyo,  
Akwa Ibom State.  
Tel: 08150384134

#### EDO

22 Akpakpava Road,  
Benin City.  
Tel: 08150384209

#### DELTA

Suite 23 Eku Plaza,  
128 Effurun/Sapele Road,  
Beside Smile Filling Station,  
Effurun  
Tel: 08033889679

#### RIVERS

No. 2 Ezimgbu Link Road (AKA  
Mummy B Road), Off Stadium  
Road,  
Port Harcourt.  
Tel: 08150384151

#### CROSS RIVER

Sharon Plaza, M/M Highway by  
WAPI Junction,  
Calabar.  
Tel: 08150384081

### FOR FURTHER INQUIRIES:

Business: 08023044343  
Legal: 08029522219  
Corporate Information: 08138003100





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# Anchor 2021 End of the Year Party

*A Night of Bliss*

