Stanbic IBTC Insurance Brokers Limited

Annual Report

31 December 2020

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Company information

RC Number	1233443
Registered address:	IBTC Place Walter Carrington Crescent Victoria Island Lagos Nigeria
Principal place of business:	Wealth House Plot 1678 Olakunle Bakare Close Off Sanusi Fafunwa Street Victoria Island Lagos Nigeria
Postal address:	P O Box 71707 Victoria Island Lagos Nigeria
Auditor:	KPMG Professional Services KPMG Tower Bishop Aboyade Cole Street Victoria Island Lagos Nigeria
Company Secretary:	Ese Nkadi email: ese.nkadi@stanbicibtc.com
Banker:	Stanbic IBTC Bank Plc Walter Carrington Crescent Victoria Island Lagos Nigeria

Directors' report

In compliance with the Companies and Allied Matters Act 2020, the Directors have the pleasure in presenting their annual report on the affairs of Stanbic IBTC Insurance Brokers Limited ("the Company" or "SIIBL") together with the audited financial statements and the auditor's report for year ended 31 December 2020.

Legal form and principal activity

Stanbic IBTC Insurance Brokers Limited was incorporated in Nigeria under the Companies and Allied Matters Act as a limited liability company on 29 December 2014 and commenced operations in February 2016. The Company is domiciled in Nigeria and is a subsidiary of Stanbic IBTC Holdings PLC. The principal activities of the Company include provision of solution-based risk management and insurance intermediary services for clients and other interested business establishments. Stanbic IBTC Insurance Brokers Limited also delivers risk management solutions that enable clients create, protect and preserve wealth.

Operating results

The highlights of the Company's operating results for the financial year ended 31 December 2020 were as follows:

	31-Dec-20	31-Dec-19
	₦'000	₦'000
Revenue	**905,109**	969,405
Profit before tax	**367,843**	429,741
Taxation	**(118,285)**	(132,851)
Profit after tax	**249,558**	**296,890**
Retained earnings as at beginning of year	396,620	249,923
Net changes in FVTOCI reserve	**(4,492)**	5,623
Dividend paid during the year	**(252,357)**	(155,815)
Retained earnings at end of year	**389,328**	**396,620**
Shareholders' funds	**409,329**	416,620

Dividend

The Board of Directors proposed a dividend payment of N212.12m (2019: ₦252 million) as final dividend for the financial year ended 31 December 2020. Withholding tax will be deducted at the time of payment

Directors and their interests

The Directors who held office during the year are as follows:

Anselem Igbo	Chief Executive
Olu Delano*	Chairman
Ibiyemi Mezu **	Executive Director
Deon de Klerk	Non-Executive Director
Anthony Mogekwu***	Non-Executive Director
Ruby Onwudiwe****	Non-Executive Director
Okechukwu Iroegbu*****	Non-Executive Director
Olumide Oyetan******	Non-Executive Director

Godwin Wiggle was the Independent Non-Executive Director*******
Chidi Okezie was the Company Secretary during the year********
Ese Nkadi is the Company Secretary during the year*********
Remy Osuagwu was a Non-Executive Director **********
Eric Fajemisin was a Non-Executive Director ***********
Sakeenat Bakare was a Non-Executive Director ************

*Olu Delano was appointed as Chairman of the Board with effect from 11 December 2020.
**Ibiyemi Mezu was appointed as Executive Director with effect from 28 August 2020
***Anthony Mogekwu was appointed as Non-Executive Director with effect from 28 August 2020
****Ruby Onwudiwe was appointed as Non-Executive Director with effect from 28 August 2020
*****Okechukwu Iroegbu was appointed as Non-Executive Director with effect from 28 August 2020
******Olumide Oyetan was appointed as Non-Executive Director with effect from 28 August 2020
*******Godwin Wiggle resigned his appointment with effect from 30 October 2020
******** Chidi Okezie resigned his appoinment as the Company Secretary with effect from 13 February 2020.
********* Ese Nkadi was appointed as the Company Secretary with effect from 13 February 2020.
**********Remy Osuagwu resigned his appointment with effect from 11 July 2020
*********** Eric Fajemisin resigned his appointment with effect from 30 October 2020
************ Sakeenat Bakare resigned her appointment with effect from 30 October 2020

The interest of Directors in the issued share capital of the Company as recorded in the register of Directors shareholding and/or as notified by the Directors for the purpose of Section 301 (1) of CAMA 2020 are as follows:

	No of ordinary shares held	No of ordinary shares held
	31-Dec-20	31-Dec-19
Anselem Igbo	**5,000,000**	5,000,000
Olu Delano	**-**	-
Ibiyemi Mezu	**-**	-
Deon de Klerk	**-**	-
Anthony Mogekwu	**-**	-
Ruby Onwudiwe	**-**	-
Okechukwu Iroegbu	**-**	-
Olumide Oyetan	**-**	-

Directors' interest in contracts

For the purpose of section 303 of the Companies and Allied Matters Act of Nigeria, none of the Directors has notified the Company of any direct or indirect interest in contracts or proposed contracts with the Company during the year.

Analysis of shareholding and change in ownership

According to the register of members as at 31 December 2020, the spread of shareholding in the Company was as follows:

	No. of shares held		**Shareholding (%)**	
	31-Dec-20	31-Dec-19	**31-Dec-20**	31-Dec-19
Stanbic IBTC Holdings PLC	**15,000,000**	15,000,000	**75%**	75%
Anselem Igbo	**5,000,000**	5,000,000	**25%**	25%
Total	**20,000,000**	20,000,000	**100%**	100%

Directors' report

Property and equipment

Information relating to changes in property and equipment is given in Note 3 to the financial statements. In the Directors' opinion, the disclosures regarding the Company's property and equipment are in line with the accounting policy of the Company.

Employment of disabled persons

The Company's recruitment policy is based solely on merit and does not discriminate against any person on the grounds of physical disability. The Company currently has no disabled person in its employment (2019: nil).

The Company places a high premium on the health, safety and welfare of its employees in their place of work. To this end, the Company provides comprehensive medical, dental and optical cover for all employees and their nuclear dependants. Where an employee acting within the scope of his/her employment accidentally injures a third party, the Company, within acceptable limits defrays such third party's medical expense.

Employee involvement and training

To ensure that it appropriately addressed employees' welfare and concerns throughout the year under review, the Company:

a. Kept staff informed of all matters affecting them and the Company in general and encouraged their contributions towards the development of staff policies.
b. Held regular meetings to discuss the Company's day to day operations, business focus and staff welfare issues.
c. Ensured that staff received continuous on-the-job training and also attended digital trainings conducted by reputable third party facilitators.

Staff remuneration policy

a. Our reward strategies and remuneration structure are designed to attract, motivate and retain high calibre people at all levels of the organisation, in a highly competitive market.
b. Consideration is given to total reward and the appropriate balance between fixed and variable pay for all employees, depending on seniority and roles.
c. Our reward strategy is aligned with non-financial rewards including strong leadership and performance management recognition for exceptional contribution, clear talent management and career paths and an inclusive, value based culture.
d. Fixed pay is intended to attract and retain employees by ensuring competitive positioning in the relevant market place.
e. Fixed pay must reward the inputs of skill, competence and experience aligned to contribution, market and job size.
f. Short-term incentive structures reward medium to long term strategies rather than a primary focus on short term goals.
g. All incentive awards, above a minimum level, are thus deferred in part and the deferred portion linked in value to the Standard Bank share price during the deferral period.
h. Vesting conditions attached to deferred awards and long-term incentives make provision for claw-back and forfeiture of unvested awards.

The Company's management monitors the implementation of the Company's remuneration policy, which ensures that:

– salary structures and policies, as well as cash and long-term incentives, motivate sustained high performance and are linked to corporate performance objectives;
– stakeholders are able to make a reasonable assessment of reward practices and the governance process; and
– the Company complies with all applicable laws and codes.

Directors' remuneration philosophy

– Our Directors' remuneration structure is designed to adequately compensate Directors for the time spent attending to the Company's business.
– Remuneration is not linked in any way to the profitability of the Company.
– The main consideration for remuneration is to pay an absolute fee and sitting allowance which is based on time spent.
– Directors' remuneration is reviewed annually having regard to annual inflation rate and approved by the Board and subsequently at the annual general meeting.
– Surveys are conducted periodically to ensure that Directors' remuneration is aligned to market realities.

Donations

In conformity with the Company's laid down policy on donations, the Company made a total donation of ₦5m (2019: nil) as shown below:

	₦
Support for Governement's Effort to contain COVID 19 Pandemic	5,000,000
	5,000,000

Directors' report

Risk management

Introduction

Stanbic IBTC Insurance Brokers Limited ("SIIBL") is an insurance brokerage firm in Nigeria. In SIIBL, the risk management framework focuses on risk culture as the foundation upon which the pillars of risk and control processes and extreme events management lie.

The Company, as a member of Stanbic IBTC Holdings Plc, leverages on the risk management capabilities of the Group to create a risk awareness culture.

Stanbic IBTC Holdings Plc is committed to implement initiatives that improve corporate governance for the benefit of all stakeholders. Stanbic IBTC Holdings Plc's Board of Directors aims to implement governance practices that comply with international best practice, where substance prevails over form. Stanbic IBTC Insurance Brokers Limited is guided by these principles in establishing respective governance frameworks, which are aligned to Stanbic IBTC Holdings Plc standards in addition to meeting the relevant jurisdictional requirements in respective areas of operation.

The responsibility for managing risk is decentralized throughout the organization with the deployment of three (3) lines of defence model whereby the front office manages risks as the interface of the business with external stakeholders while the middle and the back office provides support and independent assurance to the business. Part of the roles of the second line of defence is the Risk Governance, Policies and Standards oversight while the 3rd line of defence is where internal audit resides to provide independent oversight on the first 2 lines of defence.

As an insurance broker, we find it important that risk is second nature to the Company. Therefore, strategies are crafted to ensure that the principle of "no premium no cover" is followed, clients risk exposures are provided needed timely policy covers as premiums are paid.

Risk management framework

Key elements of Risk Management include:

• Corporate governance through Board and senior management oversight

• Systems and process for identification, measuring, monitoring and controlling risk

• Comprehensive internal controls/internal audit

Governance structure

In order to ensure that appropriate oversight is provided for the activities undertaken within the Company, the corporate governance structure in place is focused on risk in addition to meeting regulatory requirements.

The Board of Directors provides the necessary controls, oversight and strategic direction the Company requires.

The Risk Management structure ensures that the risk management function has unfettered access to the Board of Directors thus ensuring its independence. The Board of Directors of the Company is made up of Executive and Non-Executive Directors to further enhance objectivity in consideration of issues before it.

Risk exposures of the Company

The business of an insurance broker is inherently about risk management and there can be no divorcement of same from what the Company does. Efforts are devoted to the process of managing risk by the Company through the identification, measurement, monitoring and controlling of risks. The Company's business, financial condition, operating results or non-operating results could be materially adversely affected by different risks the Company is exposed to and which will be looked at in 3 ways:

i. Own investment portfolio
ii. Business and Competition
iii. Operations

Own investment portfolio risks

The Company does not take positions in the equities market but the Finance Department takes responsibility for investing the Company funds in fixed income securities which include Government/ Sovereign debt instruments and bank deposits, Bankers Acceptances (BAs) etc.

Due to the nature of the investments, the Company is primarily exposed to interest rate risk, market price risk, credit risk, and liquidity risk. Interest rate risk could result from decrease in the market value of instruments held or inability to reinvest cash flows from maturing investment at rates similar to the matured investments. Liquidity risk could result from the inability to easily dispose instruments held while credit risk may result from the default of an issuer of instruments held by the Company's own portfolio in the payment of interest and principal. SIIBL is not exposed to foreign exchange risks.

Risks related to the Company’s Business and Competition

Changes in the value of assets

The Company's revenues are largely driven by brokerage commission, which is a function of either the assets under custody or the fee agreed with clients in insurance policies. Adverse movement in prices of assets could cause the following:

- existing clients withdrawing funds in favour of better performing Brokers, which could result in lower brokerage commission;
- the diminishing ability to attract business from existing and new clients, and
- an impairment to the value of intangible assets and goodwill (reputation)

The soundness of other financial institutions/ financial instrument issuers could adversely affect the Company.

Financial services institutions are interrelated as a result of trading, clearing, counterparty, or other relationships. This relationship exposes the company to credit risk, which is the risk that one party to a financial instrument will cause a loss to the other party by failing to discharge an obligation.

The Company and the funds under custody have exposure to different industries and counterparties, and routinely execute transactions with counterparties in the financial services industry, including custodians, brokers and dealers, commercial banks, investment banks and mutual funds. Many of these transactions might expose the Company or the funds to credit risk in the event of default of its counterparty or client. While we regularly conduct assessments of such risk posed by counterparties, the risk of non-performance by such parties is subject to sudden swings in the financial and credit markets, including the effects of banking crisis.

As at 31 December 2020, the exposure to different counterparties/ borrowers is shown in the table below. Financial institutions’ periodic credit and risk ratings as well as other performance metrics are obtained and analysed in order to manage exposure and react as appropriate to ensuing realities.

Company own funds	**31-Dec-20**	**31-Dec-19**
Counterparty/Borrower	**Exposure (₦’m)**	**Exposure (₦’m)**
Federal Government	-	544,020
State Government	-	-
Financial Institutions	-	-
Investment in Stanbic IBTC Mutual Funds	675,458	254,632
Total	**675,458**	**798,652**

Loss of employees could lead to the loss of clients and a decline in revenues.

The Company's philosophy in ensuring that it attracts and retains quality personnel has contributed significantly to the achievement recorded so far. The market for qualified legal officers, brokers, agents and other professionals is competitive. Loss of personnel could have a material adverse effect on the Company. The Company has different programmes for effectively engaging its staff and top talent. Some of the programmes include talent management, succession planning, support for staff who are studying to hone their skills, local and international exposure for staff.

Failure to comply with Fund Management Agreements could lead to award of damages and loss of mandates.

Insurance contracts show the expectation of the clients with respect to how the insurer, accepts significant insurance risk from the policyholder, to compensate the policyholder if a specific uncertain future event impacts the policyholders. Failure to comply with these guidelines could result in damage to SIIBL's reputation, loss of assets under custody and losses as a result of clients seeking to recover losses. In order to mitigate this risk, Risk Management and Compliance functions monitor the compliance of the funds against the agreed guidelines with investors and deviations are rectified bearing in mind the interest of the clients.

Risks Related to SIIBL's Operations
IT and technological risks exposure

The Company is exposed to IT and technological risks including:

- Failure to maintain adequate infrastructure could impede productivity and growth.

The Company's infrastructure, including its technological capacity, data centres, and office space, is vital to the competitiveness of its business. The failure to maintain an adequate infrastructure commensurate with the size and scope of its business, including any expansion, could impede the Company's productivity and growth, which in turn could cause the Company's earnings to decline. The Company manages this risk by deploying up to date and scalable technology relevant to its business.

- Failure to maintain adequate business continuity plans could have a material adverse impact on the Company and its products.

The failure of the Company to maintain updated adequate business continuity plans, including secure backup facilities, systems and personnel could impede the Company's ability to operate upon a disruption, which could cause the Company's earnings to decline. The Company in addition to having frequently updated business continuity plan ensures that its disaster recovery infrastructure is tested periodically at least 2 times in a year.

- Failure to maintain a technological advantage could lead to a loss of clients and a decline in revenues.

It is important to note that the continued success of the Company is dependent on the technological advantage we possess relative to competition. However, the Company's technological and software advantage is dependent on a number of third parties who provide various types of software.

The failure of these third parties to provide such software or maintenance could result in operational difficulties and adversely impact SIIBL's ability to provide services to its clients. It is important that the Company will be able to maintain this technological advantage and effectively protect and enforce its intellectual property rights in these systems and processes. In place with all service providers are Service Level Agreements ("SLAs") which stipulate the roles and responsibilities of each party and penalties in the event of breach. The Company may not, however, be able to guarantee the continuity of the service providers in the long term but on-going assessments are done periodically on them.

- Failure to implement effective information and cyber security policies, procedures and capabilities could disrupt operations and cause financial losses that could result in a decrease in earnings.

The Company is dependent on the effectiveness of its information and cyber security policies, procedures and capabilities to protect its computer and telecommunications systems and the data that reside on or are transmitted through them. An externally caused information security incident, such as a hacker attack, virus or worm, or an internally caused issue, such as failure to control access to sensitive systems, could materially interrupt business operations or cause disclosure or modification of sensitive or confidential client or competitive information and could result in material financial loss, loss of competitive position, regulatory actions, breach of client contracts, reputational harm or legal liability, which, in turn, could cause a decline in the Company's earnings. The Company manages this risk by deploying up to date and scalable technology relevant to its business.

- Failure of a key vendor to fulfil its obligations could have a material adverse effect on SIIBL and its products.

The Company depends on a number of key vendors for various roles e.g. Custody, Data transmission, Cleaning Services and other operational needs. The failure or inability of SIIBL to diversify its sources for key services or the failure of any key vendors to fulfil their obligations could lead to operational issues for the Company and could result in financial losses for the Company and its clients. All vendors are appraised annually to ensure that value is gotten from services rendered. The process for engaging vendors is to ensure that best practices are followed.

Legal and Regulatory Risks

Regulatory provisions

Regulatory risk is the risk arising from a change in regulations in any legal, taxation and accounting pronouncements or specific industry regulations that pertain to the business of the company.

The Insurance brokerage business is subject to extensive regulation which includes the Insurance Act of 2003 and relevant National Insurance Commission (NAICOM) guidelines and circulars. Violation of applicable laws or regulations could result in fines, temporary or permanent prohibition of the engagement in certain activities, reputational harm and related client terminations, suspensions of personnel or revocation of their licenses, or other sanctions, which could have a material adverse effect on SIIBL's reputation, business, results of operations or financial condition and cause the Company's earnings to decline. In order to manage this risk, the Company is an active participant of the Nigeria Council of Registered Insurance Brokers (NCRIB) that engages with the regulator.

Regulatory capital risk

Regulatory capital risk is the risk that the Company does not have sufficient capital to meet either minimum regulatory or internal amounts. The table below summarizes the minimum required capital and the capital held as at 31 December 2020:

Required	Actual Capital held	Actual Capital Ratio
₦5,000,000.00	₦20,000,000.00	1 : 4

Claims and Litigations could adversely affect operating results, financial condition and cash flows for a particular period.

Many aspects of SIIBL's business involve risks of legal liability. The Company has not been named as defendants in any legal actions. From time to time; SIIBL receives requests for information from various governmental and regulatory authorities in connection with certain industry wide, company-specific or other investigations or proceedings.

Operational risk

- The underlying risk of applying tax laws, regulations and decisions to the day-to-day business operations of The Company. Operational risks can occur in the following key areas;

- Transactional risk

The risk which concerns specific transactions entered into by the Company, including restructuring projects and reorganisations.

- Compliance risk

The risk associated with meeting the Company's statutory obligations.

Taxation risk

- Taxation risk is the risk of suffering a loss, financial or otherwise, as a result of an incorrect interpretation and application of taxation legislation or due to the impact of new taxation legislation on existing products.

In managing the Company's taxation risk, the Company's tax policy is as follows:
The Company will fulfil its responsibilities under tax law in each of the jurisdictions in which it operates, whether in relation to compliance, planning or client service matters. Tax law includes all responsibilities which the Company may have in relation to company taxes, personal taxes, capital gains taxes, indirect taxes and tax administration.

Directors' report

Compliance with this policy is aimed at ensuring that:

• all taxes due by the Company are correctly identified, calculated, paid and accounted for in accordance with the relevant tax legislation;
• the Company continually reviews its existing operations and planned operations in this context; and
• where clients participate in company products, these clients are either aware of the probable tax consequences, or are advised to consult with independent professionals to assess these consequences, or both.

The identification and management of tax risk is the primary objective of the Company's tax function, and this objective is achieved through the application of a formulated tax risk approach, which measures the fulfilment of tax responsibilities against the specific requirements of each category of tax to which the Company is exposed, in the context of the various types of activities the Company conducts.

Accounting risk

Accounting risk is the risk that the Company fails to explain the current events of the business in the financial statements.

Accounting risk can arise from the failure of management to:

• maintain proper books and records, accounting systems and to have proper accounting policies;
• establish proper internal accounting controls;
• prepare periodic financial statements that reflect an accurate financial position; and
• be transparent and fully disclose all important and relevant matters.

Measures to control accounting risk are the use of proper accounting systems, books and records based on proper accounting policies as well as the establishment of proper internal accounting controls. Proposed accounting changes are researched by accounting resources, and if required external resources, to identify and advise on any material impact on the company.

Financial statements are prepared in a transparent manner that fully discloses all important and relevant matters as well as accurately reflects the financial position, results and cash flows of the Company.

Strategic Risk

Strategic risk is the risk of an unexpected negative change in the company value, arising from the adverse effect of executive decisions on both business strategies and their implementation.This risk is a function of the compatibility between strategic goals, the business strategies developed to achieve those goals and the resources deployed to achieve those goals. Strategic risk also includes the ability of management to effectively analyse and react to external factors, which could impact the future direction of the relevant business unit.

The Company’s risk management identifies and assesses both these risks qualitatively as part of a quarterly evaluation. On the basis of this evaluation, the Company’s risk management creates an overview of local and global risks which also includes reputational risks, analyses the risk profile of the Company and regularly informs directors and management.

Compliance with the Corporate Governance Code

Although the Code of Good Corporate Governance for Insurance companies in Nigeria applies majorly to public insurance, the Company confirms that effective 2021, the Company will comply with the principles set out in NAICOM's Code of Good Corporate Governance.

The Company applies the Code's principles of transparency, integrity and accountability through its own behaviour, corporate governance best practice and by adopting the code in a manner that is appropriate and proportionate for a company of its size and nature. The policies and procedures adopted by the Board and applicable to the Company’s businesses are documented in the Board’s mandate, which also set out the role of the Board, as well as manuals which set out the operations of the business.

Directors' report

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

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

The Directors are responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Company
- maintaining adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time, the financial position of the Company, and which enables them to ensure that the financial statements of the Company comply with IFRS
- maintaining statutory accounting records in compliance with the legislation of Nigeria and the IFRS; and
- taking such steps as are reasonably available to them to safeguard the assets of the Company

Directors' report (cont'd)

Events after the reporting date

There are no events after the reporting date which could have had a material effect on the financial position of the Company as at 31 December 2020 and its operating results as of that date, which have not been adequately provided for or disclosed in the financial statements.

Auditor

The auditors, Messrs. KPMG Professional Services, having satisfied the relevant corporate governance rules on the maximum tenure in office of External Auditors will be retiring as the Company's External Auditors at the conclusion of the year 2020 Audit. The Board has approved the appointment of the firm of PricewaterCoopers as the new external Auditors for the Company

COVID-19 impact on the Group for the year ended 31 December 2020

The coronavirus pandemic, which was first detected in China (late 2019), has infected more than 103 million people and caused over 2.24 million fatalities around the globe. The pandemic forced governments to implement lockdowns and restriction to movement, which negatively impacted economic activities during the year. The International Monetary Fund (IMF) estimated that the global economy contracted by 3.5% in 2020

In response to the economic downturn owing to the pandemic, global economies and countries with fiscal space resorted to fiscal stimulus to boost retail and economic activities. Fiscal stimulus in emerging market economies averaged about 5% of GDP, while for developed markets the stimulus was mostly higher than 10% of GDP.

Also, central banks across most economies engaged in some form of monetary policy easing either by way of slashing interest rates or asset purhase program and in some cases, both. These actions were aimed at making borrowing cheaper, encourage spending as well as improve production to boost the economy. Most significantly the US Fed slashed its policy rate to 0 - 0.25% range, from 1.50 - 1.75% before the pandemic, while also providing up to $2.3 trillion in lending to support households, employers, financial markets, and state and local governments.

Nigeria was not immune to the ravaging human and economic impact of COVID-19. The corona virus which was first detected on the 27th of February 2020 in Nigeria, had infected over 134,000 people and caused over 1,500 fatalities in Nigeria as at 31st December 2020. In order to curb the spread of the virus, the federal government initially implemented a total lockdown in Lagos, Abuja and Ogun state. While other state governments also implemented restrictions. The impact of these restrictions was evident in the significant drop in the private sector activities in the month of April. The Stanbic IBTC Purchasing Market Index (PMI) declined to 37.1 in April-20, signifying contraction, from 53.8 recorded in March-20. The PMI reading has however recovered slightly to 51.8 in December 2020.

The country witnessed significant drop in revenue following the triple impact of price war between Saudi and Russia in early March, loss of demand due to the pandemic and OPEC+ agreement to unprecedented production cut. Unsurprisingly following drop in oil prices and the significant slowdown in economic activities owing to the lockdowns and restrictions, the country slipped into recession in Q3 after its GDP contracted for the second consecutive quarter this year. Q3 Real GDP contracted for the second quarter by 3.62% leading to a cumulative 9 months contraction of 2.48%

CBN in response to the challenging economic trend through the Monetary policy committee (MPC) cut the Monetary policy rate (MPR) by 100bps to 12.5% in May 2020 and a further 100bps cut in September to close the year at 11.5%. It devalued the currency by 24% in the official market and announced a combined NGN3.5trn stimulus intervention fund targeted at the health and manufacturing sectors as well as households.

The Group is endowed with strong and diversified funding base and this supports our ability to sustain the business throughout this crisis and take advantage of market opportunities as they arise.

The significant doubt associated with the current uncertainties related to COVID-19 virus currently does not result in a material uncertainty related to such events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern in the foreseeable future. Notwithstanding, the Group will closely monitor the emerging impact of the pandemic to ensure that they are appropriately mitigated. There was no other event after the end of the reporting period which could have a material effect on the financial statements of the Group for the year ended 31 December 2020 which has not been adjusted for, or disclosed in, the financial statements.

BY ORDER OF THE BOARD

Ese Nkadi

(FRC/2017/NBA/00000017307)

Company Secretary

IBTC Place, Walter Carrington Crescent

Victoria Island,

Lagos.

09-Apr-2021

Corporate Governance report
For the period ended 31 December 2020

Introduction

Stanbic IBTC Insurance Brokers Limited (the 'Company') is a member of Stanbic IBTC Holdings PLC ('Stanbic IBTC Holdings'), which holds a 75% equity holding in Stanbic IBTC Insurance Brokers Limited (the 'Company').

Stanbic IBTC Holdings is committed to implementing initiatives that improve corporate governance for the benefit of all stakeholders. Stanbic IBTC Holdings' board of directors remains steadfast in implementing governance practices that comply with international best practice, where substance prevails over form.

The Company is guided by these principles in establishing its governance frameworks, which are aligned to Stanbic IBTC Holdings' standards in addition to meeting the relevant jurisdictional requirements in its area of operation.

The Board of the Company is committed to high standards of corporate governance, which it considers are critical to business integrity and to maintaining stakeholders' trust in the Company. The Company expects all its directors and employees to act with honesty, integrity and fairness. The Company strives to act in accordance with the necessary laws and regulations that govern its business areas; adopt proper standards of business practice and procedure and operate with integrity.

Codes and regulations

The company operates in highly regulated markets and compliance with applicable legislation, regulations, standards and codes, including transparency and accountability, remain an essential characteristic of its culture. The board monitors compliance with these by means of management reports, which include information on the outcome of any significant interaction with key stakeholders such as regulators. The Company complies with all applicable legislation, regulations, standards and codes.

Developments during the period ended 31 December 2020

During the period under review, the following developments in the company's corporate governance practices occurred:

- The Company held its annual General Meeting on Wednesday 29 April 2020 at which shareholders approved the 2019 Audited Financial Statements as well as other resolutions tabled before the meeting.
- The Financial Reporting Council (FRC) released it Reporting Template for the the Nigerian Code of Corporate Governance 2018 (NCCG) on 28 May 2020 and the Company started making steps to comply with the reporting provisions of the NCCG. The Company would commence its reporting compliance with the NCCG in 2021.
- The Companies and Allied Matters Act, 1990 was repealed and re-enacted as the Companies and Allied Matters Act (CAMA), 2020. CAMA 2020 was assented to by President Muhammadu Buhari, GCFR on Friday 7th August 2020.
- The Board appointed one Executive Director and four Non-Executive Directors - Mrs. Ibiyemi Mezu (Executive Director), Mrs. Ruby Onwudiwe (Non-Executive Director), Mr. Olumide Oyetan (Non-Executive Director), Mr. Anthony Mogekwu (Non-Executive Director), Mr. Okechukwu Iroegbu (Non-Executive Director), and regulatory approvals were obtained for all five Directors. Mr Remy Osuagwu resigned his appointment on the Board of the Company on 01 July 2020, while Mr. Godwin Wiggle, Mr. Eric Fajemisin and Ms. Sakeenat Bakare resigned their appointments on the Board of the Company on 30 October 2020. Mr. Olu Delano was appointed Chairman of the Board on 11 December 2020, while Mr. Modupe Bammeke was appointed by the Board as an Independent Non-Executive Director on 11 December 2020. We await regulatory approval for his appointment.

  In response to the outbreak of the Corona Virus pandemic which necessitated a lockdown of social and economic activities and restrictions of movement and physical meetings, the Board of Directors in 2020 continued to operate virtually, as all Board meetings and other board activities were all held remotely or by virtual means enabled by technology.

  The Board of the Directors approved the following policies - Board Succession & Planning Policy, Policy for Obtaining Independent Professional Advice, Shareholder Engagement Policy and Board Diversity Policy in line with the NCCG.

Corporate Governance report (continued)
For the period ended 31 December 2020

Prirorities for 2021:

- The Company would commence reporting on its compliance with the NCCG in 2021.

Board and Directors

Ultimate responsibility for governance rests with the board of Directors of the company, who ensure that appropriate controls, systems and practices are in place. As at 31 December 2020, the board of directors was made up of 8 members. The composition of the board of directors is balanced between executive and non-executive directors.

The number of non-executive Directors ensure that sufficient consideration and debate are brought to bear on decision making thereby contributing to the efficient running of the board.

The list of Board members as at 31 December 2020 are as follows:

NAME OF DIRECTOR	DESIGNATION	DATE OF APPOINTMENT	YEARS OF SERVICE
Anselem Igbo	Chief Executive	31-Oct-16	4 years
Ibiyemi Mezu	Executive Director	28-Aug-20	4 months
Olu Delano	Non-Executive Director	6-Feb-19	1 years
Deon de Klerk	Non-Executive Director	27-Aug-19	1 years
Anthony Mogekwu	Non-Executive Director	28-Aug-20	4 months
Ruby Onwudiwe	Non-Executive Director	28-Aug-20	4 months
Okechukwu Iroegbu	Non-Executive Director	28-Aug-20	4 months
Olumide Oyetan	Non-Executive Director	28-Aug-20	4 months

Corporate Governance report (continued)

For the period ended 31 December 2020

Strategy

The board considers and approves the company's strategy. Once the financial and governance objectives for the following period have been agreed, the board monitors performance against financial objectives and detailed budgets on an on-going basis, through quarterly reporting.

Skills, knowledge, experience and attributes of Directors

The board ensures that Directors possess the skills, knowledge and experience necessary to fulfill their obligations. The Directors bring a balanced mix of attributes to the board, including:

- institutional experience
- operational experience
- knowledge and understanding of both the macroeconomic and the microeconomic factors affecting the group
- local knowledge and networks
- financial, legal, entrepreneurial and Insurance skills.

The credentials and demographic profile of the board are regularly reviewed, to ensure the board's composition remains both operationally and strategically appropriate.

Appointment philosophy

The appointment philosophy ensures alignment with all necessary legislation and regulations which include, but are not limited to the requirements of the Nigerian Code of Corporate Governance; NAICOM Code of Good Corporate Governance; NAICOM Act; the Companies & Allied Matters Act as well as other neceessary legislation applicable to the Companies operations.

Consideration for the appointment of Directors and key executives take into account compliance with legal and regulatory requirements and appointments to external boards to monitor potential for conflicts of interest and ensure Directors can dedicate sufficient focus to the company's business. The board takes cognisance of the skills, knowledge and experience of the candidate, as well as other attributes considered necessary to the prospective role.

In terms of Section 285 (1) of the Company and Allied Matters Act 2020, the company held its fourth Annual General Meeting on 29 April 2020 where Mr. Anselem Igbo and Mr. Remy Osuagwu retired by rotation and being eligible, offered themselves for re-election and was duly re-elected by Shareholders as Directors of the Company.

The board's size as at 31 December 2020 was eight (8), comprising two (2) executive directors and six (6) non-executive directors. The board has the right mix of competencies and experience.

Board responsibilities

The key terms of reference in the board's mandate, which forms the basis for its responsibilities, are to:

- agree the group's objectives, strategies and plans for achieving those objectives;
- annually review the corporate governance process and assess achievement against objectives;
- review its mandate at least annually and approve recommended changes;
- Delegate to the managing director or any director holding any executive office any of the

Board Audit and Compliance Committee

The key terms of reference in the board Audit and Compliance mandate, which forms the basis for its responsibilities, are to:

- Ensure accounting norms are effectively applied and maintained
- Monitor the quality of internal control procedures and ensure compliance with regulatory directives
- The Committee is comprised of only NEDs
- The Chairman of the Board is Independent Non-Executive Director
- The Committee is comprised of members with financial Knowledge
- The Committee is responsible to the Board
- The Committee in its operations holds a minimum of four meetings with formal meetings being convened as and when required.

Corporate Governance report (continued)
For the period ended 31 December 2020

Board Appointment Process

The Company has a policy for the appointment of Directors and this ensures alignment with all necessary legislation and regulations which include but are not limited to the requirements of the Nigerian Code of Corporate Governance and the Companies and Allied Matters Act.

The Board takes cognizance of the skills, knowledge and experience of the candidate, as well as other attributes considered necessary to the prospective role.

The formal process includes the following:

a. The Board identifies that a vacancy exists or has been created based on a need agreed upon by the Board;

b. A suitable candidate is identified;

c. A motivation is prepared and presented to the Board for consideration and approval;

d. Following Board approval above, the approval of the National Insurance Commission (NAICOM) is sought with respect to the appointment;

e. Following the approval above, a new Form CAC 7 is filed at the Corporate Affairs Commission ("CAC") to update the company's records at the CAC;

f. The newly appointed Director is issued a letter of appointment and an induction pack provided to acquaint the Director with the governance and operational structure of the company, as well as duties and responsibilities as a director;

g. As part of induction engagements the Director is set up and trained on the use of Diligent Boardbooks – a Board administrative tool which grants the Director access to all board materials tabled before the Board for review and approval. The induction programme/engagements is evinced by the Director's acknowledgement of receipt of the induction pack used during the induction engagements;

h. The new Director is included in the meeting invites of all Board meetings scheduled for the year in question;

i. The director is afforded access to all information relating to the company's operations and where necessary, is included in the company's list of authorized signatories at the next amendment of same.

Corporate Governance report (continued)
For the period ended 31 December 2020

Board evaluation and effectiveness

The Board is focused on continued improvements in its corporate governance performance and effectiveness.

The Board and Directors will undergo a performance evaluation by independent consultants as required by Section 14 of the NCCG . The report of the consultants will also assess the performance of the individual Directors on the Board for the period under review, level of attendance to Board meetings, contribution and participation at these meetings and relationship with other Board members.

The independent consultants, Messrs. PricewaterhouseCoopers, have concluded their tenure with the Company. The Company will appoint new External Auditors subject to receiving all relevant approvals.

Induction and training

An induction programme designed to meet the needs of each new director is conducted for new Directors. One-on-one meetings are scheduled with management to introduce new Directors to the company and its operations. The company secretary manages the induction programme.

Directors are kept abreast of all relevant legislation and regulations as well as sector developments leading to changing risks to the organisation on an on-going basis. This is achieved by way of management reporting and quarterly board meetings, which are structured to form part of ongoing training.

Directors attended various trainings at different periods that included trainings on enhancing Board performance and Corporate Governance . These trainings were aimed at enhancing the understanding of key issues, and skills of Directors.

Board meetings

The board meets, at a minimum, once every quarter. The board held a strategy session on 28 October 2020. Directors, in accordance with the Companies and Allied Matters Act, attended the April, August and October meetings virtually due to the Corona Virus pandemic.

Directors attendance at Board meetings for the period 01 January 2020 to 31 December 2020 is provided below:

Name	Feb	April	Aug	October
Anselem Igbo	√	√	√	√
Ibiyemi Mezu	/	/	/	√
Olu Delano	√	√	√	√
Deon de Klerk	√	√	√	√
Anthony Mogekwu	/	/	/	√
Ruby Onwudiwe	/	/	/	√
Okechukwu Iroegbu	/	/	/	√
Olumide Oyetan	/	/	/	√
Remy Osuagwu	√	√	√	/
Eric Fajemisin	√	√	√	√
Sakeenat Bakare	√	√	√	√
Godwin Wiggle*	√	√	√	√

BACC

Godwin Wiggle*	√	√	√	√
Eric Fajemisin	√	√	√	√
Remy Osuagwu	√	√	√	/
Deon de Klerk	√	√	√	√

Anthony Mogekwu	/	/	/	/

√ = Attendance
/ = Not a member of the Board at the relevant time
* = Independent Director
'A = Absent due to resignation

Corporate Governance report (continued)
For the period ended 31 December 2020

Remuneration
The purpose of this section is to provide stakeholders with an understanding of the remuneration philosophy and policy applied across the Company for executive management, employees, and directors (executive and non-executive).

Remuneration Philiosophy
The Company has a remuneration philosophy which is guided by Stanbic IBTC's group philosophy as well as the specific social, regulatory, legal and economic context of Nigeria.

In this regard, the Company employs a cost to company structure, where all benefits are included in the listed salary and appropriately taxed.

The following key factors have informed the implementation of reward policies and procedures that support the achievement of business goals:

- the provision of rewards that enable the attraction, retention and motivation of employees and the development of a high performance culture;
- maintaining competitive remuneration in line with the market, trends and required statutory obligations;
- rewarding people according to their contribution;
- allowing a reasonable degree of flexibility in remuneration processes and choice of benefits by employees;
- utilising a cost-to-company remuneration structure; and
- educating employees on the full employee value proposition.

The Company's remuneration philosophy aligns with its core values, including growing our people, appropriately remunerating high performers and delivering value to our shareholders. The philosophy emphasises the fundamental value of our people and their role in ensuring sustainable growth. This approach is crucial in an environment where skills remain scarce.

A key success factor for the Company is its ability to attract, retain and motivate the talent it requires to achieve its strategic and operational objectives. The Company's remuneration philosophy includes short-term and long-term incentives to support this ability.

Short-term incentives, which are delivery specific, are viewed as strong drivers of competitiveness and performance. A significant portion of top management's reward is therefore variable, being determined by financial performance and personal contribution against specific criteria set in advance. This incites the commitment and focus required to achieve targets.

Long-term incentives seek to ensure that the objectives of management and shareholders are broadly aligned over longer time years.

Remuneration structure

Non-executive Directors

Terms of service

Directors are appointed by the shareholders at the AGM, although board appointments may be made between AGMs. These appointments are made in terms of the company's policy. Shareholder approvals for such annual appointments are however sought at the annual general meeting that holds immediately after such appointments are made.

The tenure for Independent Non-Executive Directors should not exceed three terms of three years each. Any tenure beyond a maximum of four consecutive three-year terms for a Non-Executive Director should be subject to particularly rigorous review.

Non-Executive directors are required to retire from the board on a rotational basis, as required under the Companies and Allied Matters Act and may offer themselves for re-election to shareholders at the AGM.

Fees
Non-executive Directors' receive fixed annual fees and sitting allowances for service on the board. There are no contractual arrangements for compensation for loss of office. Non-executive Directors do not receive short-term incentives, nor do they participate in any long-term incentive schemes.

The Board reviews the non-executive Directors' fees and makes recommendation to shareholders for approval at the annual General Meeting (AGM).

Fees that are payable for the reporting period 1 January to 31 December of each period.

Category	**2020**(i)	**2019**
Annual Fees	**=N=**	**=N=**
Non-Executive Directors	4,000,000	4,000,000
Sitting Allowances per Board Meetings(ii)		
Non-Executive Directors	200,000	200,000

(i) Approved by Shareholders at the 4th AGM of the Company held on 29 April 2020.

Retirement benefits

Non-executive Directors do not participate in the pension scheme.

Executive Directors

The company had two Executive Directors as at 31 December 2020.

Executive Directors receive a remuneration package and qualify for long-term incentives on the same basis as other employees.

Executive Directors' bonus and incentives are subject to an assessment by the Non-Executive Directors of performance against various criteria. The criteria include the financial performance of the company, based on key financial measures and qualitative aspects of performance, such as effective implementation of group strategy and human resource leadership. In addition, the Stanbic IBTC Group's remuneration philosophy is designed in such a way as to prevent excessive risk taking by Management.

The employment contracts of executive directors have a termination clause of three months.

Like every other Director, Executive Directors are required to retire from the board on a rotational basis, as required under the Companies and Allied Matters Act and may offer themselves for re-election to shareholders at the AGM.

Corporate Governance report (continued)

For the period ended 31 December 2020

Management and general staff

Total remuneration packages for employees comprises the following:

- guaranteed remuneration – based on market value and the role played;
- annual bonus – used to stimulate the achievement of group objectives;
- long term incentives – rewards the sustainable creation of shareholder value and aligns behaviour to this goal;
- pension – provides a competitive post-retirement benefit in line with other employees, and
- where applicable, expatriate benefits in line with other expatriates in Nigeria.

Fixed remuneration

Managerial remuneration is based on a total cost-to-company structure. Cost-to-company comprises a fixed cash portion, compulsory benefits (medical aid and retirement fund membership) and optional benefits. Market data is used to benchmark salary levels and benefits. Salaries are normally reviewed annually in March.

For all employees, performance-related payments have formed an increasing proportion of total remuneration over time to achieve business objectives and reward individual contribution.

All employees (executives, managers and general staff) are rated on the basis of performance and potential and this is used to influence performance-related remuneration.

Rating and the consequent pay decision is done on an individual basis. There is therefore a link between rating, measuring individual performance and reward. In addition, the group's remuneration philosophy is designed in such a way as to prevent excessive risk taking by Management.

Short-term incentives

All staff participate in a performance bonus scheme.
Individual awards are based on a combination of business unit performance, job level and individual performance. In keeping with the remuneration philosophy, the bonus scheme seeks to attract and retain high-performing managers.

As well as taking performance factors into account, the size of the award is assessed in terms of market-related issues and pay levels for each skill set, which may for instance be influenced by the scarcity of skills in a particular business area.

Long-term incentives

It is essential for the group to retain key skills over the longer term. The group has put in place a deferred bonus scheme for top talent. The scheme is designed to reward and retain top talent in the Senior Management cadre.

Post-retirement benefits

Pension

Retirement benefits are typically provided on the same basis for employees of all levels and are in line and comply with the Pension Reform Act 2014.

The Company will continue to ensure its remuneration policies and practices remain competitive, drive performance and are aligned across the business and with its values.

Company secretary

It is the role of the company secretary to ensure the board remains cognisant of its duties and responsibilities. In addition to providing the board with guidance on its responsibilities, the company secretary keeps the board abreast of relevant changes in legislation and governance best practices. The company secretary oversees the induction of new directors, as well as the ongoing training of directors. All directors have access to the services of the company secretary.

Going concern

On the recommendation of the audit committee, the Board annually considers and assesses the going concern basis for the preparation of the financial statements at the year end.

The Board continues to view the Company as a going concern for the foreseeable future.

Corporate Governance report (continued)
For the period ended 31 December 2020

Management committees

The Company has one management committee:

- Stanbic IBTC Insurance Brokers Executive Committee (EXCO)

Sustainability
The Company as a subsidiary of Stanbic IBTC Holdings PLC is committed to conducting business professionally, ethically, with integrity and in accordance with international best practice. To this end, the Company subscribes to and adopts risk management standards, policies and procedures that have been adopted by the Stanbic IBTC Group.

Stanbic IBTC is committed to contributing to sustainable development through ethical, responsible financing and business practice which unlocks value for our stakeholders. We manage the environmental and social aspects that impact our activities, products and services whilst ensuring sustainable value creation for our customers. We are passionately committed to encouraging financial inclusion through the provision of financial services to all cadres of the society and a promoter of gender equality. We would continue to make a difference in our environment through our activities to provide a brighter and better tomorrow.

Social responsibility
As an African business, the Company understands the challenges and benefits of doing business in Africa, and owes its existence to the people and societies within which it operates.

The Company is committed therefore not only to the promotion of economic development but also to the strengthening of civil society and human well being.

The Company is concentrating its social investment expenditure in defined focus areas in order to make the greatest impact. These areas of focus will be subject to annual revision as the countries socio-economic needs change.

Ethics and organisational integrity
The board aims to provide effective and ethical leadership and ensures that its conduct and that of management is aligned to the organization's values and code of ethics. The board subscribes to the Stanbic IBTC group's values and enables decision making at all levels of the business according to defined ethical principles and values. Stanbic IBTC has a Code of Conduct and Ethics for attestaion by all employees and the Company has a Code of Conducts and Ethics policy for directors which is renewed and approved bi-annually.

Regulatory Breaches

Compliance with the Nigerian Code of Corporate Governance and NAICOM Code of Good Corporate Governance

Stanbic IBTC Insurance Brokers Limited is primarily regulated by the National Insurance Commission (NAICOM). In this regard, compliance with the NAICOM Code of Good Corporate Governance, and the Nigeran Code of Corporate Governance, as well as all regulations issued by NAICOM for the Insurance sector remains an essential characteristic of its culture. We confirm that as at the year ended 31 December 2020 the Company has complied in all material respects with the principles set out in the Nigerian Code of Corporate Governance and the NAICOM Code of Good Corporate Governance.

Whistle blowing
In line with the Nigerian Code of Corporate Governance on whistle blowing, the Company has a whistle blowing policy (policy) which has been approved by the Board .The Board supports the implementation of the policy which actively encourages the Company's employees and other stakeholders to report any unlawful, irregular or unethical conduct that is observed through the requisite whistle blowing channels through confidential or anonymous disclosures. A whistle blower may choose to reveal his or her identity when a report or disclosure is made , and the Company will respect and protect the confidentiality and identity of the whistle blower. A whistle-blower may also choose not to reveal his or her identity when reporting or disclosing any unlawful or unethical conduct and such report could be made through the Company's whistle blowing channels.

The dedicated whistle blowing channels are +234 1 2717739 or 01 4227777; anti-fraud@stanbicibtc.com or fraud@kpmg.co.za and are managed by an independent third party.

Whistle blowing disclosures are treated in confidence and the Company does not subject whistle blowers to any detriment, reprisals etc in relation to disclosures made in line with the policy.

Disclosure on diversity in employment

The Stanbic IBTC group is an equal opportunity employer that is committed to maintaining a positive work environment that facilitates high level of professional efficiency at all times. The group's policy prohibits discrimination of gender, disabled persons or persons with HIV in the recruitment, training and career development of its employees.

i) Persons with disability:

The Stanbic IBTC group continues to maintain a policy of giving fair consideration to applications for employment made by disabled persons with due regard to their abilities and aptitude.

Succession planning policy
The Stanbic IBTC group has a talent and succession policy. Succession management is a proactive approach to ensure that talent is available, in critical roles, at various levels, when needed, to drive organisational sustainability, in line with Stanbic IBTC's value of 'growing our people', it creates a culture that promotes the ongoing development of talent.

Corporate Governance report (continued)
For the period ended 31 December 2020

ii) Gender diversity within the Company

The Company's policy governing the selection, suitability assessment and succession of directors promotes diversity within the board, including diversity of gender, culture, experience and knowledge. Our policy promotes a selection of directors that includes female board members to have a balanced presence of women and men. As of 31 December 2020, women currently comprise 25% of the board.

	December 2020		December 2019	
	Workforce	**% of gender composition**	**Workforce**	**% of gender composition**
Total workforce:				
Women	11	55%	9	47%
Men	9	45%	10	53%
	20	**100%**	19	**100%**
Recruitments made during the period:				
Women	4	67%	1	50%
Men	2	33%	1	50%
	6	**100%**	2	**100%**
Diversity of members of board of directors - *Number of Board members*				
Women	2	25%	1	10%
Men	6	75%	7	90%
	8	**100%**	8	**100%**
Diversity of board executives - *Number of Executive directors to Chief Executive Officer*				
Women	1	50%	-	0%
Men	1	50%	1	100%
	2	**100%**	1	**100%**
Diversity of senior management team - *Number of Assistant General Manager to General Manager*				
Women	-	0%	-	0%
Men	1	100%	1	100%
	1	**100%**	1	**100%**

Certification by the Company Secretary

In terms of the Companies and Allied Matters Act ("the Act"), I certify that the Company has lodged with the Corporate Affairs Commission all such returns for the year ended 31 December 2020 as are required by the Act, and that all such returns are true, correct and up to date.

Ese Nkadi

(FRC/2017/NBA/00000017307)

Company Secretary

Lagos, Nigeria

09-Apr-2021

Statement of Directors' Responsibilities in Relation to the Financial Statements for year ended 31 December 2020

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

The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act 2020, Laws of the Federation of Nigeria, the Insurance Act 2003 and relevant National Insurance Commission ("NAICOM") and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Anselem Igbo
Chief Executive
(FRC/2016/CIIN/00000014749)
09-Apr-2021

Olu Delano
Chairman
(FRC/2021/003/00000023099)
09-Apr-2021

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KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Stanbic IBTC Insurance Brokers Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Stanbic IBTC Insurance Brokers Limited ("the Company"), which comprise:

- the statement of financial position as at 31 December, 2020;
- the statement of other comprehensive income;
- the statement of changes in equity;
- the statement of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December, 2020, 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 (CAMA), 2020, the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission ("NAICOM") Circulars.

Basis for Opinion

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

Other Information

The Directors are responsible for the other information. The other information comprises the Directors' Report, Corporate Governance Report, Certification by the Company Secretary, Statement of Directors' responsibilities and Other National Disclosures but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Akinyemi Ashade
FRC/2013/ICAN/00000000786
For: KPMG Professional Services
Chartered Accountants
13 April 2021
Lagos, Nigeria

Accounting policies

1. Reporting Entity

Stanbic IBTC Insurance Brokers Limited was incorporated in Nigeria under the Companies and Allied Matters Act Cap C.20, Laws of Federation of Nigeria, 2020 (CAMA) as a limited liability company on 29 December 2014 and commenced operations in February 2016. The Company is domiciled in Nigeria and is a subsidiary of Stanbic IBTC Holdings PLC. The principal activities of the Company include provision of solution-based risk management and insurance intermediary services aimed at the total satisfaction of clients and other interested business establishments. Stanbic IBTC Insurance Brokers Limited also delivers creative risk management solutions that enable clients create, protect and preserve wealth.

2. Basis of preparation and statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS). Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the last annual financial statements as at and for the year ended 31 December 2019.

These financial statements comply with the Companies and Allied Matters Act (CAMA) 2020 of Nigeria and the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission ("NAICOM").

IFRS comprises International Financial Reporting Standards, International Accounting Standards and Interpretations originated by the International Financial Reporting Interpretations Committee (IFRIC).

The financial statements have been prepared on a historical cost basis, except for the following in the statement of financial position:

• financial instruments at fair value through profit or loss are measured at fair value.

The Company applies accrual accounting for recognition of its income and expenses except for brokerage income which is recognised on Cash basis in line Section 50(1) of the insurance Act 2003.

Historical cost is generally based on the fair value of the consideration given in exchange for assets or liabilities assumed on initial recognition.

The financial statements were authorised for issue by the Directors on 09 April 2021.

3. Functional and presentation currency

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

4. Use of judgements and estimates

In preparing the financial statements, the Company makes judgement, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses within the current and subsequent financial years. Actual results may differ from these estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are recognised prospectively.

a) Judgements

In the process of applying the Company's accounting policies, management has not made any critical judgements that have a significant effect on the amounts recognised in the financial statements.

b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 December 2020 is included in the following notes:
•• Note 10 – Employee benefit provisions;
•• Note 2 (c)– recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used.

c) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

d) Regulatory requirements

Stanbic IBTC Insurance Brokers Limited is regulated by the National Insurance Commission, NAICOM, and all regulatory requirements and guidelines of the Commission are operative. These regulatory requirements, are a rigid observance of the 'no premium, no cover' regulations.

5. Changes in accounting policies

The accounting policies are consistent with those reported in the previous year except as required in terms of the adoption of the following amendments effective for the current period:

Annual improvements 2015-2017 cycle: The IASB has issued various amendments and clarifications to existing IFRS.

The above mentioned amendments and interpretation to the IFRS standards, adopted on 1 January 2020, did not affect the company's previously reported financial results, disclosures and did not impact the company's results upon transition.

Amendments to IFRS 3 (Definition of Business): This amendment provides more guidance on the definition of a business. The amendments will be applied retrospectively. The amendment is not expected to have a significant impact on the interim financial statements.

Amendments to IAS 39, IFRS 9 and IFRS 7 (Interest Rate Benchmark Reform): This amendment seek to address uncertainties related to the market-wide reform of interbank offered rates (IBOR reform). The amendments provide targeted relief for financial instruments qualifying for hedge accounting under IAS 39 or IFRS 9. They are effective for annual periods beginning on or after 1 January 2020 . The impact on the interim financial statements not expected to be significant.

Amendments to IAS 1 and IAS 8 (Definition of Material): This amendment provides more guidance on the definition of a materiality. The purpose of the amendment is to end the 'checklist' mentality by encouraging companies to use greater judgement. The amendments will be applied retrospectively. The amendment is not expected to have a significant impact on the interim financial statements.

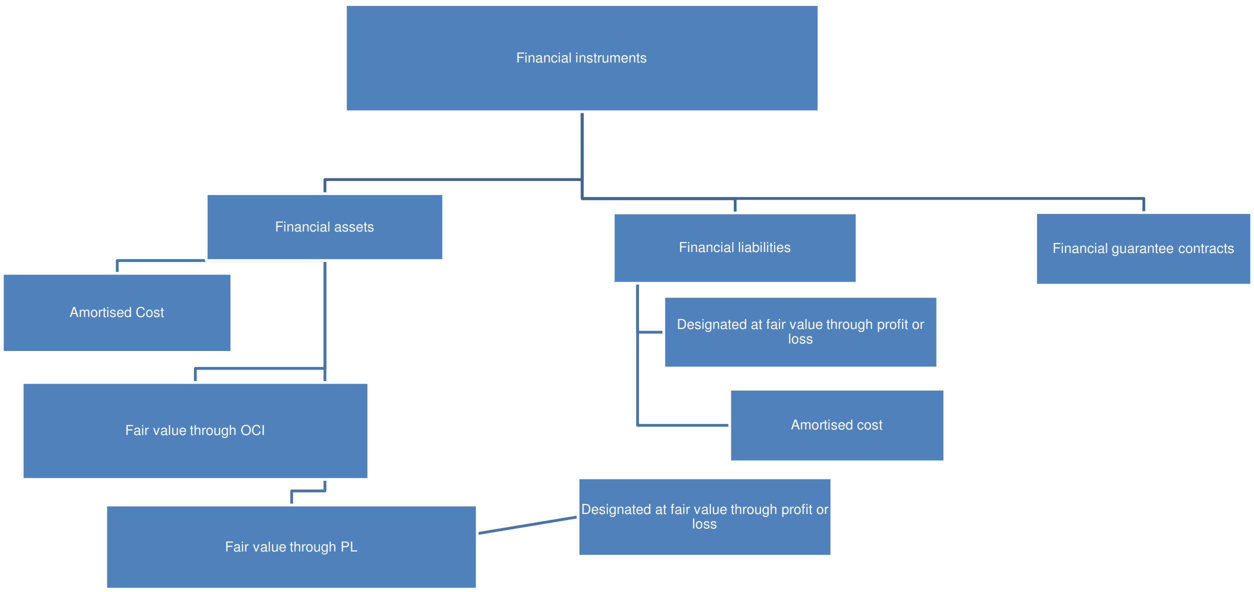
The above mentioned amendments and interpretation to the IFRS standards, adopted on 1 January 2020, did not affect the Company's previously reported financial results, disclosures or accounting policies and did not impact the company's results materially upon transition.

Accounting policies (cont'd)

6. Statement of significant accounting policies

Except for the changes explained in note 5, the Company has consistently applied the following accounting policies to all periods presented in these financial statements.

a) Financial instruments



Recognition and initial measurement – financial instruments

All financial instruments are measured initially at fair value plus directly attributable transaction costs and fees, except for those financial instruments that are subsequently measured at fair value through profit or loss where such transaction costs and fees are immediately recognised in profit or loss. Financial instruments are recognised (derecognised) on the date the Company commits to purchase (sell) the instruments (trade date accounting).

Financial assets

Amortised cost	A debt instrument that meets both of the following conditions (other than those designated at fair value through profit or loss): • held within a business model whose objective is to hold the debt instrument (financial asset) in order to collect contractual cash flows; and • The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment includes determining the objective of holding the asset and whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are not considered de minimis and are inconsistent with a basis lending arrangement, the financial asset is classified as fair value through profit or loss – default.
Fair value through OCI	Includes: • A debt instrument that meets both of the following conditions (other than those designated at fair value through profit or loss): — held within a business model in which the debt instrument (financial asset) is managed to both collect contractual cash flows and sell financial assets; and — The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment includes determining the objective of holding the asset and whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are not considered de minimis and are inconsistent with a basis lending arrangement, the financial asset is classified as fair value through profit or loss – default. • Equity financial assets which are not held for trading and are irrevocably elected (on an instrument-by-instrument basis) to be presented at fair value through OCI.
Held for trading	Those financial assets acquired principally for the purpose of selling in the near term, those that form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.
Designated at fair value through profit or loss	Financial assets are designated to be measured at fair value in the following instances: - to eliminate or significantly reduce an accounting mismatch that would otherwise arise - where the financial assets are managed and their performance evaluated and reported on a fair value basis - where the financial asset contains one or more embedded derivatives that significantly modify the financial asset's cash flows.
Fair value through profit or loss default	Financial assets that are not classified into one of the above-mentioned financial asset categories.

Accounting policies (cont'd)

Subsequent measurement

Subsequent to initial measurement, financial assets are classified in their respective categories and measured at either amortised cost or fair value as follows:

Amortised cost	Amortised cost using the effective interest method with interest recognised in interest income, less any impairment losses which are recognised as part of credit impairment charges. Directly attributable transaction costs and fees received are capitalised and amortised through interest income as part of the effective interest rate.
Fair value through OCI	Debt instrument: Fair value, with gains and losses recognised directly in the fair value through OCI reserve. When a debt financial asset is disposed of, the cumulative fair value adjustments, previously recognised in OCI, are reclassified to the other gains and losses on financial instruments within non-interest revenue. Interest income on debt financial asset is recognised in interest income in terms of the effective interest rate method. Dividends received are recognised in interest income within profit or loss. Equity instrument: Fair value, with gains and losses recognised directly in the fair value through OCI reserve. When equity financial assets are disposed of, the cumulative fair value adjustments in OCI are reclassified within reserves to retained income. Dividends received on equity instruments are recognised in other revenue within non-interest income.
Held-for-trading	Fair value, with gains and losses arising from changes in fair value) (including interest and dividends) recognised in trading revenue.
Designated at fair value through profit or loss	Fair value gains and losses (including interest and dividends) on the financial asset are recognised in the income statement as part of other gains and losses on financial instruments within non-interest revenue.
Fair value through profit or loss default	Fair value gains and losses (including interest and dividends) on the financial asset are recognised in the income statement as part of other gains and losses on financial instruments within non-interest revenue.

Impairment

Expected credit losses (ECL) are recognised on debt financial assets classified as at either amortised cost or fair value through OCI, financial guarantee contracts that are not designated at fair value through profit or loss as well as loan commitments that are neither measured at fair value through profit or loss nor are used to provide a loan at a below market interest rate.

The measurement basis of the ECL of a financial asset includes assessing whether there has been a significant increase in credit risk (SICR) at the reporting date which includes forward-looking information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The measurement basis of the ECL, which is set out in the table that follows, is measured as the unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and forward looking information.

Stage 1	A 12-month ECL is calculated for financial assets which are neither credit-impaired on origination nor for which there has been a SICR.
Stage 2	A lifetime ECL allowance is calculated for financial assets that are assessed to have displayed a SICR since origination and are not considered low credit risk.
Stage 3	A lifetime ECL is calculated for financial assets that are assessed to be credit impaired. The following criteria are used in determining whether the financial asset is impaired: • default • significant financial difficulty of borrower and/or modification • probability of bankruptcy or financial reorganisation • disappearance of an active market due to financial difficulties.

Financial liabilities

Nature

Held for trading	Those financial liabilities incurred principally for the purpose of re-purchasing in the near term, those that form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.
Designated at fair value through profit or loss	Financial liabilities are designated to be measured at fair value in the following instances: - to eliminate or significantly reduce an accounting mismatch that would otherwise arise - where the financial liabilities are managed and their performance evaluated and reported on a fair value basis - where the financial liability contains one or more embedded derivatives that significantly modify the financial asset's cash flows.
At amortised cost	All other financial liabilities not included the above categories.

Accounting policies (cont'd)

Derecognition of financial assets and liabilities

Financial assets and liabilities are derecognised in the following instances:

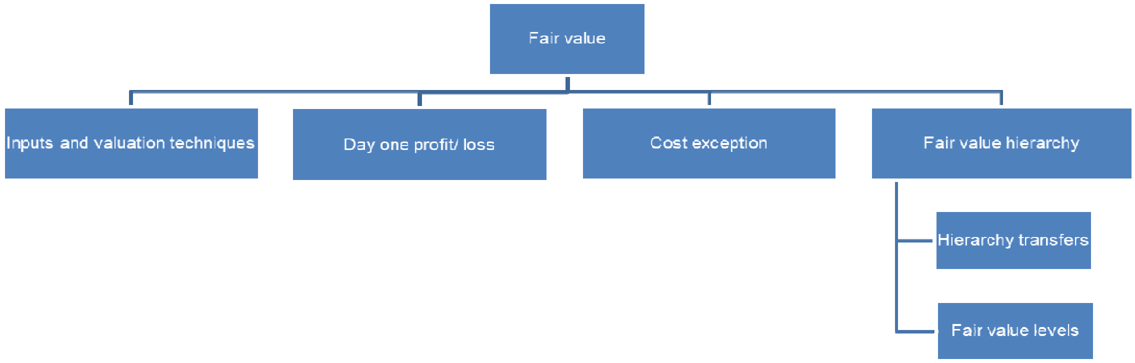
Financial assets	Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired, or where the Company has transferred its contractual rights to receive cash flows on the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or a portion of the risks or rewards of the transferred assets. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with the retention of all or substantially all risks and rewards include securities lending and repurchase agreements. In transfers where control over the asset is retained, the Company continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. From 1 January 2018 any cummulative gain/loss recognised in OCI in respect of equity investment securities designated at FVTOCI is not recognised in profit or loss on derecognition of such securities.
Financial liabilities	Financial liabilities are derecognised when the obligation of the financial liabilities are extinguished, that is, when the obligation is discharged, cancelled or expires.

Modification of financial assets and liabilities

Where an existing financial asset or liability is replaced by another with the same counterparty on substantially different terms, or the terms of an existing financial asset or liability are substantially modified, such an exchange or modification is treated as a derecognition of the original asset or liability and the recognition of a new asset or liability at fair value and recalculates a new effective interest rate, with the difference in the respective carrying amounts being recognised in other gains and losses on financial instruments within non-interest revenue. The date of recognition of a new asset is consequently considered to be the date of initial recognition for impairment calculation purposes.

If the terms are not substantially different for financial assets or financial liabilities, the Company recalculates the new gross carrying amount by discounting the modified cash flows of the financial asset or financial liability using the original effective interest rate. The difference between the new carrying gross carrying amount and the original gross carrying amount is recognised as a modification gain or loss within credit impairments (for distressed financial asset modifications) or gains and losses on financial instruments within non-interest revenue (for all other modifications).

Fair value



In terms of IFRS, the Company is either required to or elects to measure a number of its financial assets and financial liabilities at fair value. Regardless of the measurement basis, the fair value is required to be disclosed, with some exceptions, for all financial assets and financial liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market between market participants at the measurement date under current market conditions. Fair value is a market based measurement and uses the assumptions that market participants would use when pricing an asset or liability under current market conditions. When determining fair value it is presumed that the entity is a going concern and is not an amount that represents a forced transaction, involuntary liquidation or a distressed sale. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date.

Accounting policies (cont'd)

Inputs and valuation techniques

Fair value is measured based on quoted market prices or dealer price quotations for identical assets and liabilities that are traded in active markets, which can be accessed at the measurement date, and where those quoted prices represent fair value. If the market for an asset or liability is not active or the instrument is not quoted in an active market, the fair value is determined using other applicable valuation techniques that maximise the use of relevant observable inputs and minimises the use of unobservable inputs. These include the use of recent arm's length transactions, discounted cash flow analyses, pricing models and other valuation techniques commonly used by market participants.

Fair value measurements are categorised into level 1, 2 or 3 within the fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement.
Where discounted cash flow analyses are used, estimated future cash flows are based on management's best estimates and a market related discount rate at the reporting date for an asset or liability with similar terms and conditions.
If an asset or a liability measured at fair value has both a bid and an ask price, the price within the bid-ask spread that is most representative of fair value is used to measure fair value.

Day one profit or loss

For financial instruments, where the fair value of the financial instrument differs from the transaction price, the difference is commonly referred to as day one profit or loss. Day one profit or loss is recognised in profit or loss immediately where the fair value of the financial instrument is either evidenced by comparison with other observable current market transactions in the same instrument, or is determined using valuation models with only observable market data as inputs.

Day one profit or loss is deferred where the fair value of the financial instrument is not able to be evidenced by comparison with other observable current market transactions in the same instrument, or determined using valuation models that utilise non-observable market data as inputs.

The timing of the recognition of deferred day one profit or loss is determined individually depending on the nature of the instrument and availability of market observable inputs. It is either amortised over the life of the transaction, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Any difference between the fair value at initial recognition and the amount that would be determined at that date using a valuation technique in a situation in which the valuation is dependent on unobservable parameters is not recognised in profit or loss immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed.

Fair value hierarchy

The Company's financial instruments that are both carried at fair value and for which fair value is disclosed are categorised by level of fair value hierarchy. The different levels are based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement.

Hierarchy levels

The levels have been defined as follows:

Level 1	Fair value is based on quoted market prices (unadjusted) in active markets for an identical financial asset or liability. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
Level 2	Fair value is determined through valuation techniques based on observable inputs, either directly, such as quoted prices, or indirectly, such as those derived from quoted prices. This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Accounting policies (cont'd)

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

Hierarchy transfer policy

Transfers of financial assets and financial liabilities between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period during which the change occurred.

b) Foreign currency

Foreign currency transactions

Foreign currency transactions are translated into the functional currency of the Company at spot exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

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

c) Cash and cash equivalents

Cash and cash equivalents disclosed in the statement of financial position and statement of cash flows consist of cash on hand, balances with banks and other short-term, highly liquid, investments that are convertible to a known amount of cash with original maturities of three months or less from the acquisition date and which are subject to insignificant risk of changes in value and are assessed to be used or available for settlement of short term liabilities. In the statement of financial position, bank overdrafts are included in current liabilities. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

d) Right of Use Assets

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Company, as a lessee, has recognised right of use assets representing its rights to use the underlying assets. The Company has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019 and measured asset at an amount equal to the liability at transition date. Under IFRS 16, the Company recognises right of use assets for most leases - i.e. these leases are on-balance sheet. Right of use assets that do not meet the definition of investment property are presented separately on the Statement of Financial Position. For these finance lease, the carrying amount of the right-of-use asset as at 31 December 2018 were determined at the carrying amount of the lease asset under IAS 17

e) Property and equipment

Equipment, furniture, vehicles and other tangible assets are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where significant parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Costs that are subsequently incurred are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits will flow to the Company and the cost of the item can be measured reliably. Expenditure which does not meet these criteria is recognised in profit or loss as incurred. Depreciation, impairment losses and gains and losses on disposal of assets are included in profit or loss.

Property and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets to their residual values. Land is not depreciated. Leasehold buildings are depreciated over the shorter of expected useful life or lease period.

The assets' residual values, useful lives and the depreciation method applied are reviewed, and adjusted if appropriate, at each financial year end.

The estimated useful lives of tangible assets are typically as follows:
Computer equipment – 3 to 5 years
Motor vehicles – 4 years
Office equipment – 6 years
Furniture and fittings – 4 years

There has been no change to the estimated useful lives from those applied in the previous financial year.

f) Other receivables and prepayments
Other receivables are carried at amortised cost less any accumulated impairment losses. Prepayment services are recognised as payment is made and subsequently amortised on a straight-line basis over the tenor of service.

Accounting policies (cont'd)

g) Impairment of non-financial assets

Non-financial assets are reviewed for impairment at each reporting date and tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Fair value less costs to sell is determined by ascertaining the current market value of an asset and deducting any costs related to the realisation of the asset. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets that cannot be tested individually are grouped at the lowest levels for which there are separately identifiable cash inflows from continuing use (cash-generating units). Impairment losses recognised in respect of cash-generating units are allocated on a pro rata basis to reduce the carrying value of the assets of the unit.

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

h) Provisions, contingent assets and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract. Contingent assets are not recognised in the annual financial statements but are disclosed when, as a result of past events, it is highly likely that economic benefits will flow to the Company, but this will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the Company's control.

i) Employee benefits

Post-employment benefits

Defined contribution plan

The Company operates a defined contribution pension scheme in line with the provisions of the Pension Reform Act 2014, with contributions based on the sum of employees' basic salary, housing and transport allowance in the ratio 8% by the employee and 10% by the employer.

The Company's contribution to this scheme is charged to the profit and loss account in the period to which they relate. Contributions to the scheme are managed by pension managers on behalf of the beneficiary staff in line with the provisions of the Pension Reform Act, 2014.

Short term employee benefits

Short-term benefits consist of salaries, accumulated leave payments, bonuses and any non-monetary benefits such as medical aid contributions. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. The Company recognises a liability and an expense for bonuses. A liability is recognised for the amount expected to be paid under short-term cash bonus plans or accumulated leave if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The final bonus is subject to staff being in the employ of the Company on the date of payment.

Accounting policies (cont'd)

j) Tax

Income tax

Income tax includes current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination (relating to a measurement period adjustment where the carrying amount of the goodwill is greater than zero), or items recognised directly in equity or in other comprehensive income.

Current tax represents the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax is not recognised for the following temporary differences:

• the initial recognition of assets and liabilities in a transaction that is not a business combination, which affects neither accounting nor taxable profits or losses.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the asset or liability and is not discounted. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the unused tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current and deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Information technology levy

This represents 1% of profit before tax in accordance with the provisions of section 12 (2a) of the Nigerian Information Technology Development Agency Act (NITDA) 2007

Education tax

This represents 2% of assessable profit in accordance with the provision of the Tertiary Education Trust Fund (establishment, etc) Act, 2011.

Minimum tax

Nigerian tax laws mandates a minimum tax assessment for companies having no taxable profits for the year or where the tax on profits is below the minimum tax. Minimum tax is computed as 0.5% of turnover of the company.

Non-income tax

Non-income taxes, including non-recoverable value added tax (VAT) and other duties, are recognised in the income statement.

k) Equity

Share issue costs

Incremental external costs directly attributable to a transaction that increases or decreases equity are deducted from equity, net of related tax. All other share issue costs are expensed.

Distributions on ordinary shares

Distributions are recognised in equity in the period in which they are declared. Distributions declared after the reporting date is disclosed in the notes to the financial statements.

Clients Assets under custody

The company receives monies, premiums, claims, commission and recoveries (cash flows) from and on behalf of clients, insurers and reinsurers and vice versa. The company's operations of the clients account is in accordance with section 40 and 41 of the Insurance Act 2003.The Company recognized these cash flows received at cost and are disclosed in the financial statements as Clients' assets under custody. The Company is not expected to hold the funds for more than 30 days before remitting it to the relevant parties based on NAICOM directive.

Accounting policies (cont'd)

Dividends on ordinary shares

Dividends on ordinary shares are recognised as liabilities in the period when they are declared (ie the dividends are appropriately authorised and no longer at the discretion of the entity) and approved at the Shareholders' Annual General Meeting. Dividends for the year that are declared after the date of the statement of financial position are disclosed in the subsequent events note. Dividends proposed but not yet approved are disclosed in the financial statements in accordance with the requirements of the Company and Allied Matters Act.

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

l) Revenue and expenditure

Revenue recognition

Revenue is recognised at the fair value of consideration received or receivable.

Brokerage Commission

Brokerage Commission represents the invoiced value of brokerage services rendered based on agreements with insurance companies, and becomes receivable once the insurance policies are concluded between the insurance company and the policy holder. Income is recognised, net of VAT, as they become earned based on the tenure of underlying insurance policies.

Investment income

Investment income comprises realised and unrealised gains on investments, interest income and dividend income.

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income is recognised when the right to receive payment is established.

m) Expenditure

Expenses are recognised in profit or loss as they are incurred unless they create an asset from which future economic benefits will flow to the Company. An expected loss on a contract is recognised immediately in profit or loss.

Direct commission expense

Direct commission are expenses that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate. Commission arising from negotiating, or participating in the negotiation of, a transaction for a third party - such as the purchase or sale of insurance businesses - are recognized on completion of the underlying transaction.

Statement of financial position
as at 31 December

	Note	**2020** **₦'000**	2019 ₦'000
ASSETS			
Cash and cash equivalents	2	**123,375**	3,910
Investment securities - Fair value through Other Comprehensive Income	4	**675,458**	798,652
Trade and other receivables	5	**66,355**	48,119
Prepayments	6	**14,451**	8,727
Property and equipment	3 (b	**25,990**	27,142
Right of Use Asset	3 (c)	**19,922**	22,549
Deferred tax assets	17 (c)	**18,567**	17,041
Total assets		**944,118**	926,140
LIABILITIES AND EQUITY			
Liabilities			
Trade and other payables	7	**33,737**	57,704
Unearned income	23	**254,449**	180,266
Amounts due to group companies	8	**51,129**	71,388
Employee benefit accruals	10	**75,402**	71,634
Current tax liabilities	17 (b)	**120,072**	128,528
Deferred tax liabilities	17c	**-**	**-**
Total liabilities		**534,789**	509,520
Equity			
Share capital	9 (a)	**20,000**	20,000
Reserves		**389,329**	396,620
Total equity		**409,329**	416,620
Total liabilities and equity		**944,118**	926,140

These financial statements were approved by the Board of Directors on 10 February 2021 and signed on its behalf by:

Anselem Igbo
Chief Executive
(FRC/2016/CIIN/00000014749)

Olu Delano
Chairman
(FRC/2021/003/00000023099)

Additionally certified by:

Ayebatonye Gbadebo
Chief Financial Officer
(FRC/2018/ICAN/00000017752)

'The accounting policies and accompanying notes form an integral part of these financial statements'

Statement of profit or loss and other comprehensive income
for the year ended 31 December

	Note	2020 ₦'000	2019 ₦'000
Revenue		**905,109**	969,405
Brokerage Commission	11	**855,879**	870,343
Investment income	12	**49,386**	99,265
Other income	13 (a)	**30**	43
Unrealised Exchange loss	13 (b)	**(186)**	(246)
Income before credit impairment charges		**905,109**	969,405
Impairment charges on financial assets	14	**(939)**	(190)
Income after credit impairment charges		**904,170**	969,215
Expenses		**(536,327)**	**(539,475)**
Staff costs	15	**(325,404)**	(281,282)
Depreciation	16 (a)	**(9,890)**	(9,494)
Amortisation of right of use assets	16 (b)	**(16,100)**	(22,031)
Audit fees	16 (c)	**(5,330)**	(5,300)
Other operating expenses	16 (c)	**(179,603)**	(221,368)
Profit before tax		**367,843**	429,740
Tax expense	17 (a)	**(118,285)**	(132,851)
Profit after tax		**249,558**	296,889
Other Comprehensive Income			
Other Comprehensive Income - Items that are or may be reclassified to profit or loss Account			
Financial assets - net change in fair value		**(4,492)**	**5,623**
Total comprehensive income for the year		**245,066**	**302,512**
Appropriation of profit after tax			
Transfer to retained earnings		**249,558**	296,889
		249,558	296,889

'The accounting policies and accompanying notes form an integral part of these financial statements'

Statement of changes in equity
for the year ended 31 December

	Share capital	Reserves		Total reserves	Total
		Retained earnings	Fair value through OCI reserve		
	₦'000	₦'000	₦'000	₦'000	₦'000
Balance as at 1 January 2020	**20,000**	**390,656**	**5,964**	**396,620**	**416,620**
Total comprehensive income for the year:					
Profit for the year	-	**249,558**	**-**	**249,558**	**249,558**
Other comprehensive income, net of tax	-		**(4,492)**	**(4,492)**	**(4,492)**
Transaction with Owners of the Company:					
Dividend paid	-	**(252,357)**	**-**	**(252,357)**	**(252,357)**
Balance as at 31 December 2020	**20,000**	**387,857**	**1,472**	**389,329**	**409,329**
Balance as at 01 January 2019	20,000	249,581	342	249,923	269,923
Total comprehensive income for the year:					
Profit for the year	-	296,890		296,890	296,890
Other comprehensive income, net of tax	-		5,622	5,622	5,622
Transaction with Owners of the Company:					
Dividend paid	-	(155,815)	-	(155,815)	(155,815)
Balance as at 31 December 2019	20,000	390,656	5,964	396,620	416,620

'The accounting policies and accompanying notes form an integral part of these financial statements'

Statement of cash flows
for the year ended 31 December

	Note	2020 ₦'000	2019 ₦'000
Net cash flow from operating activities		**295,977**	**166,716**
Cash flows from operations		**286,212**	**358,434**
Profit before tax		**367,843**	429,741
Profit after tax		**249,558**	296,890
Add: Tax expense	17 (a)	**118,285**	132,851
Adjusted for:		**(24,365)**	(62,160)
Depreciation	16 (a)	**9,890**	9,494
Amortisation of right of use assets	16 (b)	**16,100**	22,031
Interest income	12	**(49,386)**	(99,265)
Gain on disposal of property and equipment	13	**(30)**	(43)
Net changes in FVTOCI reserve	14	**(939)**	5,623
Interest received	20.3	**49,386**	78,603
Company Income Tax paid	17 (b)	**(106,652)**	(87,750)
Changes in working capital			
Changes in Trade and other receivables	20.1	**(23,960)**	(12,628)
Changes in Trade and other payables	20.1	**33,725**	(179,090)
Net cash flow used in investing activities		**75,844**	**(310,360)**
Purchase of property and equipment	3	**(8,737)**	(23,047)
Purchase of rights of use assets	3c	**(13,473)**	-
Proceeds from/ (purchase of) investments	20.2	**98,024**	(287,356)
Proceeds from sale of property and equipment		**30**	**43**
Net cash flow from financing activities		**(252,357)**	(155,815)
Dividend (paid)		**(252,357)**	(155,815)
Increase /(decrease) in cash and cash equivalents		**119,465**	**(299,459)**
Cash and cash equivalents at beginning of year		**3,910**	303,369
Cash and cash equivalents at end of year	2	**123,375**	3,910

'The accounting policies and accompanying notes form an integral part of these financial statements'

Notes to the financial statements

1 Financial risk management

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

- Market risk
- Liquidity risk
- Credit risk
- Foreign exchange risk

1.1 Market risk

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

1.1.1 Interest rate risk

This is the risk that the market value of a financial instrument will fluctuate due to changes in market interest rates. It is also the risk that result from the inability to reinvest cashflows and maturing investments at rates similar to the matured investments.

As at year-end, the Company was exposed to interest rate risk primarily because of the exposures presented below:

	Note	Carrying value ₦'000	Exposed to cash flow ₦'000
31-Dec-20			
Cash and cash equivalents	2	**123,375**	**-**
Investment securities	4	**675,458**	**675,458**
Total		**798,833**	**675,458**
31-Dec-19			
Cash and cash equivalents	2	3,910	-
Investment securities	4	798,652	798,652
Total		802,562	798,652

1.1.2 Market price risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk). The investments held by the Company are subject to normal market fluctuations and the risks inherent in investment in financial markets. The fair value of investment securities held by the Company as at 31 December 2020 was ₦675 million (2019: ₦794 million).

The Finance Department is responsible for the Company's investment portfolio. The department ensures strict adherence to the Company's investment policy and works in conjunction with the investment management and risk departments to manage this exposure by analysing current market realities for appropriate decisions by the management.

Valuation of the Company's Investments held at Fair Value through Other Comprehensive Income (FVTOCI)

Description	**Maturity Value**	**Marked to Market Value**	**Fair Value Gain/(Loss)**
	₦'000	**₦'000**	**₦'000**
FGN Bonds	-	-	-
State Government Bonds	-	-	-
Treasury bills	-	-	-
Investment in Mutual Funds	675,458	675,458	-
Total	**675,458**	675,458	**-**

1.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial asset. The Company's approach, to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the residual contractual maturities of financial assets and liabilities at the reporting date. The amounts are gross and undiscounted.

31-Dec-20	Note	Carrying amount ₦'000	Gross nominal inflow/(outflow) ₦'000	Less than 3 months ₦'000	3 - 6 months ₦'000	6 - 12 months ₦'000	Over 1 year ₦'000
ASSETS							
Cash and cash equivalents	2	**123,375**	**123,375**	123,375	-	-	-
Trade and other receivables	5	**66,355**	**66,355**	66,355	-	-	-
Investment securities	4	**675,458**	**675,458**	675,458	-	-	-
		865,188	**865,188**	**865,188**	**-**	**-**	**-**
LIABILITIES							
Trade and other payables (Less unearned income, WHT and VAT payables)	7	**(23,001)**	**(17,303)**	-	(17,303)	-	-
Amount due to group companies	8	**(51,129)**	**(51,129)**	-	(51,129)	-	-
		(74,130)	**(68,432)**	**-**	**(68,432)**	**-**	**-**

31-Dec-19	Note	Carrying amount ₦'000	Gross nominal inflow/(outflow) ₦'000	Less than 3 months ₦'000	3 - 6 months ₦'000	6 - 12 months ₦'000	Over 1 year ₦'000
ASSETS							
Cash and cash equivalents	2	3,910	3,910	3,910	-	-	-
Trade and other receivables	5	48,119	48,119	48,119	-	-	-
Investment securities	4	798,652	798,652	798,652	-	-	-
		850,681	850,681	850,681	-	-	-
LIABILITIES							
Trade and other payables (Less unearned income, WHT and VAT payables)	7	(52,504)	(52,504)	-	(52,504)	-	-
Amount due to group companies	8	(71,388)	(71,388)	-	(71,388)	-	-
		(123,892)	(123,892)	-	(123,892)	-	-

The outflows disclosed in the above table represent the contractual undiscounted cash flows relating to the Company's financial assets and liabilities. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

1.3 Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered with the SIIBL resulting in a financial loss to the Company. The Company is subject to credit risk from its holdings in bank, money market placements and short term notes. The Company manages its exposure to credit risk by placing money with investment grade banks and investing in securities with high credit quality. The prescription of maximum limits for exposure to a bank or a security helps ensure that exposures are diversified. In addition, counterparty risk is minimized for fixed income securities because the exchange of cash and securities are made simultaneously.

Exposure to credit risk

The carrying amount of financial asset represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows.

Analysis of credit risk exposure:	**Note**	**31-Dec-20**	31-Dec-19
		₦'000	₦'000
Cash and cash equivalents (less Cash in hand)	2	**123,375**	3,910
Investment securities (Mutual funds)	4	**675,458**	544,020
Trade and other receivables (less WHT recoverable)	5	**11,839**	1,331
		810,672	549,261

1.4 Sensitivities

Management applies a number of sensitivity tests to the earnings of the Company to better understand the exposure to and importance of each of the main drivers of profitability.

IFRS 7 requires management to report on the changes in the net income after tax and on equity following “reasonable possible” changes in each of the market risks to which the Company is exposed. The following market risk may however, impact the investment income of the Company:

• Interest rate risk (see analysis below)

A change in interest rate of money market investments results in a change in the yield on treasury bills. As at 31 December 2020, the Company has no treasury bill investments.

Increase in basis points

The table below also shows the impact on the Company's profit or loss if interest rates on financial assets had been increased or decreased by 100 basis points, with all other variables remaining constant:

	Note	**31-Dec-20**	31-Dec-19
		₦'000	₦'000
Cash and cash equivalents	2	**123,375**	3,910
Investment securities	4	**675,458**	798,652
		798,833	802,562
Increase in interest rate by 100 basis point (+1%)		**7,988**	8,026
Increase in interest rate by 100 basis point (-1%)		**(7,988)**	(8,026)

It should be noted that the sensitivity analysis for government securities has no tax impact.

Notes to the financial statements

1.5 Fair value of financial assets and financial liabilities

The table below sets out the carrying amounts and fair values of the Company's financial assets and financial liabilities as at:

31-Dec-20	**Note**	**Total** ₦'000	**Financial assets at fair value through OCI** ₦'000	**Amortized cost (assets)**	**Amortized cost (liabilities)** ₦'000	**Fair value** ₦'000
Cash and cash equivalents	2	**123,375**	-	123,375	**-**	**-**
Investment securities	4	**675,458**	675,458	**-**	**-**	**-**
Trade and other receivables (less WHT recoverable)	5	**11,842**	-	11,842	**-**	**-**
Total financial assets		**810,675**	**675,458**	**135,217**	**-**	**-**

	Note	**Total** ₦'000	**Financial assets at fair value through OCI** ₦'000	**Amortized cost (assets)**	**Amortized cost (liabilities)** ₦'000	**Fair value** ₦'000
Trade and other payables (Less unearned income, WHT and VAT payable)	7	**23,001**	**-**	**-**	**23,001**	**23,001**
Amounts due to group companies	8	**51,129**	-	-	**51,129**	**51,129**
Total financial liabilities		**74,130**	**-**	**-**	**74,130**	**74,130**

31-Dec-19	Note	Total ₦'000	Financial assets at fair value through OCI ₦'000	Amortized cost (assets)	Amortized cost (liabilities) ₦'000	Fair value ₦'000
Cash and cash equivalents	2	3,910	-	3,910	-	-
Investment securities	4	798,652	798,652	-	-	-
Trade and other receivables (less WHT recoverable)	5	1,331	-	1,331	-	-
Total financial assets		803,893	798,652	5,241	-	-

	Total	Note	Financial assets at fair value through OCI ₦'000	Amortized cost (assets) ₦'000	Amortized cost (liabilities) ₦'000	Fair value ₦'000
Trade and other payables (Less unearned income, WHT and VAT payable)	7	52,504	-	-	52,504	52,504
Amounts due to group companies	8	71,388	-	-	71,388	71,388
Total financial liabilities		123,892	-	-	123,892	123,892

Fair valuation mehods and assumptions

The fair values of financial instruments such as cash and cash equivalents, Trade and other receivables and Trade and other payables are not materially sensitive to shifts in market return rate because of the limited term to maturity of these instruments. As such, the carrying value of these financial assets and liabilities as at reporting date approximate their fair values.

1.6 Foreign exchange risk

Foreign exchange risk is the exposure of the Company's financial condition to adverse movements in exchange rates. The Company is exposed to the risk that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the fee income or expense of the Company denominated in currencies other than the Naira.

Exposure to foreign exchange risk

The following are the residual contractual maturities of financial assets at the reporting date. The amounts are gross and undiscounted.

31-Dec-20	**Note**	**Carrying amount ₦'000**	**Gross nominal inflow/(outflow) ₦'000**	**Less than 3 months ₦'000**
ASSETS				
Cash and cash equivalents	2	**314**	**314**	**314**
Trade and other receivables	**5**	**-**	**-**	**-**
		314	**314**	**314**

31-Dec-19	Note	Carrying amount ₦'000	Gross nominal inflow/(outflow) ₦'000	Less than 3 months ₦'000
ASSETS				
Cash and cash equivalents	2	1,836	1,836	1,836
Trade and other receivables	5	48	48	48
		1,884	1,884	1,884

	31-Dec-20 ₦'000	**31-Dec-19 ₦'000**
2. Cash and cash equivalents		
Cash at bank	123,375	3,910
Short term deposits	-	-
Total	**123,375**	3,910

Cash and cash equivalents are held in financial instruments of not more than three months tenor.

3. Property and Equipment

Summary	**31-Dec-20**			31-Dec-19		
	Cost ₦'000	**Accumulated depreciation ₦'000**	**Carrying cost ₦'000**	Cost ₦'000	Accumulated depreciation ₦'000	Carrying cost ₦'000
- Computer equipment	**31,526**	**(14,332)**	**17,194**	30,116	(8,730)	21,386
- Computer equipment - Work in progress	**4,424**	**-**	**4,424**	-	-	-
- Office equipment	**3,022**	**(573)**	**2,449**	1,609	(159)	1,450
- Motor vehicles	**7,747**	**(6,827)**	**920**	7,747	(5,084)	2,663
- Furniture and fittings	**2,873**	**(1,870)**	**1,003**	2,873	(1,229)	1,644
Total	**49,592**	**(23,602)**	**25,990**	42,345	(15,202)	27,142

Movement 2020	**31-Dec-19**				**31-Dec-20**
	Carrying cost ₦'000	**Additions** ₦'000	**Disposals net of accumulated depreciation** ₦'000	**Depreciation** ₦'000	**Carrying cost** ₦'000
- Computer equipment	**21,386**	**2,900**	**-**	**(7,092)**	**17,194**
- Computer equipment - Work in progress	**-**	**4,424**	**-**	**-**	**4,424**
- Office equipment	**1,450**	**1,413**	**-**	**(414)**	**2,449**
- Motor vehicles	**2,663**	**-**	**-**	**(1,743)**	**920**
- Furniture and fittings	**1,644**	**-**	**-**	**(641)**	**1,003**
Total	**27,142**	**8,737**	**-**	**(9,890)**	**25,990**

Notes to the financial statements

3 (b)

Movement 2019	31-Dec-18 Carrying cost	Additions	Disposals net of accumulated depreciation	Depreciation	31-Dec-19 Carrying cost
	₦'000	₦'000	₦'000	₦'000	₦'000
- Computer equipment	7,616	20,328	(16)	(6,542)	21,386
- Motor vehicles	130	1,459	-	(139)	1,450
- Furniture and fittings	4,406	-	-	(1,743)	2,663
- Office equipment	1,454	1,260	-	(1,070)	1,644
Total	13,606	23,047	(16)	(9,494)	27,142

3 (c). Right of Use Asset

	ROU Building Leases	**Total**
	₦'000	**₦'000**
(i) Cost		
Balance at 1 January 2020	**44,580**	**44,580**
Additions	**13,473**	**13,473**
Disposals/ expensed	**-**	**-**
Impairments	**-**	**-**
Transfers/ reclassifications	**-**	**-**
Balance at 31 December 2020	**58,053**	**58,053**
(ii) Accumulated depreciation		
Balance at 1 January 2020	**(22,031)**	**(22,031)**
Charge for the period	**(16,100)**	**(16,100)**
Disposals	**-**	**-**
Expense/ write-off	**-**	**-**
Balance at 31 December 2020	**(38,131)**	**(38,131)**
Net book value:		
31 December 2020	**19,922**	**19,922**

	ROU Building Leases	**Total**
	₦'000	**₦'000**
(i) Cost		
Balance at 1 January 2019 - Transition Adjustment	**44,580**	**44,580**
Additions	**-**	**-**
Disposals/ expensed	**-**	**-**
Impairments	**-**	**-**
Transfers/ reclassifications	**-**	**-**
Balance at 31 December 2019	**44,580**	**44,580**
(ii) Accumulated depreciation		
Balance at 1 January 2019	**-**	**-**
Charge for the period	**(22,031)**	**(22,031)**
Disposals	**-**	**-**
Expense/ write-off	**-**	**-**
Balance at 31 December 2019	**(22,031)**	**(22,031)**
Net book value:		
31 December 2019	**22,549**	**22,549**

The Company has, as permitted by IFRS 16, elected not to restate its comparative financial statements. Therefore, comparability will not be achieved by the fact that the comparative financial information has been prepared on an IAS 17 basis. Refer to note 5(i) for more detail on the adoption of IFRS 16.

4. Investment securities

	31-Dec-20	31-Dec-19
	₦'000	₦'000
Fair Value through Other Comprehensive Income (FVTOCI)	**675,458**	798,652
Total	**675,458**	798,652

Notes to the financial statements

Fair Value through Other Comprehensive Income (FVTOCI)

Financial assets represent investments in mutual funds measured at fair value through Other Comprehensive Income (OCI). The unrealised gain or
An analysis of financial assets at fair value through OCI is as shown below:

	31-Dec-20 ₦'000	31-Dec-19 ₦'000
10.40% FGN Treasury Bills Jan 2020	-	229,422
11.55% FGN Treasury Bills Apr 2020	-	314,598
Investment in Mutual Funds (see (a) below)	675,458	254,632
	675,458	798,652

a) Investment in Mutual Funds	**31-Dec-20 ₦'000**	31-Dec-19 ₦'000
Stanbic IBTC Absolute Return Portfolio	**-**	84,722
Stanbic IBTC Money Market Fund	**675,458**	169,910
	675,458	254,632

	31-Dec-20 ₦'000	31-Dec-19 ₦'000
Maturity analysis		
The maturities represent periods to redemption of the financial assets:		
Less than 1 year (Current)	**675,458**	254,632
Total	**675,458**	254,632

Financial assets analysis (mutual funds)

Mutual Funds reconciliation for the year ended 2020	
Opening Balance (B/F)	**254,632**
Additions during the year	989,200
Redemptions/Maturities during the year	(605,400)
	638,432
Fair Value Gains/Losses (Interests):	
Mutual funds	37,026
Balance As At 31 December 2020	**675,458**

Fair value hierarchy

The table below analyses financial instruments carried at fair value. The different levels have been defined as follows:

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

	Level 1	**Level 2**	**Level 3**
	₦'000	**₦'000**	₦'000
31-Dec-20			
Financial assets at fair value through OCI	**675,458**	**-**	-
Total	**675,458**	**-**	-
31-Dec-19			
Financial assets at fair value through OCI	544,020	254,632	-
Total	544,020	254,632	-

5. Trade and other receivables

Amounts receivable due to services provided	**11,842**	1,331
WHT recoverable	**54,516**	46,788
	66,358	48,119
Impairment allowance (see (a) below)	**(3)**	-
Total	**66,355**	48,119

The directors consider the carrying amount of Trade and other receivables to approximate their fair value. Trade and other receivables were not considered to be impaired at the end of the reporting period. The ageing of Trade and other receivables at the reporting date was:

	31-Dec-20	31-Dec-19
	₦'000	₦'000
Not past due	**13,242**	4,872
Past due 0-30 days	**3,099**	2,366
Past due 31-365 days	**26,203**	25,952
Above 365 days^	**23,587**	14,794
Total	**66,132**	47,985
Current	**42,545**	33,191
Non-current^	**23,587**	14,794
Total	**66,132**	47,985

^ This relates to Withholding Tax recoverable, for which credit notes have been recovered subsequent to the reporting date.

a. The movement in impairment allowance on trade receivables is analysed below:

	31-Dec-20	31-Dec-19
	₦'000	₦'000
At 1 January	**-**	-
Reversal/(Allowance made) during the year (see note 14)	**(3)**	-
At 31 December	**(3)**	-

Notes to the financial statements

6. Prepayments

Other prepayments	**13,941**	7,687
Prepaid staff benefits**	**510**	1,040
Total	**14,451**	8,727

**The underlying assets of the prepaid staff benefits are status vehicles and equipment acquired for managerial staff which are being amortised by the Company on a monthly basis. The make-up of this balance is as follows:

	31-Dec-20	31-Dec-19
	₦'000	₦'000
Cost of vehicles	2,173	9,173
Amortization	(1,662)	(8,133)
Net carrying amount	510	1,041

	31-Dec-20	31-Dec-19
	₦'000	₦'000
7. Trade and other payables		
Sundry Creditors	**5,058**	1,917
Auditors fees provision	**5,698**	6,065
Accruals and provisions	**12,245**	44,522
Unearned income*		
Withholding tax payable	**484**	406
Value Added tax payable	**10,252**	4,794
Total	**33,737**	57,704
Current	**33,737**	57,704
Non-current	**-**	180,266
Total	**33,737**	237,970

Notes to the financial statements

The directors consider the carrying amount of Trade and other payables to approximate their fair values.

8. Amounts due to group companies	**31-Dec-20**	31-Dec-19
	₦'000	₦'000
Stanbic IBTC Asset Management Limited	**21,511**	29,193
Stanbic IBTC Holdings PLC	**25,019**	42,196
Stanbic IBTC Pension Managers Limited	**4,599**	-
	51,129	71,389
Current	**51,129**	71,389
Non-current	**-**	-
Total	**51,129**	71,389

The amounts due to group companies were management fees of 5% of Profit before Tax (PBT) as agreed and documented with Stanbic IBTC Asset Management Limited and Stanbic IBTC Holdings Plc. The amount stated in favor of Stanbic IBTC Pension Managers Limited represents reimbursible expenses incurred on behalf of the Company during the period.

The Directors consider the carrying value of amounts due to group companies to approximate their fair values.

9. Share capital and reserves	**31-Dec-20**	31-Dec-19
	₦'000	₦'000
9 (a). Share capital		
Balance at 1 January	**20,000**	20,000
Balance at 31 December	**20,000**	20,000

9 (b). Fair value through other comprehensive income (FVOCI) reserves

Unrealised gains or losses arising from changes in financial assets at fair value through OCI are recognised in the FVOCI reserve until the financial assets are derecognised or impaired.

10. Retirement benefit obligations

The amount contributed by the Company and remitted to the Retirement Savings Accounts of employees during the year was ₦8.67 million (2019: ₦7.35 million (see note 15)). There were no outstanding obligations as at year end.

The Company's contribution to this scheme is recognized in profit or loss in the period to which they relate. Contributions to the scheme are managed by appointed pension managers on behalf of the beneficiary staff in line with the provisions of the Pension Reform Act. Consequently, the Company has no legal or constructive obligations to pay further contributions if the funds do not hold sufficient assets to meet the related obligations to employees.

Employee benefit accruals	31-Dec-20 ₦'000	31-Dec-19 ₦'000
Accrued leave pay (see (a) below)	**608**	396
Staff incentive scheme (see (b) below)	**74,794**	71,238
Deferred bonus scheme (see (c) below)	**-**	-
Employee benefit accruals	**75,402**	71,634

(b) Staff incentive scheme

The Company operates a staff incentive scheme whereby eligible employees receive an annual bonus, payable at the discretion of management. The incentive bonus is related to employee and Company performance. It is accrued each month and the payment is approved by the Board. The movement in staff incentive scheme accrual was as follows:

Staff incentive scheme	31-Dec-20 ₦'000	31-Dec-19 ₦'000
At the beginning of the year	**71,238**	63,517
Additional accrual in the year (see note 15)	**76,015**	67,737
Payment during the year	**(72,459)**	(60,016)
At end of year	**74,794**	71,238

(c) Deferred bonus scheme

It is essential for the Group to retain key skills over the longer term. This is done particularly through share-based incentive plans. The purpose of these plans is to align the interests of the Group, its subsidiaries and employees, as well as to attract and retain skilled, competent people.

The Group implemented this scheme to defer a portion of incentive bonuses over a minimum threshold for key management and executives. This improves the alignment of shareholder and management interests by creating a closer linkage between risk and reward, and also facilitates retention of key employees.

All employees, who are awarded short-term incentives over a certain threshold, are subject to a mandatory deferral of a percentage of their cash incentive into the deferred bonus scheme (DBS). The award is indexed to the group's share price and accrues notional dividends during the vesting period, which are payable on vesting. The awards vest in three equal amounts at 18 months, 30 months and 42 months from the date of award, conditional on continued employment at that time. The final payment of the deferred bonus is calculated with reference to the Standard Bank Group share price at payment date. Variables on thresholds and additional increments in the DBS are subject to annual review, and may differ from one performance year to the next.

The provision under the scheme was nil as at 31 December 2020 (2019: nil).

	31-Dec-20 ₦'000	31-Dec-19 ₦'000
At the beginning of the year	**-**	387
Additional accrual in the year	**726**	26
Payment during the year	**(726)**	(413)
At end of year	**-**	-

Notes to the financial statements

	31-Dec-20	31-Dec-19
	₦'000	₦'000
11. Brokerage Commission		
Commission income earned	**263,459**	381,691
Comm earned on deferred income from	**307,526**	229,131
Commission on Annuity	**284,894**	259,522
	855,879	870,343
11a. Opening VAT payable/ (recoverable)	**4,794**	3,181
VAT on Brokerage fees @ 7.5%	**42,794**	43,517
VAT remitted during the year	**(37,336)**	(41,904)
Closing VAT payable/ (recoverable) (see note 7)	**10,252**	4,794

12. Investment income

Interest income on investment securities	**47,374**	95,048
Interest income on cash and cash equivalents	**2,012**	4,217
	49,386	99,265

13 (a). Other income

Sundry income	**-**	(28)
Gain on disposal of property and equipment	**30**	43
	30	**15**

13 (b). Unrealised FX Loss**	**(186)**	**(218)**

**Unrealised FX loss relates to revaluation loss on foreign exchange denominated transactions.

14. Impairment losses on financial assets

Impairment charges – Treasury bills	**17**	(24)
Impairment allowance raised for trade receivables (see note 5)	**(3)**	-
Impairment charges – Mutual fund investments	**(953)**	(166)
	(939)	(190)

15. Staff costs

Salaries	**196,594**	164,486
Executive compensation*	**42,812**	41,100
Provision for staff incentive scheme (see note 10b)	**76,015**	67,737
Contributions to retirement benefit costs (see note 10)	**8,675**	7,351
Share based payments expense (see note 10c)	**726**	**26**
Addition to provision for leave pay (see note 10a)	**582**	582
Total	**325,404**	281,282
*The highest paid director	42,812	41,100
Average number of people employed	**22**	17

The number of employees of the Company (excluding executive directors) who received emoluments in the following ranges was:

	31-Dec-20	31-Dec-19
₦2,000,000 – ₦3,000,000	1	1
₦3,000,000 – ₦4,000,000	4	4
₦4,000,000 – ₦5,000,000	0	0
₦5,000,000 – ₦6,000,000	6	5
₦6,000,000 – ₦7,000,000	0	0
₦7,000,000 – ₦8,000,000	2	3
₦8,000,000 – ₦9,000,000	3	0
₦9,000,000 and above	6	4
	22	17

Notes to the financial statements

	31-Dec-20 ₦'000	31-Dec-19 ₦'000
16 (a). Depreciation	**9,890**	9,494
- Computer equipment	**7,092**	6,542
- Motor vehicles	**1,743**	1,743
- Furniture and fittings	**641**	1,070
- Office Equipment	**414**	139
16 (b). Amortisation of right of use assets	**16,100**	22,031
- Right of use assets	**16,100**	22,031
16 (c). Other operating expenses	**184,933**	226,668
Professional fees	**2,985**	4,367
Audit Fees	**5,330**	5,300
Non-Executive Directors' emoluments	**5,598**	5,760
Management fees to Stanbic IBTC Holdings PLC (see note 19)	**20,000**	25,395
Management fees to Stanbic IBTC Asset Management Limited (see note 19)	**17,471**	23,198
Rent	**928**	980
Information technology (see note (i) below)	**17,456**	27,372
Marketing	**54,451**	53,653
Maintenance / utilities	**16,064**	22,899
Entertainment / refreshment	**702**	3,558
Travels / taxi fare	**2,914**	4,885
Training	**1,958**	18,909
Stationeries / newspaper	**2,367**	3,033
Motor vehicle expenses	**1,879**	2,035
Insurance	**10,231**	5,675
Bank charges	**545**	1,651
Donations	**5,000**	-
Subscription fees	**12,006**	9,034
Sundry expenses (see note (ii) below)	**7,048**	8,964

(i) Information technology expenses represents cost of data line expenses, computer consumables, software maintenance as well as technical sub-contractor's cost.

(ii) Sundry expenses comprise of reimbursable expenses incurred by Stanbic IBTC Holdings Plc on behalf of the Company. They relate to shared service costs and refund for expenses incurred during the COVID-19 pandemic period.

Notes to the financial statements

	31-Dec-20	31-Dec-19
	₦'000	₦'000
17. Tax		
a. Tax expense		
Company Income tax	**108,873**	116,087
Education tax	**7,300**	8,171
Police Trust Fund tax	**18**	15
National Information Technology Development Agency (NITDA) levy	**3,621**	4,255
Current tax charge	**119,812**	128,528
Prior years' under/ (over) provision	**-**	4,516
Deferred tax credit	**(1,527)**	(193)
Net charge for the year	**118,285**	132,851
b. Current tax liabilities		
At 1 January	**128,528**	83,234
Charge for the year	**119,812**	128,528
Prior years' under/ (over) provision	**-**	4,516
WHT offset	**(21,616)**	(4,301)
Tax paid	**(106,652)**	(83,449)
At 31 December	**120,072**	128,528
c. Deferred tax assets, net		
Assets at the beginning of year	**(17,041)**	(16,848)
Tax credit for the year	**(1,526)**	(193)
Net deferred tax assets at the end of year	**(18,567)**	(17,041)
Deferred tax is attributed to:		
Property and equipment	**3,871**	4,415
Employee benefits	**(22,438)**	(21,371)
Financial/ Credit impairment	**-**	(85)
Net deferred tax assets at the end of year	**(18,567)**	(17,041)

Deferred tax assets will be recovered from future taxable profits of the Company.

d. Effective tax rate reconciliation

	31-Dec-20		31-Dec-19	
	₦'000	**%**	₦'000	%
Profit before tax	367,843		429,741	
Tax using standard rate	**110,353**	**30**	128,922	**30**
Non-taxable income	**(3,104)**	**(1)**	(28,514)	**(7)**
Education tax	**7,300**	**2**	8,171	**2**
Police Trust Fund tax	**18**		15	
National Information Technology Development Agency (NITDA) levy	**3,621**	**1**	4,255	**1**
Prior years' (under)/over provision	**-**	**-**	4,516	**1**
Non-allowable expenses	**98**	**0**	15,486	**4**
Effective tax charge	**118,285**	**32**	132,851	31

18. Contingent liabilities

(a) Claims and Litigations

There was no claim and litigation as at 31 December 2020 (2019: nil).

(b) Contingencies

There was no contingent liability as at 31 December 2020 (2019: nil).

19. Related party transactions

Transactions with related parties are summarised below.

Transactions with key management personnel
Key management is defined as members of the Board.

Where executive directors and non-executive directors have assets managed by Stanbic IBTC Insurance Brokers Limited, these investments are made on the same terms and conditions as is available to any client.

Directors' remuneration for the period is disclosed under note 15 and 16 to the financial statements.

Transactions with other entities in the Stanbic IBTC Group
During the year, the Company entered into the following transactions with related parties.

	Income		**Expenses**		**Balances owed by related parties**		**Balances owed to related parties (see note 7)**	
	31 Dec 2020	31 Dec 2019	**31 Dec 2020**	31 Dec 2019	**31 Dec 2020**	31 Dec 2019	**31 Dec 2020**	31 Dec 2019
	₦'000	₦'000	**₦'000**	₦'000	**₦'000**	₦'000	**₦'000**	₦'000
Transactions with Parent (a)	**-**	-	**41,962**	54,205	**-**	-	**25,019**	42,196
Transactions with fellow subsidiary (b)	**2,012**	4,233	**-**	-	**-**	-	**-**	-
Transactions with fellow subsidiary (c.)	**37,026**	58,814	**17,471**	23,198	**-**	-	**21,511**	29,193
Transactions with fellow subsidiary (d.)	**-**	-	**4,599**	-	**-**	-	**4,599**	-
Transactions with fellow subsidiary (e.)	**-**	-	**-**	-	**-**	-	**-**	-
Total	**39,038**	63,047	**64,032**	77,403	**-**	-	**51,128**	71,389

(a) Stanbic IBTC Holdings Plc. – parent company
(b) Stanbic IBTC Bank Plc.
(c) Stanbic IBTC Asset Management Limited.
(d) Stanbic IBTC Pension Managers Limited.
(e) Stanbic IBTC Trustee Limited

(a) Expenses incurred and balances due from Stanbic IBTC Holding Company represent management and technical service fee of 5% of Profit before Tax (PBT) based on agreement and expenses incurred on behalf of the Company.

(b) Income earned on bank balance with a sister company, Stanbic IBTC Bank PLC. At 31 December 2020, cash at bank amounted to ₦121 million (2019: ₦4 million) in the normal course of business at prevailing market rates.

(c.) Income earned was mostly investment income from investments in mutual funds with Stanbic IBTC Asset Management Limited. At 31 December 2020, investments in mutual fund with Stanbic IBTC Asset Management Limited amounted to ₦675 million (2019: ₦255 million) in the normal course of business at prevailing market rates.

Expenses incurred and balances owed to Stanbic IBTC Asset Management Ltd represent management and technical service of 5% of Profit before Tax (PBT) based on agreement with related party.

(d.) Expenses incurred and balances due from Stanbic IBTC Pension Managers Limited represent expenses incurred on behalf of the Company.

The amounts outstanding are unsecured and will be settled in cash. No material guarantees have been given or received. No provisions have been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties.

20. Statement of cash flows notes

20.1 Changes in working capital	**31-Dec-20**	31-Dec-19	Movement
	₦'000	₦'000	₦'000
Trade and other payables	**288,186**	237,970	50,216
Employee benefit provisions	**75,402**	71,634	3,768
Amounts due to group companies	**51,129**	71,388	(20,259)
Total	**414,717**	380,992	33,725
Trade and other receivables	**66,355**	48,119	(18,236)
Prepayments	**14,451**	8,727	(5,724)
	79,828	56,846	(23,960)

20.2 Proceeds from/ (purchase of) investments	**31-Dec-20**	31-Dec-19	Movement
	₦'000	₦'000	₦'000
Investment securities - Fair value through Other Comprehensive Income (see note 4a)	**675,458**	**798,652**	123,194
Accrued interest on investments	**-**	**(20,678)**	(20,678)
Net changes in FVTOCI reserve	**1,472**	5,963	(4,492)
	676,930	783,937	98,024

20.3 Interest received	**31-Dec-20**	31-Dec-19
	₦'000	₦'000
Opening accrued interest on investments	20,678	-
Interest income (see note 12)	**28,708**	99,281
Accrued interest on investments	**-**	(20,678)
	49,386	78,603

21. Events after the reporting period

Dividends of 85% of PAT were proposed by the Directors at the Board meeting held on 10 February 2021. No other material transactions that occurred up till the auditor's report date required disclosure in or adjustment to the financial statements for the year ended 31 December 2020.

	31-Dec-20	31-Dec-19
	₦'000	₦'000
22. Clients' accounts		
Assets		
Cash and cash equivalents	1,221,823	1,080,707
Liabilities		
Premium - Allocated Policies	1,082,088	918,576
Premium awaiting remittances (Outstanding)	138,979	162,132
Refunds to Clients	756	-
	1,221,823	1,080,707

In line with the requirements of the NAICOM Operational Guidelines 2011, the client's account balances have been separated from the Company's business. This balance is therefore shown off balance sheet.

23. Unearned Commission Income	**31-Dec-20**	31-Dec-19
	₦'000	₦'000
Amount represents brokerage commission yet to be earned due to the tenure of underlying insurance policies as at 31 December 2020.	254,449	180,266

Other National Disclosures

Other national disclosures:

Value added statement

	31-Dec-20 ₦'000	%	31-Dec-19 ₦'000	%
Revenue :				
- Local	**905,109**		969,405	
- Foreign	**-**		-	
Administrative overheads:				
- Local	**(201,972)**		(248,889)	
- Foreign	**-**		-	
VALUE ADDED	**703,137**	**100**	720,517	100
DISTRIBUTION				
EMPLOYEES				
Salaries and benefits	**325,404**	**45**	281,282	38
GOVERNMENT				
Tax charge	**118,285**	**17**	132,851	18
RETAINED IN BUSINESS				
FUTURE				
Asset replacement (depreciation, amortisation and RoU assets amortisation)	**9,890**	**1**	9,494	1
To augment reserves	**249,558**	**36**	296,890	42
VALUE ADDED	**703,137**	**100**	720,517	100

This statement represents the distribution of the wealth created with the Company's assets through its own and its employees' efforts.

Other national disclosures:

Financial Summary

STATEMENT OF FINANCIAL POSITION	**31-Dec-20**	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16
	₦'000	₦'000	₦'000	₦'000	₦'000
ASSETS					
Cash and cash equivalents	**123,375**	3,910	303,369	168,425	96,042
Investment securities	**675,458**	798,652	490,618	65,152	64,934
Trade, other receivables and prepayments	**80,806**	56,846	88,798	117,896	95,776
Property and equipment	**25,990**	27,142	13,606	8,254	1,652
Right of Use Asset	**19,922**	22,549	-	-	-
Deferred tax assets	**18,567**	17,041	16,848	13,233	4,535
TOTAL ASSETS	**944,118**	**926,140**	**913,239**	**372,960**	**262,939**
LIABILITIES					
Trade and other payables	**33,737**	237,970	447,669	188,568	11,013
Employee benefit provisions	**75,402**	71,634	64,129	52,212	27,619
Amounts due to group companies	**51,129**	71,388	48,284	6,067	37,043
Current tax liabilities	**120,072**	128,528	83,234	50,796	78,429
Deferred tax liabilities	**-**	-	-	-	-
TOTAL LIABILITIES	**280,340**	509,520	643,316	297,643	154,104
NET ASSETS	**663,778**	**416,620**	**269,923**	**75,317**	**108,835**
CAPITAL AND RESERVES					
Share capital	**20,000**	20,000	20,000	20,000	20,000
Reserves	**389,329**	396,620	249,923	55,317	88,835
SHAREHOLDERS' FUNDS	**409,329**	**416,620**	**269,923**	**75,317**	**108,835**
Client Assets under custody	**1,221,823**	1,080,707	1,566,379	1,140,591	41,922

Other national disclosures:
Financial Summary

STATEMENT OF COMPREHENSIVE INCOME

	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16
	₦'000	₦'000	₦'000	₦'000	₦'000
Revenue	**905,109**	969,405	647,203	376,862	365,352
Operating expenses	**(537,266)**	(539,665)	(394,464)	(274,649)	(168,100)
Profit/(loss) before tax	**367,843**	**429,741**	**252,739**	**102,213**	**197,252**
Tax expense	**(118,285)**	(132,851)	(69,298)	(35,731)	(73,894)
Profit/(loss) after tax	**249,558**	**296,890**	**183,441**	**66,482**	**123,358**
Net change in fair value of FVTOCI assets	**(4,492)**	5,623	129	-	186
Total comprehensive income for the year	**245,066**	**302,513**	**183,570**	**66,482**	**123,544**
Appropriation					
Transfer to retained earnings	**249,558**	**296,890**	**183,441**	**66,482**	**123,358**