



Salam

Takaful Insurance Co. Ltd

**Audited Financial Statements
for the Year Ended 31st December 2022**

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Salam Takaful Insurance Co. Limited was incorporated as a Private Limited Liability Company with the Corporate Affairs Commission (CAC.) on the 20th day of June 2016 and got an operational License with the National Insurance Commission (NAICOM) on 10th February 2020. The company in February 2020 got the approval of its products and commences business on 9th March 2020 in the Abuja Head office the same year.

Salam Takaful Insurance Co. Ltd is a premier Shariah-compliant General and Family (Life) Insurance Operator. Salam Takaful Insurance Ltd was established to provide Takaful insurance in Nigeria with the insight of expansion in West Africa as an international leader in Takaful.

The Contract of Takaful as a business venture is based on the Islamic profit sharing of the Mudarabah principle. In this regard, clients of Takaful known as Participants shall be entitled to earn returns on the Contributions (premium) paid in consideration for their participation in Takaful products provided by Salam Takaful Insurance Co. Ltd subject to the declaration of profit at the end of the financial year.

Mission

To achieve stakeholders' expectations through developing a diversified range of Takaful products and services, delivering quality customers services designing innovative products and setting claims fairly and promptly.

Vision

To be the Takaful operator of 'First Choice' through the provision of value-added Takaful services in

RC: 1343317

Tax Identification Number (TIN): 19933017-0001

Website: Website www.salamtakafulinsurance.com

E-mail

info@salamtakafulinsurance.com

Phone: +234: 0806 971 7676;

Accountant: 08025101750 & 0808 874 9076

Corporate Head Office:	-	No. 65 Ibrahim Taiwo Street, Faggae LGA, Kano.
Branch Office:	-	No. 3 Abba Gana Street, Garki II, Abuja.
Independent Auditors:	-	James Amana & Co No. 5 Firoro Road, Ungwan Boro, Sabo-Tasha, Kaduna. Kaduna State
Bankers-	-	Sterling Bank Plc Niger street Kano Taj Bank 73 Ralph Shodeinde Street, Central Business District, ABUJA- FCT. Jaiz Bank 73 Ralph Shodeinde Street, Central Business District Abuja - FCT Lotus Bank Limited 2 Bourilon Road, Ikoyi Lagos
Regulatory Authority:	-	National Insurance Commission (NAICOM) Plot 1239, Ladoke Akintola, Boulevard, Garki Abuja
Tax Authority :	-	Federal Inland Revenue Service, No 1 Zaria Road, Kano1 MSTO, KANO
Retakaful Companies:	-	African Reinsurance Corporation, Cairo – Egypt. WAICA Reinsurance Corporation Plc, Freetown - Sierra Leone. ZEP-RE (PTA Reinsurance Company), Khatoum- Sudan.
Actuary:	-	Ernest & Young 10th and 13th Floor, UBA House,57 Marina P.O Box 2442 Lagos, Nigeria.

Board of Directors

Musbahu Muhammad Bashir	- Chairperson – Appointed June 20 th 2016
Mohammed Saad Doma	- Managing Director – Appointed November 2021
Ummahani Ahmad Amin	- Director – Appointed April 12 th 2018
Nura Mohammed Dankadai	- Director – Appointed April 12 th 2018
Surayyah Muktar Hanga	- Director – Appointed June 20 th 2018
Fatima Zarah Bashir	- Director – Appointed June 20 th 2018
Jamil M. Hassan	- Independent Director – Appointed April 12 th 2018

Management Team:

Mohammed Saad Doma	- Managing Director/CEO –Appointed 9 th Nov 2021
Nuruddeen Ahmed Liman, PhD	-Executive Director Business Dev & Strategy -1/6/21
Hussaina Umar Yuguda (Barr)	- Chief Compliance Officer – Appointed 15 th Nov 2021
Tersur Simeon Kojo	- Head General Takaful – Appointed 20 th Sept 2021
Juliet Aliyu (Mrs)	- Head Human Resources – Appointed 10 th Feb 2020
Gerald Mirilla	- Head of Info. Technology –Appointed 1 st Nov 2019
Gbadamosi Jimoh Adewale	- Chief Finance Officer – Appointed 2 nd Aug 2021
Ahmad Alhaji Gani	- Head of Internal Control & Audit Appointed 4 th Oct 2021.

The Directors have the pleasure of presenting their report on the affairs of Salam Takaful Insurance Co. Ltd together with the audited financial statements and auditors for the Year Ended 31st December 2022.

1. Legal form

Salam Takaful Insurance Co. Ltd was incorporated on 20th June 2016 by the Corporate Affairs Commission. On 10th February 2020, the National Insurance Commission granted the company license to engage in composite Takaful operations. Furthermore. On 9th March, 2020, it was approved to commence business on the following general & family products respectively.

GENERAL PRODUCTS:

Salam Household Takaful Policy
Salam Public Liability takaful
Salam Employer's Liability Takaful Policy
Salam Group Personal Accident Takaful P.
Salam All Risk Takaful Policy
Salam Electronic Equipment Takaful Policy
Salam Tricycle Takaful Policy
Salam Fidelity Guarantee Takaful
Salam Goods in Transit Takaful Policy
Salam Fire and Special Perils Takaful Policy
Salam Contractor's All Risk Takaful Policy
Salam Burglary & House Breaking Takaful

Salam Erection All Risk Takaful Policy
Salam Machinery Breakdown Takaful
Salam Consequential Loss Takaful
Salam Money in Transit Takaful
Salam Motor (Commercial) Takaful
Salam Motor (Private) Takaful
Salam Professional Indemnity Takaful

FAMILY PRODUCTS:

Salam Group Family Takaful Policy
Salam World Traveler Care Takaful Policy
Salam Credit Family Takaful Policy
Salam Umrah and Ziyarah Takaful Policy
Salam Mortgage Takaful Policy

2. Operating results:

The following is a summary of the Company's operating results:

	Family Takaful	General Takaful
Attributable to participants' funds:	RM	RM
Takaful Income:		
Gross contribution written	213,671,189	462,729,763
	-	
Unearned Contributions Reserve(UCR)	(1,475,221)	(100,540,936)
Gross Contribution Income	212,195,968	362,188,827
Retakaful Expenses	(26,175,692)	(108,292,241)
Net Earned contributions	186,020,276	253,896,586
Fee & Commission Income	274,596	29,016,303
Claim Expenses	(155,784,597)	(65,729,051)
Changes in Family Individual Life Fund	(17,386,874)	-
1% NAICOM supervision Levy	(2,136,712)	(4,627,298)
Jualah Fee Expenses	(670,895)	(873,819)
Direct Charges (bank charges) Makalah Expenses	(4,819,673)	(4,019,496)
	(80,365,443)	(149,873,300)
Underwritten Profit:	(74,869,322)	57,789,926
Investment Income	3,354,475	4,369,093
Other Income		11,000
Profit/(Loss) before Zakat and Taxation	(71,514,847)	62,170,019
Tax expenses on takaful operations	-	-
Underwritten Surplus/Deficit	(71,514,847)	62,170,019
Profit/(Loss) after Zakat and Taxation	(71,514,847)	62,170,019
Item that may not be reclassified subsequently		
Total profit/(loss)/Total Surplus/Deficit	(71,514,847)	62,170,019

3. Statement of Director's Responsibility on the Financial Statements

Section 334 and 335 of the Companies and Allied Matters Act CAP C20 LEN 2004; require the directors to prepare financial statements for each financial year that give a true and fair view of the state of the financial affairs of the company at the end of each financial year and its profit or loss and cash flows.

The directors are also to ensure that the statements comply with the provision of the applicable provision of the Insurance Act: 2003 and the companies and Allied Matter Act CAP C20 LFN 2004.

These responsibilities include ensuring that the company:

- a. Keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company and comply with the requirement of companies and allied matters Act of 2003.
- b. Establish adequate internal controls to safeguard its assets and to prevent fraud and other irregularities.
- c. Prepare its financial statements using suitable accounting policies supported reasonable and prudent judgements.

The directors accept responsibility for the annual statement, which have been prepared using appropriate accounting policies supported by reasonable prudent judgement and estimates, in conformity with:

- International Accounting Standard
- Relevant guideline issued by NAICOM
- ..The requirement of insurance Act 2003
- The requirements of the companies and allied matters Act

The directors believe that the financial statement gives a true and fair view of the state of the financial affairs of the company and its profit for the year. The directors also accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate systems of internal control.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.

4. Directors/Advisers

The following directors served during the year ended 31st December 2022:

Alhaji (Dr.) Musbahu Muhammad Bashir	-	Chairman
Mohammed Saad Doma	-	Managing Director/CEO
Ummahani Ahmad Amin	-	Non- Executive Director
Nura Mohammed Dankadai	-	Non- Executive Director
Surayyah Muktr Hanga	-	Non- Executive Director
Fatima Zarah Bashir	-	Non- Executive Director
Jamil M. Hassan	-	Independent Director

Advisory Council of Experts (ACE) members:

Prof. Younes Soualhi Chairman	-	Chairman
Prof Ibrahim Muhammad,	-	Member
Dr. Mansur Isa Yelwa,	-	Member
Alh. Inaoliji-Tella Gbade	-	Member

Audit Committee Members:

Chairman	-	Jamil M. Hassan
Member	-	Fatima Zarah Bashir
Member	-	Surayyah Muktar Hanga
Member	-	Nura Mohammed Dankadai

Corporate Governance Committee:

Chairperson	-	Ummahani Ahmad Amin
Member	-	Fatima Zarah Bashir
Member	-	Surayyah Muktar Hanga
Member	-	Nura Mohammed Dankadai

Finance and General-Purpose Committee:

Chairman	-	Jamil M. Hassan
Member	-	Nura Mohammed Dankadai
Member	-	Fatimah Zarah Bashir
Member	-	Surayyah Muktar Hanga

Company Secretary/Legal adviser:

Hussaina Umar Yuguda.
Garki, Abuja
FCT

Auditors:

James Amana & Co.
Chartered accountants,
No. 5 Firoro Road
Ungwan Boro
Sabo-Tasha, Kaduna.

5. Directors' Interest**a. Directors Shareholding**

The direct interests of the directors in the issued share capital of the Company as of 31st December 2022

SIGNIFICANT SHAREHOLDERS (Owning 3% and Above)			
Name of shareholders	No. of Shares	Amount =N=	% of Amount
ALHAJI (DR.) MUSBAHU MOHAMMAD BASHIR	777,314,043	777,314,043	98.34
UMMAHANI AHMAD AMIN	6,177,801	6,177,801	0.79
ADEKUNLE ABDUL RAFIU KASIM	6,300,000	6,300,000	0.80
ZARAH FATIMA M. BASHIR	308,890	308,890	0.039
SURAYYAH ABBAS SULEIMAN	308,890	308,890	0.039
Total	790,409,624	790,409,624	100

b. Analysis of Shareholding

The ordinary shareholding structure of the company as of 31 December 2022 is as follows: -

Range of S/holding	No. of Shareholders	No. of Shares of	Percentage (%) Shareholding
1 – 100,000,000	4	13,095,581	1.66
100,000,001– 2,000,000,000	1	783,614,043	98.34
Total	5	790,409,624	100

6. Human Resources**a. Employment of Disabled Persons**

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

b. Employees involvement and training

The company is to keep employees fully informed as much as possible regarding the company's performance and progress. Views of employees are sought where practicable on matters which particularly affect them as employees. The company runs an open-door management policy.

Management, professional and technical expertise are the company's major assets and investment in developing such skills is continuous.

c. Employee Analysis

The average number of employees during the year ended 31st December, 2022 vis-à-vis total workforce is provided below:

Executive Director	2
Independent Director	1
Non-Executive Director	5
Management Staff	9
Support Staff	26
Total	<u>45</u>

d. Employees Health, Safety and Welfare at work

The company maintains business premises designed to guarantee the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. Financial provision is also made for all employees in respect of transportation, housing, medical expenses and meals.

The company operates a contributory pension plan for the benefit of its employees.

7. Property, Plant and Equipment

a. Movements in property, plant and equipment are shown in note 11 on page 47 of the financial statements

b. Intangible assets (Computer Software)

Movements in intangible assets-computer software are shown in note 9 on page 47 of the financial statements.

8. Auditors

Messrs. Amana & Co. (Chartered Accountants) have been appointed as statutory auditors in 2022 as required by the relevant section of the company and allied matters Act CAP C20 LFN 2004.

9. The Legal Adviser

Hussaina Umar Yuguda.
(Company Secretary)

Introduction

The Board of directors has the pleasure of presenting a Corporate Governance Report of Salam Takaful Insurance Ltd together with the audited financial statements and the auditor's report for the Year Ended 31st December 2022.

The Board of Directors

Salam Takaful Insurance Co. Ltd, Is governed by the board of directors and they have the ultimate responsibility to provide entrepreneurial leadership for the company within a framework of prudent effective controls, set the company's strategic direction, objectives values and standards and ensure that the necessary financial material and human resources are in place for the company to meet its objectives and review management performance and ensure that its obligations to shareholders and other stakeholders are understood and met.

Responsibilities of the Board of Directors

- Determine board structure, size and composition, including appointment and removal of directors, succession planning for the board
- Approval of resolutions and corresponding documentation for shareholders in general meeting(s), shareholders circulars, prospectus and principal
- Approval of the company's strategy, medium and short-term plan
- Approval of mergers and acquisitions, branch expansion and establishment of subsidiaries
- Approval of policy documents on significant issues including enterprise risk management, human resources, corporate governance
- Approval of remuneration policy and packages of the company
- Recommendation to shareholders of the appointment, removal and the remuneration of auditors.

The Board of Directors performs its functions either as a full Board or through the established Committees of the Board.

Without prejudice to the roles of these committees, the full board retains ultimate responsibility for the management of the risk of the organization and the committees meet at least once a quarter and present their reports on the board.

BOARD MEETINGS ATTENDANCE

The following table shows the frequency of the meeting of the Board of Directors during the financial year ended December 2022

S/N	Name	Position	17/03/22	27/06/22	31/08/22	19/12/22
1	Alhaji Musbahu M. Bashir	Chairman	✓	✓	✓	✓
2	Jamil M. Hassan	Independent Director	✓	✓	✓	✓
3	Zarah Fatima M. Bashir	Director	✓	✓	✓	✓
4	Surrayah Muktar Hanga	Director	✓	✓	✓	✓
5	Ummahani Ahmad Amin	Director	✓	✓	✓	✓
6	Nura Mohammed Dankadi	Director	✓	✓	✓	✓
7	Mohammad Doma	Managing Director	✓	✓	✓	✓

3. Accountancy and Audit**a. Financial reporting**

The Board of Directors is responsible for the preparation of financial statements of the company and ensures that the financial statements are prepared under statutory requirements and applicable financial reporting standards, they also ensure timely publication of the financial statements to enhance accurate and continuous disclosure of information to all stakeholders.

b. Management provides the board of directors with regular financial updates to enable them to give a balanced and understandable assessment of the company's position. The Internal Control and Risk Management The board of directors is responsible for reviewing the effectiveness of the company's internal controls and ensuring that the controls are functional and effective.**4. Management Committee**

The management committee comprises the senior management of the company and has been established to identify, analyze, and make a recommendation on risks arising from day-to-day activities. They also ensure that risk limit as contained in the Board and Regulatory policies are complied with. Members of the management committee make contributions to the respective Board Committee and also ensure that recommendation of the Board Committee is effectively and efficiently Implemented. They meet weekly and frequently as the need arises.

5. Company Secretary/Legal Adviser

The Secretary plays a role in the company's corporate governance and is responsible to the board of directors in respect of compliance with the board procedures and ensuring good information flows within and between the board members and management.

6. Certification

The board of directors accepts responsibilities for the financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in conformity with the Accounting & Auditing Organization for Islamic Financial Institutions Standards (AAOIFI,s), International Financial Reporting Standards (IFRS), National Insurance act, 2003.

The Board of Directors also accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as an adequate system of internal financial control

The board of directors believe that the financial statements give a true and fair view of the state of the financial position of the company and its statement of Financial Performance.

Nothing has come to the attention of the board of directors to indicate that the company will not remain a going concern for at least twelve months from the date of this statement.

Statement of Directors Responsibilities in Relation to the Financial Statements

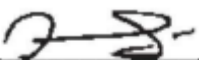
The directors accept responsibility for the preparation of the annual financial statements that give a true and fair view of the statement of financial position of the company at the end of the year and its comprehensive income as required by the Company and Allied Matter Act Nigeria and Insurance Act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

1. Keep proper accounting records that disclose with reasonable accuracy, the financial position
2. Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities
3. Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, which are all consistently applied.
4. The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in conformity with:
 - Accounting & Auditing Organization for Islamic Financial Institutions Standard (AAOIFIs)
 - International Financial Reporting Standards (IFRS) as issued by the International Accounting - Standards Board
 - The requirements of the Insurance Act:
 - Relevant guidelines and circulars issued by the National Insurance Commission (NAICOM)
 - The requirements of the Companies and Allied Matters Act. Financial Reporting Council Act of Nigeria


The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate systems of internal control.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least twelve months from the date of this statement.

By order of the Board



Alhaji Musbahu M. Bashir
Chairman
FRC/2021/003/00000023366



Mohammed Usad Doma
Managing Director/CEO
FRC/2022/PRO/CIIN/002/623681

Report of Audit Committee

We have examined the Auditor's Report for the Year Ended 31st December 2022 under the provisions of Section 359 of the Companies and Allied Matters Act Cap Laws of the Federation of Nigeria 2004.

It is our opinion that the Audit report is consistent with our view and scope of planning of the Audit. The Management Letter prepared by the External Auditors has received adequate and satisfactory responses from the Company's Management. Furthermore, we are satisfied that the Company's Accounting Policies are in conformity with the statutory requirement and agreed with ethical practices.



Jamil M. Hassan
Chairman, Board Audit Committee

Members of the Audit Committee

Jamil M. Hassan	Chairman
Fatima Sarah Bashir	Member
Surayyah Muktar Hanga	Member
Nura Muhammad Dankadai	Member

Report of the Advisory Council of Experts (ACE)

We, the members of Salam Takaful Insurance Advisory Council of Experts (ACE) hereby witness that in line with the code of conduct guiding our advisory function, we have reviewed all the activities, policies and transactions made by Salam Takaful Insurance Co. Ltd during the year ending 31st December 2022 and confirm same to comply with Shariah principles. The Salam Takaful Insurance has committed itself to the principles and rules of the Shariah in their decisions, directives and management,

The management of the Company is responsible for ensuring that the Company conducts its business under the principles of Shariah. It is our responsibility to form an independent opinion, based on our review of the operations of the Company.

In our opinion:

1. The contracts used by the Company during the year ended 31 December 2022 are in accordance with the templates approved by ACE;
2. The contracts, transactions and dealings entered into by the Company during the year ended 31 December 2022 that we have reviewed comply with the principles of Shariah.
3. The allocation of profit distribution between the Shareholder's Fund, Participants' Investment Fund and Participants' Risk Fund conform to the basis that had been approved by us in accordance to the principles of Shariah; and
4. All earnings that have been realized/unrealized from sources or by means prohibited by the principles of Shariah and the remedial action plans are disclosed.

This opinion has been rendered based on information provided by the Management. We, the Members of the ACE, do hereby confirm, to the best of our knowledge and understanding, that the operations of the company for the year ended 31 December 2022 have been conducted in conformity with the Principles of Shariah.

The ACE wishes to thank the Board of Directors, Management and Staff of Salam Takaful Insurance Co. Ltd for their cooperation with the ACE, and their commitment to the ideals of Takaful practices. The ACE prays to Almighty Allah to grant Salam Takaful Insurance Co. Ltd every success.

Dated: 31st December 2022,

Prof. Younes Soualhi.

Chairman



Prof Ibrahim Muhammad.

Member



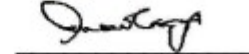
Dr. Mansur Isa Yelwa.

Member



Alh. Inaolaji-Tella Gbade Nureni.

Member



Management's Discussion and Analysis

Management's Discussion and Analysis is provided to assist readers in understanding our financial performance during the periods presented and significant trends which may impact our future performance. This discussion should be read in conjunction with our Financial Statements and the related notes thereto included elsewhere in this Annual Report.

It is intended to enhance the understanding of the audited financial statements and accompanying notes and should therefore be read in conjunction with these documents.

Business Objective and Strategy

The Company is registered and incorporated in Nigeria as a Takaful Insurance which is based on the Islamic profit sharing of Mudarabah principles. The Company provides both General and Family Takaful Products in Nigeria with the insight of expansion in West Africa as an International Leader in Takaful insurance. To achieve this, it is the company's wish to strengthen service delivery through the deployment of modern Information Technology techniques and branch/agency network expansion. Intensification of direct and indirect marketing activities by awareness creation amongst others will also contribute to the achievement of target

Mission

To achieve stakeholders' expectations through developing a diversified range of Takaful products and services, delivering quality customers services designing innovative products and settling claims fairly and promptly.

Vision

Takaful Services in Nigeria

To be the Takaful operator of 'First Choice' through the provision of value-added Takaful services.

Operating results:

The following is the summary of the Company's operating results;

		Share Holders	Family Takaful	General Takaful	December 31, 2022	December 31, 2021
Attributable to participants' funds:	Notes	RM	RM	RM	RM	RM
Takaful Income:						
Gross contribution written	24a		213,671,189	462,729,763	676,400,953	239,139,918
Unearned Contributions Reserve(UCR)	24b		(1,475,221)	(100,540,936)	(102,016,157)	(39,940,280)
Gross Contribution Income		-	212,195,968	362,188,827	574,384,796	199,199,638
Retakaful Expenses	25	-	(26,175,692)	(108,292,241)	(134,467,933)	(38,429,632)
Net Earned contributions			186,020,276	253,896,586	439,916,863	160,770,006
Fee & Commission Income	26	-	274,596	29,016,303	29,290,899	10,174,027
Claim Expenses	27	-	(155,784,597)	(65,729,051)	(221,513,648)	(23,238,628)
Changes in Family Individual Life Fund	24b	-	(17,386,874)	-	(17,386,874)	(6,196,155)
1% NAICOM supervision Levy	28	-	(2,136,712)	(4,627,298)	(6,764,010)	(2,391,399)
Jualah Fee Expenses		-	(670,895)	(873,819)	(1,544,714)	-
Direct Charges (bank charges)	28	(118,087)	(4,819,673)	(4,019,496)	(8,839,170)	(23,827)
Underwritten Expenses:						
Underwritten Expenses	30	(125,445,313)	-	-	(125,445,313)	(30,690,121)
Wakalah Expenses			(80,365,443)	(149,873,300)	(230,238,743)	(77,201,393)
Wakalah Fee Income	29	230,238,743	-	-	230,238,743	77,201,393
Commission Expenses			-	-	-	-
Maintenance Expenses			-	-	-	-
Underwritten Profit:		104,675,343	(74,869,322)	57,789,926	87,714,034	108,403,902
Investment Income	31a	24,700,000	3,354,475	4,369,093	32,423,568	853,985
Other Income	31b	1,012,481	-	11,000	1,023,481	531,500
Jualah Fee	32	1,544,714	-	-	1,544,714	-
Management Expenses	31	(230,083,283)	-	-	(230,083,283)	(148,316,866)
Profit/(Loss) before Zakat and Taxation		(98,150,745)	(71,514,847)	62,170,019	(107,377,486)	(33,488,255)
Tax expenses on takaful operations		-	-	-	-	-
Underwritten Surplus/Deficit		(98,150,745)	(71,514,847)	62,170,019	(107,495,573)	(33,488,255.09)
Taxation expense on Operator		(2,999,624)	-	-	(2,999,624)	(1,074,913)
Profit/(Loss) after Zakat and Taxation		(101,150,369)	(71,514,847)	62,170,019	(110,495,197)	(34,563,168)
Assets						
Cash and cash equivalent	4	6,247,174	63,445,072	382,691,360	452,383,607	301,425,268
Takaful receivables	5	-	-	5,501,753	5,501,753	-
Retakaful contract assets	6	-	7,952,096	112,120,381	120,072,477	33,262,469
Deferred acquisition cost	7	26,494,129	-	-	26,494,129	5,193,156
Prepayments and other receivables	8	16,412,122	598,922	890,829	17,901,874	415,101
Intangible asset	9	87,228,000	-	-	87,228,000	9,120,000
Prepaid wakalah fee expenses	10	-	18,275,954	24,687,089	42,963,043	18,454,574
Property, plant and equipment	11	92,236,201	-	-	92,236,201	13,116,905
Statutory deposit	12	210,000,000	-	-	210,000,000	210,000,000
Total Assets		438,617,626	90,272,044	525,891,413	1,054,781,084	590,987,473
Liabilities, Equity and Participants' Funds						
Liabilities						
Takaful contract liabilities	13	-	124,326,161	216,237,443	340,563,604	101,966,409
Takaful payables	15	-	1,250,000	-	1,250,000	55,141,839
Other payables and accruals	16	51,092,846	2,142,276	216,587,465	269,822,588	22,608,670
Deferred wakalah fee	17	42,963,043	-	-	42,963,043	18,454,574
Taxation	18	5,818,766	-	-	5,818,766	2,819,142
Deposit for Share	19	1,000,000	-	-	1,000,000	65,550,000
Total Liabilities		100,874,655	127,718,437	432,824,908	661,418,001	266,540,634
Participants' Funds						
Contingency reserve fund	20	-	7,246,980	16,344,473	23,591,453	12,129,238
Retained Underwritten Surplus/(Loss)	21	-	(44,693,373)	76,722,033	32,028,660	52,835,703
Participants' Funds		-	(37,446,393)	93,066,505	55,620,112	64,964,941
Equity						
Share capital	22	790,409,624	-	-	790,409,624	610,998,183
Retained earnings	23	(452,666,653)	-	-	(452,666,653)	(351,516,284)
Shareholders' Fund		337,742,971	-	-	337,742,971	259,481,899
Total Equity, Liabilities and Participants' Funds		438,617,626	90,272,044	525,891,413	1,054,781,084	590,987,473

Liquidity, Capital Resources & Risk Factors

The company's cash investment continues to be under its investment policy and complies with the regulatory requirements. -The Company's investment strategy is supported by a focus on highly liquid Islamic financial instruments such as mudarabah term deposits. We expect our investment income to grow considerably in the years as we are poised to take advantage of the other investment product. in Islamic financing such as Sukuk etc

Internal Control over Financial Reporting

Management is also responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes under the International Financial Reporting Standard (IFRS).

It should be recognized that due to inherent limitations, any controls, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and may not prevent or detect misstatements. Projections of any evaluations of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Additionally, management is required to use judgement in evaluating controls and procedures.

Risk Analysis and Evaluation

Risk analysis helps in making informed decisions as to which risk response to adopt and what method to use. The Company consider risks based on the combination of the consequence of occurrence (severity) and the likelihood of occurrence (frequency), respectively. Risk evaluation involves comparing the level of risk found during the analysis process with the risk criteria established.

The Company Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework concerning the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company has exposure to the following risks from its use of financial instruments:

- I Insurance risk
- ii Credit risk
- iii. Liquidity risk
- iv Market risk
- v Operational risk
- vi Shariah risk
- vii Compliance risk

Independent Auditors' Report
the Members of Salam Takaful Insurance Co. Ltd
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Salam Takaful Insurance Co. Ltd, which comprise the statements of financial position as of 31st December 2022 the statements of financial performance and other comprehensive income and statement of cash flows for the year ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of Salam Takaful Insurance Co. Ltd as of 31st December 2022, and its financial performance and cash flows for the year then ended under the International Accounting Standards as issued by the International Accounting Standards Board (IASB), Companies and Allied Matters Act CAP C20 LFN 2004 and the Financial Reporting Council of Nigeria Act No. 6, 2011.

Basis of Opinion

We conducted our audit under International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities to the Audit of the Financial Statements section of our report. We are independent of the company under the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of Salam Takaful Insurance Co. Ltd. We have fulfilled our other ethical responsibilities under the IESBA Code, and under other ethical requirements applicable to performing the audit of Salam Takaful Insurance Co. Ltd. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters (KAM)

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key Audit Matters	How the matters were addressed in the audit
	Our audit procedures amongst others include:
<p>The Company incurred net losses of about N101.2m as against N97.8m of previous year.</p> <p>Takaful reserves of the Company includes liability for claims Incurred But Not Reported (IBNR)</p>	<ul style="list-style-type: none"> ❖ We re-evaluated management's use of Going – Concern in the preparation of financial statements ❖ We discussed with management how future funding is expected to offset these minimal losses and ability to carry on business

<p>Management is required to make an estimate for the Incurred But Not Reported (IBNR) claims for all lines of business. This estimate is calculated based on various assumptions and projections and using the history of the frequency and severity of previously reported claims.</p> <p>The calculation of the IBNR reserves is complex and require technical input from a qualified actuary. All estimates by their nature require significant judgement and there is a risk that any change in the assumptions used in the calculations may have a significant impact on the reserves calculation and ultimately the reported profit of the Company.</p>		<ul style="list-style-type: none"> ❖ Performed a walkthrough of the claims and reserving processes, to confirm our understanding of the flow of transactions relating to paid claims, outstanding claims and the IBNR reserves; and ❖ Involved our internal experienced personnel to assess the reasonableness of the methodology and key assumptions used in calculating the IBNR reserves. ❖ In addition to the above we have performed procedures to assess the completeness and accuracy of the data included in the IBNR reserve calculation.
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We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including concerning these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement in the financial statements. The results of our audit procedures, including the procedures, performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

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.

The directors are responsible for the other information. The other information comprises the Director's Report, Corporate Governance Report, and Report of the Audit Committee as required by the Companies and Allied Matters Act, CAP C20, Law of the Federation of Nigeria 2004, which we obtained before the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information 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 an audit opinion or any form of assurance conclusion thereon.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements under the relevant standards issued by the Financial Reporting Council of Nigeria, the provisions of the Companies and Allied Matters, CAP C20 Laws of the Federation of Nigeria 2004 and for such internal control as the Directors determine necessary to the presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 under 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 based on these financial statements.

As part of an audit under ISAs, we exercise professional judgement 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 to design audit procedures that are appropriate in the circumstances/ but not to express 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 the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material 'uncertainty exists related to events or conditions that may cast significant doubt on the 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.

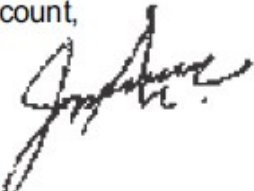
Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company's audit. We remain solely responsible for our audit opinion

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

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

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

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books; The Company's statements of financial position and statement of financial performance and other comprehensive income are in agreement with , the books of account,



James Amana
FRC/2013/ICAN/000000003472
For James Amana & Co
Chartered Accountants



Kaduna, Nigeria
Dated 22nd June, 2023

Accounting Policies

The discussion and analysis of financial condition and results of operations are based upon our financial Statements, which have been prepared under International Financial Accounting Standards (IFRS) & Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). The preparation of these financial Statements requires making estimates and judgments that affect the reported amounts of assets, liabilities, contributions and expenses and related disclosures, we evaluate our estimates on an ongoing basis, based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, Actual results may differ from these estimates under different assumptions or conditions.

Forward-looking Statements

Certain information contained in this discussion is or may be considered forward-looking Forward " looking Statements are those not based on historical information, but rather, relate to future operations, strategies financial results, or other developments, and contain terms such as "may,' 'expects, ' should," "believes," 'anticipates," intends, "estimates, " 'projects," "goals, " "objectives" or similar expressions.

Forward-looking Statements are based upon estimates and assumptions. These statements may change due to business uncertainties, economic uncertainties, competitive uncertainties and other factors, many of which are beyond our control. Additionally, our business decisions are also subject to change. We do not publicly update or revise any forward-looking statements as a result of new information, future developments or otherwise.

On our part, the Company is making a plan to introduce more Takaful products into the Nigerian market especially in the area of Agric Takaful based products and economically viable products to meet the ordinary Nigerian demand. The Company also hope to take full advantage of the enforcement of compulsory insurance by the Regulator (NAICOM) and to partner with both the Commission (NAICOM) and Takaful Company(ies) in creating more awareness about the Takaful Insurance industry in the Country. .

Performance Management

The company will continue with its quarterly nationwide performance review as a means of focusing and driving marketing activities. This will also aid in monitoring and matching actual performance with the budget.

1.0 Reporting Entity

Salam Takaful Insurance Co. Limited was incorporated as a Private Limited Liability Company with the Corporate Affairs Commission (CAC.) on the 20th day of June 2016 and got an operational License with the National Insurance Commission (NAICOM) on 10th February 2020. The company in February 2020 got the approval of its products and commences business on 9th March 2020 in the Abuja office same year by National Insurance Commission (NAICOM) as composite Takaful Operator to transact both Family & General insurance businesses.

The principal activities of the Company include the provision of both General & Family Takaful Insurance services, claim settlement, undertaking investment activities as well as profit sharing to the participants.

The Contract of Takaful as a business venture is based on the Islamic profit sharing of the Mudarabah principle. In this regard, clients of Takaful known as Participants shall be entitled to earn returns on the Contributions (premium) paid in consideration for their participation in Takaful products provided by Salam Takaful Insurance Co. Ltd subject to the declaration of profit at the end of the financial year.

The following is a summary of the significant accounting policies adopted by the Company in the preparation of its financial statements.

1.1 Basis of Accounting

The financial statements have been prepared under:

- International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).
- Financial Reporting Council of Nigeria Act,
- The Insurance Act of Nigeria
- National Insurance Commission (NAICOM) guidelines and circulars.
- Accounting and Auditing Organization for Islamic Financial Institution Standards (AAOIFI)
- The Requirements of the Companies and Allied Matters Act.

1.2 Going Concern

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

1.3 Reporting Currency

These financial statements are presented in Nigerian Naira (N), which is the Company's functional and presentation currency.

1.4 Basis of Measurement

These financial statements have been prepared under the historical cost convention, modified by the valuation of investment property, available-for-sale financial assets insurance liabilities, and financial assets and liabilities designated at fair value.

1.5 Takaful Insurance Model and Contract Adopted

The Company chosen model is hybrid which is based on Al-Mudarabah (Partnership) and Al-Wakalah (Agency). This model promotes the cooperative risk-sharing among Participants whilst the Company earns a fee for the services provided as agent or "Wakil" of participant In other words, the Company derives part of its revenue from the upfront deductible fee on the contributions.

In addition, there is profit sharing on Al-Mudarabah on the investment of the Takaful fund between the Company and the Participants. Underwriting surplus of the Takaful pool will be shared among Participants that have not incurred any losses.

The Following are the fee Earn by the Operator on each product of General and Family. Takaful Business and the Profits Sharing on Al-Mudarabah between the operator and the participants:

Product Class	Al-Wakalah (Agency)	Al-Mudarabah (Partnership)
1. Motor Takaful	20%	80%
2. General Takaful		
3. Credit Family	20%	80%
4. Mortgage Takafu	20%	80%
5. Fire Takaful	20%	80%
6. Engineering Takaful	20%	80%
7. Group Family	20%	80%
8. Education Takaful	20%	80%
9. Salam Comfort	20%	80%
10. World traveler Takaful	20%	80%
11. Salam comfort save	20%	80%
12. Hajj & Umarah	20%	80%
13. Salam Group Mortgage	20%	80%
14. Salam Comfort Plus	20%	80%

1.6 Use of Estimates and Judgement

The preparation of financial statements is in conformity with IFRSs which requires management to make judgement, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances; the result of which basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about significant areas of estimation of uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in a note to the financial statements.

Property, Plant and Equipment**i Recognition and Measurement**

Items of property and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Any gain or loss on disposal of an item of property and equipment is recognized in profit or loss.

ii Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less estimated residual value using the straight-line method over the estimated useful lives, and is generally recognized in profit or loss, The estimated useful lives of significant items of property and equipment for current and comparative periods are as follows:

Category	Depreciation (%)
Motor Vehicle	25
Computer Equipment	25
Building	2
Furniture & fittings	20
Intangible	10

iii. De-recognition

An item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal Any gain or loss arising on

de-recognition of the asset (calculated as the difference between the net disposed of proceeds and the carrying amount of the asset is included in profit or loss in the year the asset is derecognized.

iv. **Reclassification to Investment Property**

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognized in profit or loss to the extent that it reverses a previous impairment loss on the specific property with any remaining gain recognized in and presented in the revaluation reserve. Any loss is recognized in profit or loss.

1.8 **Intangible Assets**

Intangible assets comprise computer software including the cost of software development and are stated at cost less accumulated amortization and any accumulated impairment losses.

Intangible assets are amortized from the date that they are available for use. Software under development is not amortized until the assets are ready for their intended use. Amortization is recognized in profit and loss on a straight-line basis over the expected useful economic life of computer software of between 1 to 3 years. Amortization methods, useful lives and residual values are reviewed at the end of each period and adjusted, as appropriate.

1.9 **Takaful Receivables**

Takaful receivables are recognized when due and measured on initial recognition at the fair value of the consideration received or receivable. Subsequently, to initial recognition, takaful receivables are measured at amortized cost, using the effective profit method.

1.10 **Deferred Acquisition Costs (DAC)**

Commissions and other acquisition costs that vary with and are related to securing new contracts and renewing existing contracts are capitalized as intangible assets (DAC). All other costs are recognized as expenses when incurred. The DAC is subsequently amortized over the life of the contracts as follows:

For long-term insurance contracts with fixed and guaranteed terms, DAC is amortized in line with premium revenue using assumptions consistent with those used in calculating future policy benefit liabilities; and For long-term insurance contracts without fixed terms, DAC is amortized over the expected total life of the contract Company as a constant percentage of estimated gross profit margins (including investment income) arising from these contracts. The pattern of expected profit margins is based on historical and anticipated future experience and is updated at the end of each accounting period. The resulting change to the carrying value of the DAC is charged to revenue.

1.11 Liability Adequacy Test

At each end of the reporting period, liability adequacy tests are performed to ensure the adequacy of the contract liabilities net of related Deferred Acquisition Cost (DAC) and Value of Business Acquisition (VOBA) assets. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately charged to profit or loss initially by writing off DAC

or VOBA and by subsequently establishing a provision for losses arising from liability adequacy tests (the unexpired risk provision)

As set out in (a) above, long-term insurance contracts with fixed terms are measured based on assumptions set out at the inception of the contract-. When the liability adequacy test requires the adoption of new best estimate assumptions, such assumptions (without margins for adverse deviation) are used for the subsequent measurement of these liabilities,

1.12 Other Assets

Receivables and other sundry debtors are classified as other assets and are stated at a cost minus allowances for doubtful amounts. Allowances and write-offs are recognized when a receivable is deemed not collectable based on the original terms of the contract. Subsequent recoveries are credited to the statement of comprehensive income. Prepayments are stated at the cost net of amortization.

1.13 Cash and Cash Equivalent

Cash and cash equivalents consist of cash on hand balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less and are used by the Company in the management of their short-term commitments.

1.14 Statutory Deposit

The statutory deposit represents a minimum deposit maintained by Takaful Operator, Salam Takaful Insurance Co. Ltd. The amount is held by CBN (Central Bank of Nigeria) according to Section 10(3) of the Insurance Act 2003. Statutory deposit is measured at cost.

1.15 Takaful Product Classification

Takaful contracts are contracts under which the General Takaful Fund and Family Takaful Fund (collectively referred to as "the fund") underwrite/accept significant risks (by pooling the risks in a risk fund) from Participants of the funds ("the participant") by Agreeing to compensate the participant or other beneficiary if a specified uncertain future event ("the insured event") adversely affects the participant or other beneficiary, Takaful risk is risk other than financial risk. Financial risk is the risk of possible future

change in one or more of a specified financial or non-financial variable. The takaful operator does not sell financial risk contracts.

Contracts, where insignificant takaful risks are accepted by the funds, are classified as either investment contracts or service contracts. There are currently no such contracts in the funds' portfolios.

Once a contract has been classified as a takaful risk contract, it remains a takaful contract for the remainder of its lifetime, even if the takaful risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.

1.16 **Qard**

Any deficits arising in the 'Takaful funds are made good via a benevolent loan, or Qard, granted by the Takaful Operator to the Takaful funds. Qard is stated at cost less any provision for impairment losses, In the Takaful funds, the Qard is stated at cost. The Card shall be repaid from future surpluses of the Takaful funds.

Qard receivables are assessed by Takaful Operator at each reporting date whether there is any Indication of impairment; An impairment loss of Qard is recognized if its carrying amount exceeds its recoverable amount.

The recoverable amount is the net surplus of the Participants' Risk Fund (PRF) or part of the Participants' Risk Fund where the Participants' Risk Fund is managed under smaller sub-funds (PRF). The net surplus of the PRF is the amount of the PRF less the best-estimated value of liabilities calculated according to valuation methods prescribed via Guidelines on Valuation Basis of Liabilities for General Takaful Business and Guidelines on Valuation Basis of Liabilities for Family Takaful Business). In deriving the net surplus of the PRF, the value of the PRF should be as then and there should not be an assumption of growth of the PRF.

Impairment losses are recognized in profit or loss. Impairment losses are subsequently reversed in profit or loss if objective evidence exists that the Qard receivable is no longer impaired.

1.16 **Provision for Outstanding Claims**

Liability for outstanding claims is recognized in respect of direct takaful business the amount of outstanding claims is the best estimate of the expenditure required together with related expenses minus recoveries, if any, to settle the present obligation at the end

of the reporting period. Any difference between the current estimated cost and subsequent settlement is dealt with in the takaful statement of profit or loss and other comprehensive income of the Company in the year in which the settlement takes place.

Provision is also made for the cost of claims (together with related expenses) and Incurred but Not Reported Claims (IBNR) at the end of the reporting period, by adding 10% of the amount of the outstanding claims.

1.17 Contribution Liabilities

The unearned contribution reserves ("UCR") represent contributions received after the wakalah fee deduction for risks that have not yet expired. Generally, the reserve is released over the term of the contract and is recognized in the statement of profit and loss and other comprehensive income of the General Takaful Fund.

In determining the UCR at the reporting date the most prevalent. 1/365 method, is used. At each reporting date, the company reviews its unexpected claims over unearned contributions at the portfolio level. This calculation uses the current estimation of future contractual losses (taking into consideration current loss ratios) before taking

account of the contributions at the portfolio level. This calculation uses a current estimation of future contractual losses (taking into consideration current loss ratios) before taking the investment return expected to arise on sets relating to the relevant General Takaful technical provisions.

1.18 Investment Contracts

Investment contracts are those contracts that transfer financial risk with significant

Insurance risk with no significant insurance risk. Investment contracts are measured at amortized cost.

The Participants Investment Funds (PIF) refers to the fund in which a portion of the contributions paid by takaful participants for a takaful certificate is allocated to save and/or invest. The PIF is individually owned by the participants. In managing the PIF, the Company adopted the appropriate investment and management strategies to achieve returns that are in line with the participant's reasonable expectations and were relevant, to ensure the availability of funds for future tabarru apportionment into the PRF. The investment risk exposures for the PIF are borne by the participants.

1.19 Commission and Acquisition Cost

In line with Takaful Guidelines issued by NAICOM, Takaful Operators shall bear the costs relating to the operation of the Takaful-Insurance business. These costs include commission paid to intermediaries and agency fees.

Gross commission and agency expenses, which are costs and the income derived from retakaful companies in the course of ceding contributions to retakaful are charged to participant account in the period in which they are incurred.

1.20 Wakalah Fee

The Company manages the general takaful operations for the Participants and charges Wakalah fee at 40 ratios 60 for the Company and Participant Takaful Fund respectively on gross contributions recognized for each class of business to meet the general and administrative expenses of the Company including commissions to agents. Wakalah fee is recognized as income in Shareholders' Fund on the same basis on which the related contribution revenue is recognized. Any unearned portion of the Wakalah fee is recognized as a liability of the Shareholders' Fund and an asset of the Participants' Takaful Fund (PTF).

Accounting Policies

1.21 RetakafuL

The Company enters into retakafuL treaties in the normal course of business to limit its net loss potential and to reduce significantly the new business strain of the credit-related block of business. RetakafuL arrangements do not relieve the Company from its obligations to participants. RetakafuL contributions and claim recoveries are presented in profit or loss and statement of financial position.

The company also assumes the co-takafuL risk in the normal course of business for its General Takaful contracts. Contributions and claims on assumed co-takafuL are recognized as revenue or expenses in the same manner as they would be if the co-takafuL were considered to direct business, taking into account the product classification of the business undertaken. RetakafuL assets comprise the retakafuL share of contributions and claims obligations. The assets are subject to impairment tests.

1.22 RetakafuL Claims Recoveries

RetakafuL recoverable are estimated in a manner consistent with the outstanding claims provision and claims incurred associated with the reinsurer's policies and are under the related insurance contract. They are measured at their carrying amount less impairment. Amounts recoverable under re-takafuL contracts are assessed impairment at each reporting date. If there is objective evidence of impairment the company reduces the carrying of its insurance assets to its recoverable amount.

1.23. Trade Payables

Trade payables are recognized when due and measured on initial recognition at time fair value of the consideration received less directly attributable transaction costs. After initial recognition, they are measured at amortized cost using the effective interest rate method. Trade payables are recognized as financial liabilities.

1.24 Impairments

Financial Assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security*. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.28 **Actuarial Valuation**

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

1.26 **Employee Benefits/Personnel Expenses**

i Short term Benefits

Short-term employee benefit obligations include wages, salaries and other benefits which the company has a present to pay, as a result of employees' services provided up to the reporting date. The accrual is calculated on an undiscounted basis, using current salary rates. A provision is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the company has a present legal constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Post-Employment Benefits

The company operates a defined contributory retirement scheme as stipulated in the pension reform act 2014. Under the defined contribution scheme, the company pays fixed contributions of 10% to a separate entity- pension fund administrators; employees also pay a fixed contribution of 8% to the same entity. Once the contributions have been paid, the company retains no legal or constructive obligation to pay further contributions if the fund does not hold enough assets to finance benefits accruing under the retirement benefit plan. The company's obligations are recognized in the statement of Profit or Loss and Other Comprehensive Income.

1.28 Profit & Investment Income

Profit & investment income is recognized on a time proportion basis.

1.29 Earnings Prohibited by Shariah

The Company is committed to avoiding recognizing any income generated from non-Islamic sources. Accordingly, all non-Islamic income is credited to a charity account where the Company uses these funds for charitable purposes.

1.30 Management Expenses

Management expenses are expenses other than claims, investments and underwriting expenses. They include salaries and wages, depreciation charges and other nonoperating expenses. Management expenses are charged to the Takaful Operator Statement of Comprehensive Incomes in the accounting period in which they are incurred.

1.31 Financial Risk Management**1.32 Risk Management Framework**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Company Audit Committee oversees how management monitors compliance with the company's risk management policies and procedures and reviews the adequacy of the risk management framework about the risk faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The company has exposure to the following risks from its use of financial instruments:

- Insurance risk
- Credit risk
- Liquidity risk
- Market risk
- Operational risk
- Shariah risk
- Compliance risk

Accounting Policies**I Insurance Risk**

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

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

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio. -the Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficient target population of risks to reduce the variability of the expected outcome. Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered

ii. **Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer counterparty to a financial instrument fails to meet its contractual obligations» Key areas where the company is exposed to credit risk

- i. Retakaful Company's share of insurance liabilities;
- ii. Amounts due from reinsurers in respect of claims already paid
- iii Amounts due from insurance contract holders;
- iv Amounts due from insurance intermediaries;
- v Amounts due from loans and receivables;
- vi. Amounts due from investment securities: and
- vii Amounts due from the money market. and cash positions

The Company structures the levels of the credit risk it accepts by placing limits on its exposure to a single counterparty, or Company of counterparties, and to geographical and industry segments. Such risks are subject to an annual or more frequent review. Limits on the level of credit risk by category and territory are approved quarterly by the Board of Directors.

iii. **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 another financial asset. The Company's approach to managing liquidity is to ensure,

as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The Company does not maintain any lines of credit as it does not envisage any liquidity stress that would stretch its liquidity position.

iv **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 optimizing the return.

v. **Operational risk**

Operational risk refers to the risk of loss resulting from inadequate or ineffective or failed internal resources (people, processes and systems) or external events. Operational risk is inherent in all activities of the Company and can transverse multiple activities including outsourcing. It includes a wide spectrum of heterogeneous risks such as fraud, physical damage, business disruption, transaction failures, legal and regulatory breaches, epidemic and pandemic outbreaks, as well as employee health and safety hazards. Operational risk may result in direct financial losses as well as indirect financial losses due to reputational damage.

The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company can minimize risks to an acceptable level. Controls include effective segregation of duties, access controls, system validation, enhanced authorization and reconciliation procedures, continuous staff education, appropriate assessment processes, and engagement of internal audit for assurance.

VI. **Shariah Risk**

Shariah risk is defined as potential Shariah non-compliance that contributes to adverse reputation, financial losses and opportunity costs resulting from ineffective governance, incompetent employees and improper transactional and operational execution. The Company mitigates such risk by initiating, monitoring and adhering to a robust Shariah Risk Management Framework.

Vii. **Compliance Risk**

Compliance risk is the risk of legal or regulatory sanctions, financial loss or reputational damage that a financial institution may suffer as a result of its failure to comply with legal and regulatory requirements applicable to its activities.

Consequently, the exposure to this risk can damage the Company's reputation, lead to legal or regulatory sanctions and/or financial loss.

The Company has employed a Chief compliance officer to oversee and monitor all compliance aspects in observing the regulatory requirements. In this respect, the Company has developed a Compliance framework and other relevant internal policies and procedures to ensure compliance with all applicable laws and guidelines issued by the regulatory authorities

1.33 Capital Management

The Board's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and sustain future development of the business. The Board of Directors Monitors the return on capital, which the company defines as result from operating activities divided by total shareholders' equity, The Board of Directors also monitors Hoe's level of dividends to ordinary shareholders. The Board has looked into the erosion of capital largely caused by huge preoperational expenses and minimal losses incurred in the last accounting year and therefore decided to fully paid up its ordinary share capital of N790,409,624.00 as against N610,998,183.00 of last accounting year. In addition, they have increasing its Authorized Share Capital to N2,000,000,000.00 (1 billion Ordinary Shares and 1 billion Preference Shares (Note 3.0)

The solvency margin for the Operator (Shareholding's Fund as of 31st December 2022 is as follows:

	Admissible Asset	Inadmissible Asset	Total Asset 2022
	₦	₦	₦
Assets			
Cash and cash equivalent	233,321,607	219,062,000	452,383,607
Takaful receivables	5,501,753		5,501,753
Retakaful contract assets	120,072,477		120,072,477
Deferred acquisition cost	26,494,129		26,494,129
Prepayments and other receivables	-	17,901,874	17,901,874
Intangible asset	87,228,000		87,228,000
Prepaid Wakalah fee	42,963,043		42,963,043
Property, plant and equipment	92,236,201		92,236,201
Statutory deposit	210,000,000		210,000,000
Total Admissible Assets	817,817,210	236,963,874	1,054,781,084
Liabilities			
Takaful Contract Liability	340,563,604		340,563,604.24
Trade payable	1,250,000		1250000
Other payables and accruals	269,822,588		269,822,588
Deferred wakalah fee	42,963,043		42,963,043
Taxation	5,818,766		5,818,766
Deposit for Share	-	1,000,000	1,000,000
Total Admissible Liabilities	660,418,001	1,000,000	319,604,397
Solvency Margin	157,399,209		
A. Minimal Capital Requirement		200,000,000	
B. 15% of net Contribution		86,157,719	
C. Higher of A and B	200,000,000		
D. Surplus/Deficit	(42,600,791)		

1.34 Related Parties

These represent transactions with related parties, i.e. parties are considered to be related. one party can control the other party or exercise significant influence over the other party in financial and operating decisions and directors of the Company and companies which are key management personnel. Related parties comprise the shareholders, directors, key management personnel and business entities in which they are interested or can control or exercise significant

influence financial and operating decisions. The transactions entered into on terms and which the directors consider being comparable with those adopted for arm's length transactions with third parties.

1.35 Shariah Supervisory Board

The Company business activities are subject to the supervision of a Shariah Supervisory Board consisting of three members appointed by the Board of Directors. The Shariah Supervisory Board performs a supervisory role to determine whether the operations of the Company are conducted under Islamic Shariah rules and principles.

There were no events that occurred after the reporting date that require adjustment or disclosures in the financial statements.

SURPLUS DISTRIBUTION

1.36 General Takaful Fund

The General Takaful Fund is maintained under the requirement of the NAICOM guideline and consists of accumulated surplus/deficit and actuarial reserves. Any actuarial deficit in the General Takaful Fund will be made good by the Takaful Operator via a Qard. Surplus arising in each financial year is distributable under the terms and conditions prescribed by the surplus distribution policy, endorsed by the Shariah Committee and Board of Directors and approved by NAICOM

The General Takaful under-writing results are determined for each class of the business after taking into account retakaful, contributions liabilities claims liabilities, and wakalah fees. To determine the surplus from risks fund, the Qard repayment, as well as Contingency Reserve is taken into consideration

ii Contribution Income

Contribution for direct and co-takaful business is recognized in respect of risk assumed during the particular financial year as soon as the amount be reliably measured based on the issuance of certificates, and under the principles of Shariah as advanced by the company's Shariah Committee. Contributions in respect of risks incepted before the reporting date for which accrued for at the reporting date. Inward retakaful contributions are accounted for upon notification by the ceding companies or upon receipts of the statement of accounts.

Outward retakaful contributions are recognized in the same financial year as the original certificate to which the retakaful relates

1.37 Family Takaful Fund

The family takaful underwriting results are determined after taking into account contributions, retakaful costs, net benefits incurred and wakalah fees.

The family takaful fund is maintained under the requirements of the NAICOM Takaful guidelines 2013 and includes the amount attributable to participants.

The family takaful fund surplus/deficit is determined by an annual actuarial valuation of the family takaful fund. Any actuarial deficit in the family takaful fund will be made good by the shareholder's fund via a benevolent loan or Qard.

Surplus distributable to the participants is determined after deducting benefits paid and payable, retakaful, provisions, reserves, wakalah fees, taxation and surplus administration charge transferred to the shareholder's fund. The surplus may be distributed to the shareholder and participants under the terms and conditions prescribed by the Company's ACE.

Family takaful revenue consists of gross contributions and investment income. Revenue is accounted for on an accrual basis and as approved by the Company Shariah Committee, Unrealized income is deferred and receipts in advance are treated as liabilities on the statements of financial position.

SURPLUS DISTRIBUTION PROPORTION

Surplus is distributable to the Operator and Participants in accordance with the terms and conditions prescribed by the ACE, Surplus-sharing ration for the Operator, qualifying participants and retention are 20% 60% and 20% respectively subject to approval of Advisory Council of Expert (ACE) and NAICOM. The surplus distribution to Operator is reported as Jualan fee in the statement of profit or loss.

i Contribution Recognition

Contribution is recognized as soon as the amount of contribution can be reliably measured under the principles of Shariah. First-year contribution is recognized on the assumption of risks and subsequent contributions are recognized on due dates. Contributions outstanding at the reporting date are recognized as income for the period provided, they are within the grace period allowed for payment and there are sufficient funds available in the participants' accounts to cover such contributions due.

ii Provision for Outstanding Claims

Claims and settlement costs that are incurred during the financial year are recognized when a claimable event occurs and/or the Company is notified,

Claims and provision for claims arising on family takaful certificates settlement costs, are accounted for using the cash basis method, and for this purpose, the benefits payable under a takaful certificate are recognized as follows:

Maturity or other certificate benefit payments due on specified dates are treated as claims payable that due date; and

Death, surrender and other benefits without due dates are treated as claims payable on receipt of intimidation of death of the certificate holder or occurrence of contingency covered.

2.1 New and revised IFRSs applied with no material effect on the financial statements

A number of new IFRSs became effective for annual periods beginning on or after 1 January 2022 and have been adopted in these financial statements. The application of these revised IFRSs has not had any material impact on the amounts for the current and prior years but may affect the accounting for future transactions or arrangements.

2.2 New and revised IFRS in issue but not yet effective

The Company has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
IFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to IFRS 10 <i>Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Effective date not yet decided
Amendments to IAS 1 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendment to IAS 12 – deferred These amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences	1 January 2023
Amendment to IAS 1 – Non current liabilities with covenants <i>These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the</i>	1 January 2024

classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions

Amendments to IAS 1 *Presentation of financial statements* and IFRS Practice Statement 2 *Making materiality judgements* related to disclosure of accounting policies 1 January 2023

Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* related to definition of accounting estimates 1 January 2023

Amendments to IAS 12 related to deferred tax related to assets and liabilities arising from a single transaction 1 January 2023

2.3 New and revised IFRS in issue but not yet effective (continued)

IFRS 9 'Financial Instruments' is effective for reporting period / year ending on or after 30 June 2019. It replaces the existing guidance in IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. Amendment to IFRS 4 'Insurance Contracts' - Applying IFRS 9 'Financial Instruments' with IFRS 4 addresses issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from 01 July 2018 onwards to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied. The Company has determined that it is eligible for the temporary exemption option since the Company has not previously applied any version of IFRS 9, its activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the company doesn't engage in significant activities unconnected with insurance based on historical available information. Under the temporary exemption option, the Company can defer the application of IFRS 9 until the application IFRS 17.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on

the financial statements of the Company in the period of initial application, except for IFRS 17 and IFRS 9.


3. Share Capital Increase

The Company has increased its Issued Share Capital to two Billion of Share Capital. One Billion Ordinary Shares and One Billion Preference Shares and same has been appropriately filled with Cooperate Affair Commission.


STATEMENT OF FINANCIAL POSITION

	Notes	Share Holders	Family Takaful	General Takaful	December 31, 2022	December 31, 2021
		₦	₦	₦	₦	₦
Assets						
Cash and cash equivalent	4	6,247,174	63,445,072	382,691,360	452,383,607	301,425,268
Takaful receivables	5	-	-	5,501,753	5,501,753	-
Retakaful contract assets	6	-	7,952,096	112,120,381	120,072,477	33,262,469
Deffered acquisition cost	7	26,494,129	-	-	26,494,129	5,193,156
Prepayments and other receivables	8	16,412,122	598,922	890,829	17,901,874	415,101
Intangible asset	9	87,228,000	-	-	87,228,000	9,120,000
Prepaid wakalah fee expenses	10	-	18,275,954	24,687,089	42,963,043	18,454,574
Property, plant and equipment	11	92,236,201	-	-	92,236,201	13,116,905
Statutory deposit	12	210,000,000	-	-	210,000,000	210,000,000
Total Assets		438,617,626	90,272,044	525,891,413	1,054,781,084	590,987,473
Liabilities, Equity and Participants' Funds						
Liabilities						
Takaful contract liabilities	13	-	124,326,161	216,237,443	340,563,604	101,966,409
Takaful investment contract	14	-	-	-	-	-
Takaful payables	15	-	1,250,000	-	1,250,000	55,141,839
Other payables and accruals	16	51,092,846	2,142,276	216,587,465	269,822,588	22,608,670
Deferred wakalah fee	17	42,963,043	-	-	42,963,043	18,454,574
Taxation	18	5,818,766	-	-	5,818,766	2,819,142
Deposit for Share	19	1,000,000	-	-	1,000,000	65,550,000
Total Liabilities		100,874,655	127,718,437	432,824,908	661,418,001	266,540,634
Participants' Funds						
Contingency reserve fund	20	-	7,246,980	16,344,473	23,591,453	12,129,238
Unrealized fair value gains		-	-	-	-	-
Fair value gain/(loss) (FVOCI)		-	-	-	-	-
Takaful Risk Fund Reserves		-	-	-	-	-
Other Reserves		-	-	-	-	-
Retained Underwritten Surplus/(Loss)	21	-	(44,693,373)	76,722,033	32,028,660	52,835,703
Participants' Funds		-	(37,446,393)	93,066,505	55,620,112	64,964,941
Equity						
Share capital	22	790,409,624	-	-	790,409,624	610,998,183
Share premium		-	-	-	-	-
Retained earnings	23	(452,666,653)	-	-	(452,666,653)	(351,516,284)
Shareholders' Fund		337,742,971	-	-	337,742,971	259,481,899
Total Equity, Liabilities and Participants' Funds		438,617,626	90,272,044	525,891,413	1,054,781,084	590,987,473


The financial statement were approved by the Board of Directors of Salam Takaful Co. Nig Ltd in its meeting on 17th October 2022. and signed on its behalf


Mohammed Saad Doma

FRC/2022/PRO/CIIN/002/623681


Alhaji Musbahu Muhammad Bashir

FRC/2021/003/00000023366


Gbadamosi Jimoh Adewale

FRC/2021/001/00000025229

The notes on pages 47 to 60 form an integral part of these financial statements

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Share Holders	Family Takaful	General Takaful	December 31, 2022	December 31, 2021
Attributable to participants' funds:	Notes	₹	₹	₹	₹	₹
Takaful Income:						
Gross contribution written	24a		213,671,189	462,729,763	676,400,953	239,139,918
Unearned Contributions Reserve(U	24b		(1,475,221)	(100,540,936)	(102,016,157)	(39,940,280)
Gross Contribution Income		-	212,195,968	362,188,827	574,384,796	199,199,638
Retakaful Expenses	25	-	(26,175,692)	(108,292,241)	(134,467,933)	(38,429,632)
Net Earned contributions			186,020,276	253,896,586	439,916,863	160,770,006
Fee & Commission Income	26	-	274,596	29,016,303	29,290,899	10,174,027
Claim Expenses	27	-	(155,784,597)	(65,729,051)	(221,513,648)	(23,238,628)
Changes in Family Individual Life Fun	24b	-	(17,386,874)	-	(17,386,874)	(6,196,155)
1% NAICOM supervision Levy	28	-	(2,136,712)	(4,627,298)	(6,764,010)	(2,391,399)
Jualah Fee Expenses		-	(670,895)	(873,819)	(1,544,714)	-
Direct Charges (bank charges)	28	(118,087)	(4,819,673)	(4,019,496)	(8,839,170)	(23,827)
Underwritten Expenses:						
Underwritten Expenses	30	(125,445,313)			(125,445,313)	(30,690,121)
WlakahExpenses			(80,365,443)	(149,873,300)	(230,238,743)	(77,201,393)
Wakalah Fee Income	29	230,238,743	-	-	230,238,743	77,201,393
Commission Expenses			-	-	-	-
Maintenance Expenses						
Underwritten Profit:		104,675,343	(74,869,322)	57,789,926	87,714,034	108,403,902
Investment Income	31a	24,700,000	3,354,475	4,369,093	32,423,568	853,985
Other Income	31b	1,012,481		11,000	1,023,481	531,500
Jualah Fee	32	1,544,714	-	-	1,544,714	-
Mudarabah expenses		-	-	-	-	-
Mudarabah income		-	-	-	-	-
Management Expenses	31	(230,083,283)	-	-	(230,083,283)	(148,316,866)
Profit/(Loss) before Zakat and Taxation		(98,150,745)	(71,514,847)	62,170,019	(107,377,486)	(33,488,255)
Provision for Zakat		-	-	-	-	-
Tax expenses on takaful operations		-	-	-	-	-
Underwritten Surplus/Deficit		(98,150,745)	(71,514,847)	62,170,019	(107,495,573)	(33,488,255.09)
Taxation expense on Operator		(2,999,624)		-	(2,999,624)	(1,074,913)
Profit/(Loss) after Zakat and Taxation		(101,150,369)	(71,514,847)	62,170,019	(110,495,197)	(34,563,168)
Other Comprehensive Income:		-	-	-	-	-
Item that may not be reclassified subsequently						
Total profit/(loss)/Total Surplus/Deficit		(101,150,369)	(71,514,847)	62,170,019	(110,495,197)	(34,563,168)

The Statement of significant accounting policies and the accompanying notes to the accounts form an integral part of these financial statements

STATEMENT OF CHANGE IN EQUITY-OPERATOR

	Share Capital	Share Premium	Retain Earnings	Fair Value Reserve	Other Reserve	December 30, 2022	December 31, 2021
Statement of Equity Operator	₹	₹	₹	₹	₹		
At 1 January 2022	610,998,183	-	(351,516,284)	-	-	259,481,899	(43,686,501)
Addition to Paid up Share capit	179,411,441			-		179,411,441	400,998,183
Transfer from profil or Loss	-	-	(101,150,369)	-		(101,150,369)	(97,829,783)
Shareholder Fund	-	-	-	-	-	-	
Family Takaful	-	-	-	-	-	-	
General Takaful	-	-	-	-	-	-	
Transfer to Contingency reser	-	-				-	
Family Takaful				-	-	-	
General Takaful				-	-	-	
Divident/Suplus distribution						-	
Shareholder Fund						-	
Family Takaful						-	
General Takaful	-	-	-	-	-	-	
Underwritten Expenses	790,409,624	-	(452,666,653)	-	-	337,742,971	259,481,899

The Statement of significant accounting policies and the accompanying notes to the accounts form an integral part of these financial statements

STATEMENT OF CASH FLOWS

	Share Holders	Family Takaful	General Takaful	December 31, 2022	December 31, 2021
	₦	₦	₦	₦	₦
Cash flows from operating activities					
Contributions received	-	213,671,189	462,729,763	676,400,953	239,139,918
Retakaful contributions paid	-	(26,175,692)	(108,292,241)	(134,467,933)	(38,429,632)
Fee and Commission income received		274,596	32,407,343	32,681,939	15,114,914
Claim paid during the year	-	(80,303,007)	(26,609,529)	(106,912,537)	(22,590,688)
Claim received from Retakaful.Operator	-	-	-	-	-
Deposit for Premium Contribution		1,250,000	-	1,250,000	38,901,820
Acquisition commission Expenses paid	(125,445,313)	-	-	(125,445,313)	(30,690,121)
Wakalah fee expenses paid		(80,365,443)	(149,873,300)	(230,238,743)	(77,201,393)
Wakalah fee Income	230,238,743	-	-	230,238,743	77,201,393
Cash paid to and on behalf of employees	(92,047,213)		-	(92,047,213)	(67,796,207)
Incorporation and pre-incorporation cost paid	-	-	-	-	-
Bank charges	(118,087)	(4,819,673)	(4,019,496)	(8,957,256)	130,105
Other receipt/(payment) during the year	(55,658,240)	(49,185,988)	85,180,277	(19,663,951)	(74,729,085)
Net cash used in operating activities	(43,030,110)	(25,654,018)	291,522,817	222,838,689	59,051,023
	-	-	-	-	-
Cash flows from investing activities					
Acquisition of intangible assets	(87,800,000)			(87,800,000)	(9,120,000)
Acquisition of property , plant and equipment	(107,677,841)	-		(107,677,841)	(1,767,600)
Statutory deposit with CBN				-	
Invdestment Income	-	3,354,475	4,369,093	7,723,568	853,985
Other income received	1,012,481	-	-	1,012,481	-
Net cash used in investing activities	(194,465,360)	3,354,475	4,369,093	(186,741,791)	(10,033,615)
	-	-	-	-	-
Cashflow from financing activities					
Deposit for shares	(64,550,000)	-	-	(64,550,000)	165,550,000
Share Capital	179,411,441	-	-	179,411,441	-
Net cash generated from financing activities	114,861,441	-	-	114,861,441	165,550,000
	-	-	-	-	-
Net incr./(decr.) in cash and cash equivt.	(122,634,029)	(22,299,543)	295,891,910	150,958,338	214,567,408
Cash and cash equivalents at 1 January	128,881,202	85,744,616	86,799,450	301,425,268	86,846,360
Cash and cash equivalents at 31 December	6,247,174	63,445,072	382,691,360	452,383,606	301,425,268

The Statement of significant accounting policies and the accompanying notes to the accounts form an intergal part of these financial staements

Notes to the financial Statements

	Share Holders	Family Takaful	General Takaful	December 31, 2022	December 31, 2021
	RM	RM	RM	RM	RM
4 Cash and cash equivalents					
This Comprises of					
Cash at hand			-	-	-
Current accounts balances	6,247,174	33,445,072	249,471,827	289,164,074	231,425,268
Mudarabah Bank Deposits/Placements (Note 4.1)		30,000,000	133,219,533	163,219,533	70,000,000
	6,247,174	63,445,072	382,691,360	452,383,607	301,425,268

4.1 Short-term bank deposits are highly Shariah compliant investment with banks and other Islamic financial institution readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and have maturity of three (3) months or less from the date of acquisition. And these are currently investment in Lotus Capital and Jaiz

5 Trade Receivables

This comprises of Contribution/fee receivable from the following;

Due from Family Takaful Fund	-	-	-	-	-
Due from General Takaful Fund	-	-	-	-	-
Due from Insurance Brokers		5,501,753	5,501,753	-	-
Retakaful companies	-	-	-	-	-
	-	-	5,501,753	5,501,753	-

The Age analysis of outstanding Takaful Receivable for General Takaful Fund and Family is as follows:

	RM	RM	RM	RM
Due within 30 days	-	5,501,753	5,501,753	-
Due after 30 days			-	-
	-	5,501,753	5,501,753	-

	Shareholders	Family Takaful	General Takaful	December 31, 2022	December 31, 2021
6 Retakaful contract assets (Dec 2022)					
This is analysed as follows;					
Prepaid Retakaful (UCR)	-	3,248,582	104,017,753	107,266,335	25,049,382
Outstanding Claims	-			-	3,242,910
Incured But Not Reported (IBNR)	-	4,703,514	8,102,628	12,806,142	4,970,177.00
		7,952,096	112,120,381	120,072,477	33,262,469

*

Notes to the financial Statements (Cont'd)

	Share Holders	Family Takaful	General Takaful	December 31, 2022	December 31, 2021
	₹	₹	₹	₹	₹
NOTES TO THE FINANCIAL STATEMENTS					
	Shareholders	Family Takaful	General Takaful	December 31, 2021	December 31, 2020
6(a) Retakaful contract assets (2021)					
Prepaid Retakaful (UCR)	-	6,224,396	18,824,986	25,049,382	20,091,508.00
Outstanding Claims	-		3,242,910	3,242,910	418,021.00
Incured But Not Reported (IBNR)			4,970,177	4,970,177	4,970,177.00
		6,224,396	27,038,073	33,262,469	25,479,706
	Shareholders	Family Takaful	General Takaful	December 31, 2022	December 31, 2021
6(b) Retakaful contract assets during the year					
Prepaid Retakaful (UCR)	-	2,975,814	(85,192,767)	(82,216,953)	25,049,382.00
Outstanding Claims		-	3,242,910	3,242,910	3,242,910.00
Incured But Not Reported (IBNR)	-	(4,703,514)	(3,132,451)	(7,835,965)	4,970,177.00
		(1,727,700)	(85,082,308)	(86,810,008)	33,262,469
7 Deferred Acquisition Cost					
Family Group Takaful Business	-		-	-	2,412,712
General Takaful Business	26,494,129	-	-	26,494,129	9,011,468
	26,494,129	-	-	26,494,129	11,424,180
7a Movement in DAC during the year					
At 1 January	5,193,156			5,193,156	5,589,352
Acquisition cost during the year	125,445,313	-	-	125,445,313	30,690,121
Amortised in the year (Note 29.1)	(26,494,129)	-	-	(26,494,129)	(5,193,156)
	104,144,340	-	-	104,144,340	31,086,317
8 Prepayment & Other Receivables					
a Prepaid staff medical exp. (Note 8.1)	211,622			211,622	211,622
Receivables from Retakaful		598,921.94		598,922	-
Prepaid Expenses (Note 8.2)	16,200,500	-		16,200,500	203,479
Other Receivable (Note 8.2)			890,829	890,829	-
	16,412,122	598,922	890,829	17,901,874	415,101

8.1 Prapayment of N211,522 under Shareholders fund is prepaid medical expenses for staff.

8.2 Prapayment of N16,200.500 under Shareholders fund is prepaid expenses that was expended on Share Capital increase and N890,829 under general takaful is other investment income receivable

Notes to the financial Statements (Cont'd)

	Share Holders	Family Takaful	General Takaful	December 31, 2022	December 31, 2021
	RM	RM	RM	RM	RM
NOTES TO THE FINANCIAL STATEMENTS					
	Shareholders	Family Takaful	General Takaful	Total	Total
9 Intangible Assets					
At 1st January	9,120,000			9,120,000	9,120,000
Additions during the year	87,800,000			87,800,000	
At 31 December	96,920,000			96,920,000	9,120,000
9.2 Accumulated Amortisation/Impairment					
At 1st January	-	-	-	-	-
Additions during the year	(9,692,000)			(9,692,000)	
At 31 December	(9,692,000)			(9,692,000)	
Carrying Amount 31 Dec, 2022	87,228,000	-	-	87,228,000	9,120,000.00
The Intangible asset represents computer software acquired and cost of Network connectivity as part of the total asset of the Company, the asset has not be put to use hence no ammortisation					
10 Prepaid wakalah fee expenses 2022					
Prepaid wakalah fee expenses		5,658,629	40,216,374	45,875,003	15,544,287
		5,658,629	11,222,384	18,454,574	15,544,287
	Share Holding	Family Takaful plan	General Takaful plan	December 31, 2022	December 31.2021
10(a) Prepaid wakalah fee exp (Year 2021)	-	7,232,190	11,222,384	18,454,574	15,544,287
	-	7,232,190	11,222,384	18,454,574	15,544,287
10(a) Movement in Prepaid Wakalah fee Expenses					
As at January 1	-	7,232,190	11,222,384	18,454,574	15,544,287
Wakalah fee Expenses during the peri	-	-	-	-	80,111,680
Amortised in the year	-	11,043,763.96	13,464,705.07	24,508,469	(77,201,393)
As at December 31	-	18,275,954	24,687,089	42,963,043	18,454,574
		18,275,953.96	24,687,089.07	42,963,043	18,454,574

Notes to the financial Statements (Cont'd)

	Share Holders	Family Takaful	General Takaful	December 31, 2022	December 31, 2021
	₹	₹	₹	₹	₹
11 Property, plant and equipment				Total	Total
	Building	Motor Vehicles	Office & Computer Equipment	Furniture & Fittings	
	₹	₹	₹	₹	₹
Cost:					
At 1 January 2022		10,000,000	11,634,650	3,184,100	24,818,750
Additions during the year		7,300,000	23,077,462	77,300,379	107,677,841
	-	17,300,000	34,712,112	80,484,479	132,496,591
					24,818,750
Depreciation:					
At 1 January 2022		5,000,000	5,639,325	1,062,520	11,701,845
Charge during the year		4,437,500	8,280,482	15,840,563	28,558,545
At 31 December. 2022	-	9,437,500	13,919,807	16,903,083	40,260,390
					5,656,363
Netbook Value:					
At 31 December. 2022	-	7,862,500	20,792,305	63,581,396	92,236,201
At 31 December. 2021	-	5,000,000	5,995,325	2,121,580	13,116,905
					17,394,788

Notes to the financial Statements (Cont'd)

	Share Holders	Family Takaful	General Takaful	December 31, 2022	December 31, 2021
	₦	₦	₦	₦	₦
12 Statutory deposits	210,000,000	-	-	210,000,000	210,000,000

Statutory deposit represents the company's deposit with the Central Bank of Nigeria (CBN) in line with Section 10 (3) of Insurance Act 2003 and NAICOM Takaful Operational Guidelines 2013.

13 Unearned Contributions Reserve (UCR)

Dec. 2022

Takaful Contract Liabilities

	Share Holders	Family Takaful	General Takaful	December 31, 2022	December 31, 2021
	₦	₦	₦	₦	₦
Movement in Unearned Contributions Reserve (UCR)		17,282,915	160,259,126	177,542,041	75,525,884
Outstanding claims		37,872,033		37,872,033	5,569,851
Incurred But Not Reported (IBNR)		42,313,070	55,978,317	98,291,387	11,399,405
Family Individual Life Fund		26,858,143	-	26,858,143	9,471,269
	-	124,326,161	216,237,443	340,563,604	101,966,409

Year 2021

13 (a) Takaful Contract Liabilities

	Share Holders	Family Takaful	General Takaful	December 30, 2021	December 31, 2020
	₦	₦	₦	₦	₦
Movement in Unearned Contributions Reserve (UCR)		15,807,694	59,718,190	75,525,884	35,585,604
Outstanding claims			5,569,851	5,569,851	925,000
Incurred But Not Reported (IBNR)			11,399,405	11,399,405	10,008,116
Family Individual Life Fund		9,471,269		9,471,269	3,275,114
	-	25,278,963	76,687,446	101,966,409	49,793,834

13 (b) Movement in Takaful Contract
Liabilities during the Dec. 2022

	Share Holders	Family Takaful	General Takaful	December 31, 2022	December 31, 2021
	₦	₦	₦	₦	₦
Increase/(decrease) in UCR		(1,475,221)	(100,540,936)	(102,016,157)	39,940,280
Increase/(decrease) in Outstanding claims		(37,872,033)	5,569,851	(32,302,182)	4,644,851
Increase/(decrease) in IBNR		(42,313,070)	(44,578,912)	(86,891,982)	1,391,289
Increase/(decrease) in Family Individual life fund		(17,386,874)	-	(17,386,874)	6,196,155
	-	(99,047,198)	(139,549,997)	(238,597,195)	52,172,575

Notes to the financial Statements (Cont'd)

Share Holders	Family Takaful	General Takaful	December 31, 2022	December 31, 2021
₹	₹	₹	₹	₹

Age Analysis of Outstanding Claims

Outstanding claims analysis based on processing stage & reasons

	0-90 days	180-270 days	270-365 days	Above 365 days	Total
	₹	₹	₹	₹	₹
Discharge Vouchers signed by Clients	-	-	-	-	-
Discharge Vouchers not yet signed & returned by Clients	20,111,331	-	-	-	20,111,331
Awaiting loss adjusters report	-	-	-	-	-
Awaiting documentation	14,304,702	-	-	-	14,304,702
Incomplete documentation	-	-	3,456,000	-	3,456,000
Repudiated	-	-	-	-	-
Awaiting court decisions	-	-	-	-	-
Total	34,416,033	-	3,456,000	-	37,872,033

Age Analysis of Outstanding Claims as at December 31 2022

Outstanding days
Claim per claimant

	0-90 days	180-270 days	270-365 days	Above 365 days	Total
	₹	₹	₹	₹	₹
1 - 250,000	-	-	-	-	-
250,000 - 500,000	-	-	-	-	-
500,001 -1,500,000	-	-	-	-	-
1,500,001 - 2,500,000	7,352,934	-	-	-	7,352,934
2,500,001 - 5,000,000	17,144,508	-	3,456,000	-	20,600,508
5,000,001 above	9,918,591	-	-	-	9,918,591
Total	34,416,033	-	3,456,000	-	37,872,033

Notes to the financial Statements (Cont'd)

	Share Holders	Family Takaful	General Takaful	December 31, 2022	December 31, 2021
	₹	₹	₹	₹	₹
Analysis of claims reported & IBNR by class for general takaful business					
		Claim			
		Reported	IBNR	Total	Total
Fire & Special Peril		-	(848,472)	(848,472)	2,287,766
Commercial Vehicle		(165,000)	29,689,850	29,524,850	(2,050,505)
Engineering			9,993,233	9,993,233	(662,882)
General Accident		(4,509,000)	258,649	(4,250,351)	4,886,456
Marine Cargo			700,211	700,211	613,180
Agric		(895,851)	4,785,443	3,889,592	962,120
		(5,569,851)	44,578,914	39,009,063	6,036,135
14 Investment Contract Liability					
Movement in Investment contract liabilities is as follows					
addition					
Actuarial Valuation adjustment					
Balance as at the end of the year					
15 Takaful Payables					
Payable to shareholders	-			-	-
Commission payable				-	-
Retakaful Payables	-	-		-	19,482,929
Retakaful Recoverables	-	-		-	(3,242,910)
Deposit for Contribution		1,250,000		1,250,000	38,901,820
	-	1,250,000	-	1,250,000	55,141,839
16 Provision and Other Payables					
NAICOM Supervisory Levy	-	2,136,712	4,627,298	6,764,010	2,391,399
Accrued Expenses (Note 16.1)		-	-	-	4,906,495
Due to Operator	-		7,385,383	7,385,383	-
Deferred Commission Income (Note 16.2)	-	-	-	-	-
Director Current Account	29,500,000			29,500,000	
Medicals	1,551,257			1,551,257	
Other Accruals	2,200,000		203,040,512	205,240,512	
NHF Payable	1,268,801	-	-	1,268,801	582,233
Withholding Tax	1,966,344	5,564	1,534,273	3,506,181	2,223,366
Pension	5,739,861	-	-	5,739,861	7,585,908
Staff Pay As You Earn	8,083,249	-	-	8,083,249	3,735,937
NSITF	391,667	-	-	391,667	591,667
ITF	391,667	-	-	391,667	591,667
	51,092,846	2,142,276	216,587,465	269,822,588	22,608,670

Notes to the financial Statements (Cont'd)

	Share Holders	Family Takaful	General Takaful	December 31, 2022	December 31, 2021
	RM	RM	RM	RM	RM
16 Movement in Deferred Commission income					
Deferred Commission Income b/fwd	-	2,012,800	4,116,713	6,129,513	1,188,626
Deferred Commission Income during the Yr	-		3,391,040	3,391,040	15,114,914
Deferred Commission Income earned during the year	-	(2,012,800)	(4,116,713)	(6,129,513)	(10,174,027)
Deferred Commission Income c/fwd		-	3,391,040	3,391,040	6,129,513
17 Deferred Wakalah Fee Income(Year 2021)					
Family Group Takaful business	18,275,954			18,275,954	7,232,190
General Takaful business	24,687,089			24,687,089	11,222,384
	42,963,043			42,963,043	18,454,574
Deferred Wakalah fee income are recognised in Statement of Financial Position in order to match them in the period earned. It will be recognised over the term of the various policies involved as wakalah fee income and the corresponding transaction "prepaid wakalah expenses is recognised as Walalah expenses in the Statement of Profit or Loss in subsequent period.					
18 Current Tax Payables					
As at 1 January 2022	2,819,142	-	-	2,819,142	1,744,229
Income Tax Expenses	2,999,624				
Income tax paid during the year	-	-	-	-	
As at 31 Dec 2022	5,818,766	-	-	2,819,142	1,744,229
Page 50					
19 Deposit for Share					
As at January 1st 2022	65,550,000			65,550,000	300,998,183
Addition during the period	1,000,000			1,000,000	165,550,000
Applied during the year- Share Capital	(65,550,000)			(65,550,000)	(400,998,183)
	1,000,000			1,000,000	65,550,000

Notes to the financial Statements (Cont'd)

	Share Holders	Family Takaful	General Takaful	December 31, 2022	December 31, 2020
	RM	RM	RM	RM	RM
20 Contingency Reserve					
Takaful Participant Risk Fund- 2022					
Contingency Reserve fund		34,068,454	30,896,486	64,964,941	12,129,238
Unrealised fair value gain (FVTPL, exchange gain)				-	
Fair value gain/(loss) (FVOCI)				-	
Takaful Risk Reserves				-	
Other Reserve				-	
Retained Underwritten Surplus/(Loss)		(71,514,847)	62,170,019	(9,344,828)	52,835,703
		34,068,454	93,066,505	55,620,113	64,964,941
Takaful Participant Risk Fund- 2021					
Contingency Reserve fund		5,110,268	7,018,970	12,129,238	2,639,246
Unrealised fair value gain (FVTPL, exchange gain)					
Fair value gain/(loss) (FVOCI)					
Takaful Risk Reserves					
Other Reserve					
Retained Underwritten Surplus/(Loss)		28,958,186	23,877,517	52,835,703	
		34,068,454	30,896,486	64,964,941	2,639,246
Movement in Takaful Participant (Contingency Reserve) -2022					
Balance as at January 1		5,110,268	7,018,970	12,129,238	2,639,246
Transfer from Underwritten Surplus/(Loss)		2,136,712	9,325,503	11,462,215	9,489,992
Balance as at Dec 31		7,246,980	16,344,473	23,591,453	12,129,238
21 Movement in Takaful Participant Risk Fund (Underwritten Surplus/Loss) -2022					
Balance as at January 1	-	28,958,186	23,877,517	54,912,115	1,135,260
(Underwritten Surplus/Loss) for the year	-	(71,514,847)	62,170,019	63,266,847	63,266,847
Transfer to Contingency reserve fund	-	(2,136,712)	(9,325,503)	(9,489,992)	(9,489,992)
Transfer to unrealised fair value gains (FVTPL, exchange gains)	-	-	-	-	-
Transfer to Takaful Risk Fund Reserve	-	-	-	-	-
Transfer to operator - Jumlah fees	-	-	-	-	-
Surplus Distributed/payable	-	-	-	-	-
Transfer to Other Reserve	-	-	-	-	-
Balance as at December 31	-	(44,693,373)	76,722,033	108,688,970	54,912,115

Notes to the financial Statements (Cont'd)

	Share Holders	Family Takaful	General Takaful	December 31, 2022	December 31, 2021
	₹	₹	₹	₹	₹
22 Issued Share Capital of 2,000,000,000 at N1 each					
Paid Up Share capital					
As at 1st January, 2022	610,998,183	-	-	610,998,183	210,000,000
Addition during the period	179,411,441	-	-	179,411,441	400,998,183
	790,409,624	-	-	790,409,624	610,998,183

23 Movement in Retained Earnings and Participant Funds

As at 1st January	(351,516,284)	28,395,353	23,877,285	(299,243,646)	(252,551,241)
Surplus received from Retakaful	-	-	-	-	-
Profit/Surplus/(loss) during the year	(101,150,369)	(71,514,847)	62,170,019	(110,495,197)	(34,563,168)
Transfer to contingency reserve	-	-	(8,668,489)	(8,668,489)	(12,129,238)
Dividend to shareholders during the yr	-	-	-	-	-
Surplus distr. to participant during the yr	-	-	-	-	-
As at December 31, 2022	(452,666,653)	(43,119,494)	77,378,815	(418,407,332)	(299,243,647)

24a Gross Contribution Earned

The contributions received from the participants analysed below:

Fire & Special Peril	-	35,764,728	35,764,728	29,865,892
Motors	-	210,008,698	210,008,698	76,402,481
General Accident	-	161,288,032	161,288,032	16,801,486
Engineering	-	23,342,266	23,342,266	8,328,075
Marine Cargo	-	25,576,635	25,576,635	6,257,327
Agric	-	6,749,404	6,749,404	6,288,150
Group Family Takaful	190,022,466	-	190,022,466	80,737,685
Individual Family Takaful	23,648,724	-	23,648,724	14,458,822
Gross Contribution Written	213,671,189	462,729,763	676,400,953	239,139,918

Notes to the financial Statements (Cont'd)

	Share Holders	Family Takaful	General Takaful	December 31, 2022	December 31, 2021
	₹	₹	₹	₹	₹
24b Changes in Unearned Contribution					
Fire & Special Peril		-	(2,531,807)	(2,531,807)	(3,105,342)
Motor Vehicle		-	35,577,478	35,577,478	24,422,867
General Accident		-	56,199,180	56,199,180	3,537,000
Engineering		-	10,745,578	10,745,578	2,238,303
Marine Cargo		-	1,435,167	1,435,167	133,536
Agric			(884,659)	(884,659)	
Group Family Takaful		1,475,221	-	1,475,221	11,884,320
		1,475,221	100,540,936	102,016,157	51,378,388
Changes in Family Individual Takaful		17,386,874	-	6,196,155	6,196,155
25 Retakaful Expenses					
Fire & Special Peril		-	(26,540,876)	(26,540,876)	10,633,980
Motor Vehicle		-	(38,263,622)	(38,263,622)	13,026,250
General Accident		-	(104,605,345)	(104,605,345)	6,184,875
Engineering		-	(3,961,655)	(3,961,655)	3,650,562
Marine Cargo		-	(20,113,510)	(20,113,510)	2,086,277
Agric			-	-	2,160,000
Group Family Takaful		(23,199,878)	-	(23,199,878)	17,501,641
Individual Family Takaful		-	-	-	3,277,555
		(23,199,878)	(193,485,008)	(216,684,886)	58,521,140
Change in Retakaful Contribution					
Fire & Special Peril		-	(1,984,362)	(1,984,362)	(1,223,604)
Private Motors		-	(12,676,547)	(12,676,547)	(9,374,843)
Commercial Vehicles		-			
General Accident		-	(62,108,273)	(62,108,273)	(1,954,136)
Engineering		-	890,872	890,872	(1,933,971)
Marine Cargo		-	(9,598,610)	(9,598,610)	(477,488)
Agric			284,153	284,153	(263,306)
Group Family Takaful		-	-	-	1,490,632
Individual Family Takaful		2,975,814	-	2,975,814	3,373,528
		2,975,814	(85,192,767)	(82,216,953)	(10,363,188)
		26,175,692	108,292,241	(298,901,839)	48,157,952

Notes to the financial Statements (Cont'd)

	Share Holders	Family Takaful	General Takaful	December 31, 2022	December 31, 2021
	₹	₹	₹	₹	₹
26 Fee & Commission					
Fire & Special Peril			5,031,903	5,031,903	3,464,700
Private Motors			12,384,086	12,384,086	2,243,001
Commercial Vehicles			-	-	-
General Accident			10,531,444	10,531,444	1,749,765
Engineering			1,891,537	1,891,537	
Marine Cargo			1,881,797	1,881,797	
Agric			686,576	686,576	
Group Family Takaful		-	-	-	679,511
Individual Family Takaful		274,596	-	274,596	4,836,795
		274,596	32,407,343	32,681,939	15,114,914
Change Commission Income		-	-	-	-
Fire & Special Peril		-	2,331,556	2,331,556	1,119,304
Private Motors		-	-	-	2,504
Commercial Vehicles		-	-	-	-
General Accident			574,155	574,155	1,351,895
Engineering			328,960	328,960	625,980
Marine Cargo			156,369	156,369	156,050
Agric			-	-	131,309
Group Family Takaful		-	-	-	426,886
Individual Family Takaful		-	-	-	1,126,959
		-	3,391,040	3,391,040	4,940,887
Fee & Commission		274,596	29,016,303	29,290,899	10,174,027
Fee and Commission Income comprises commission receivable from Retakaful Companies for business ceded during the financial year					
27 Claims Expenses					
Claim paid during the year	-	80,303,007	26,609,529	106,912,537	22,590,688
Changes in outstanding Claims (Note 13 (b))	-	37,872,033	(5,569,851)	32,302,182	4,644,851
Changes in Claims incurred but not yet reported (Note 13 (c))	-	42,313,070	44,578,914	86,891,984	1,391,289
Gross Claim Incurred	-	160,488,111	65,618,592	226,106,703	28,626,828
Retakaful Claim Recovery (Note 27 (b))	-	(4,703,514)	110,459	(4,593,055)	(5,388,200)
		155,784,597	65,729,051	221,513,648	51,865,456
27(a) Retakaful Claim Recovery					
Claim recovered from retakaful Operation				-	-
Changes in retakaful share of outstanding claims		-	3,242,910	3,242,910	418,023
Changes in retakaful share of IBNR		(4,703,514)	(3,132,451)	(7,835,965)	4,970,177
		(4,703,514)	110,459	(4,593,055)	5,388,200

Note to the financial Statements (Cont'd)

	Share Holders	Family Takaful	General Takaful	December 31, 2022	December 31, 2021
	₹	₹	₹	₹	₹
28 Jualah Fee and Direct Cost		-	-	-	-
1% NAICOM Supervisory Level	-	2,136,712	4,627,298	6,764,010	2,391,399
28 Bank Charges	118,087	30,102	114,564	377,318	23,827
Direct Incidental Cost		3,924,511	3,608,577	7,533,087	
Vat Charges		865,061	296,355	1,457,771	
	118,087	4,819,673	4,019,496	9,368,176	23,827
29 Wakalah Fee Income					
The Agency fee received from General and family Takaful is as follows:					
Fire & Spec Peril	15,318,614			15,318,614	13,188,494
Motor Vehicle	74,770,257			74,770,257	20,791,846
General Accident	42,035,541			42,035,541	5,305,794
Engineering	5,038,675			5,038,675	2,435,909
Marine Cargo	9,656,587			9,656,587	2,449,516
Agric	3,053,625			3,053,625	2,183,422
Group Family Takaful	74,002,863			74,002,863	27,541,346
Individual Family Takaful	6,362,581			6,362,581	3,305,067
Wakalah Fee Income	230,238,743	-	-	230,238,743	77,201,393
30 Underwritten Expenses					
Acquisition cost during the year	125,445,313			125,445,313	30,690,121
Changes in acquisition cost	(98,951,184)			(98,951,184)	(35,883,277)
	26,494,129			(5,193,156)	(5,193,156)
Maintenance Expenses	-	-	-	-	-
30a In line with section 6 sub-section 2 of the Takaful Guidelines issued by NAICOM. The Takaful Operator shall bore the costs relating to Takaful Business including and not limited to commission to intermediaries, premium collections.					
30b Wakalah Fee Expenses					
The Agency fee charge in respect of general and family Takaful is analysed below:					
Fire & Spec Peril		-	15,318,614	15,318,614	13,188,494
Motor Vehicle		-	74,770,257	74,770,257	20,791,846
General Accident		-	42,035,541	42,035,541	5,305,794
Engineering		-	5,038,675	5,038,675	2,435,909
Marine Cargo		-	9,656,587	9,656,587	2,449,516
Agric			3,053,625	3,053,625	2,183,422
Group Family Takaful		74,002,863	-	74,002,863	27,541,346
Individual Family Takaful		6,362,581	-	6,362,581	3,305,067
Wakalah Fee Expenses		80,365,443	149,873,300	230,238,743	77,201,393

Note to the financial Statements (Cont'd)					
	Shareholders	Family	General	Total	Total
		Takaful	Takaful	December	December
				31, 2022	31, 2021
	RM	RM	RM	RM	RM
31 (a) Investment and Other Income					
Profit from cash and cash equivalents	-	-	-	-	-
Profit from mudarabah term deposits with banks	-	3,354,475	4,369,093	7,723,568	853,985
Profit from statutory deposit with CBN	24,700,000			24,700,000	-
	24,700,000	3,354,475	4,369,093	32,423,568	853,985
31 (b) Other Income					
Profit from disposal of PPE	-	-	-	-	-
Profit from disposal of other assets	700,000	-	-	700,000	-
Exchange gain	16,591	-	-	16,591	-
Miscellaneous Income	295,890		11,000	306,890	531,500
	1,012,481	-	11,000	1,023,481	531,500
32 Jualah Fee					
Jualah fee from Family Takaful	670,895	-	-	670,895	-
Jualah fee from General Takaful	873,819	-	-	873,819	-
	1,544,714	-	-	1,544,714	
The investment income represent the profit received on the maturity of Mudarabah Term Deposit with banks, while bi-annual is from CBN, but non was realised this period					
32 Management Expenses					
Staff Salary and Allowances	84,959,207	-	-	84,959,207	63,612,056
Professional fee	750,000	-	-	750,000	
Other Staff Cost	7,088,007	-	-	7,088,007	4,184,152
Director's Fee	9,620,000	-	-	9,620,000	
Director's Expenses	2,975,850	-	-	2,975,850	6,113,752
Shariah ACE Fee & Expenses	6,706,220	-	-	6,706,220	4,799,000
ICT/Internet expenses	7,028,323	-	-	7,028,323	
Agency Expenses		-	-	-	3,987,681
Audit and Accountancy	1,000,000	-	-	1,000,000	500,000
Actuary Fee		-	-	-	2,222,222
Repairs & Maintenance	3,729,635	-	-	3,729,635	1,576,575
Marketing & Publicity		-	-	-	4,948,920
Transportation & Hotels Expenses	4,511,609	-	-	4,511,609	4,166,566
Printing & Stationery	1,727,745	-	-	1,727,745	1,654,767
Office expenses and maintenance	669,815	-	-	669,815	
Administrative Expenses (Note 31 b)	57,635,292	-	-	57,635,292	31,422,773
Repair & Maintenance (Note 31 c)	600,000	-	-	600,000	-
Training and Development	2,831,036	-	-	2,831,036	-
Depreciation & Amortisation	38,250,545	-	-	38,250,545	6,045,483
	230,083,283	-	-	230,083,283	148,470,798

Note to the financial Statements (Cont'd)

	Shareholders	Family Takaful	General Takaful	Total December 31, 2022	Total December 2021
	₹	₹	₹	₹	₹
b Administrative Expenses					
Rent	17,850,000			17,850,000	7,000,000
Utility				-	544,400
Subscription	385,000			385,000	825,161
Anti- Money Laundering expenses				-	
Security Services	3,242,000			3,242,000	1,920,000
Cleaning & Sanitation				-	-
Advertisement, Publicity and Symposium	7,377,284			7,377,284	
Fuel and Lubricant	2,807,535			2,807,535	-
Insurance	2,259,152			2,259,152	1,501,260
Medical Expenses	-			-	-
Telephone and Postage	-			-	-
NDF Due	-			-	-
ITF Dues	-			-	-
NSITF Dues	-			-	-
Postage & Courier	166,150			166,150	85,150
Other Administrative Expenses (Note 31(d))	13,142,057			13,142,057	4,268,769
Employer's contribution pension	9,652,073			9,652,073	12,977,751
Newspaper & Periodical	-			-	-
Entertainment	754,040			754,040	-
	57,635,292			57,635,292	31,422,773

Note to the financial Statements (Cont'd)

	Shareholders	Family Takaful	General Takaful	Total December 31, 2022	Total December 2021
	₹	₹	₹	₹	₹
c Repairs & Maintenance				-	-
Building				-	-
Vehicle				-	-
Office equipment				-	-
Office furniture				-	-
Computer	-			-	-
Generators				-	-
Electricals	600,000			600,000	-
	600,000			600,000	-
31 (d) Other Administrative Expenses					
Staff Welfare & Gift				-	200,000
Other Office consumables	944,557			944,557	
Vat	37,500			37,500	
Withholding Tax Expenses				-	2,308,834
Medical Expenses				-	1,437,421
Legal & Professional Charges				-	63,489
Telephone & Telecommunication Exp				-	24,940
Government levy	12,160,000			12,160,000	234,084
	13,142,057			13,142,057	4,268,769

Note to the financial Statements (Cont'd)

	Notes	Shareholders Family Takaful ₹	General Takaful ₹	Total December 31, 2022 ₹	Total December 2021 ₹
Assets					
Cash and cash equivalent	4	6,247,174	63,445,072	382,691,360	452,383,607
Takaful receivables	5	-	-	5,501,753	5,501,753
Retakaful contract assets	6	-	7,952,096	112,120,381	120,072,477
Deffered acquisition cost	7	26,494,129	-	-	26,494,129
Prepayments and other rec	8	16,412,122	598,922	890,829	17,901,874
Intangible asset		87,228,000	-	-	87,228,000
Prepaid wakalah fee	10	-	18,275,954	24,687,089	42,963,043
Property, plant and equipt	11	92,236,201	-	-	92,236,201
Statutory deposit	12	210,000,000	-	-	210,000,000
		438,617,626	90,272,044	525,891,413	1,054,781,084
Takaful Funds					
Takaful contract liabilities	13	-	124,326,161	216,237,443	340,563,604
Takaful investment contrac	14	-	-	-	-
Takaful payables	15	-	1,250,000	-	1,250,000
Other payables and accrue	16	51,092,846	2,142,276	216,587,465	269,822,588
Deferred wakalah fee	17	42,963,043	-	-	42,963,043
Taxation	18	5,818,766	-	-	5,818,766
Deposit for Share	19	1,000,000	-	-	1,000,000
		100,874,655	127,718,437	432,824,908	661,418,001
Surplus in asset cover		337,742,971	(37,446,393)	93,066,505	393,363,083

Regulatory Segment Information

Family Takaful Revenue Account

	Individual ₹	Group ₹	Total ₹
Income			
Gross contribution written	23,648,724	190,022,466	213,671,189
Changes in unearned contribution	(17,386,874)	(1,475,221)	(18,862,095)
Takaful contribution earned	6,261,850	188,547,245	194,809,094
Gross Retakaful Contributions		(23,199,878)	(23,199,878)
Changes in Retakaful Contribution		(2,975,814)	(2,975,814)
Net earned contribution	6,261,850	162,371,553	168,633,402
Commision Received		274,596	274,596
Change in Commision Received			
Total takaful income	6,261,850	162,646,149	168,907,999
Investment income	-	3,354,475	3,354,475
Other income	-		-
Fair Value Change on Valuation of Investment	-	-	-
Total income	6,261,850	166,000,624	172,262,474
Expenses:			
Gross benefits and claims paid	(8,871,628)	(71,431,379)	(80,303,007)
Surrenders	-	-	-
Annuity payments	-	-	-
Increase in individual life fund	-	-	-
Increase in annuity fund	-	-	-
Changes in outstanding claims provision	-	(37,872,033)	(37,872,033)
Changes in claims Incured but not yet reported		(42,313,070)	(42,313,070)
Gross claims incurred	-	-	-
Retakaful recoveries	-	4,703,514	4,703,514
Net claims incurred	(8,871,628)	(146,912,969)	(155,784,597)
Provision for unexpired risk	-	-	-
Wakalah fee	(6,362,581)	(74,002,863)	(80,365,443)
Movement in investment contract	-	-	-
Direct Charges	(533,432.33)	(4,286,241)	(4,819,673)
1% NAICOM Supervisory Level	(236,487)	(1,900,225)	(2,136,712)
Jualah Fee and Surplus Declaration	(74,253)	(596,642)	(670,895)
Total takaful expenses	(16,078,382)	(227,698,939)	(243,106,425)
Underwriting Result			
Underwritten Surplus/(Deficit)	(9,816,532)	(61,698,315)	(71,514,847)

Regulatory Segment Information (Contn)

General Takaful Revenue Account

	Fire & Special Peril	Motor Vehicle	General Accident	Engineering	Marine Cargo	Agric	31 Dec.2022	31 Dec.2021
	₹	₹	₹	₹	₹	₹	₹	₹
Gross contribution written	35,764,728	210,008,698	161,288,032	23,342,266	25,576,635	6,749,404	462,729,763	143,943,411
Changes in unearned contribution	2,531,807	(35,577,478)	(56,199,180)	(10,745,578)	(1,435,167)	884,659	(100,540,936)	(28,055,960)
Takaful contribution earned	38,296,535	174,431,220	105,088,852	12,596,688	24,141,469	7,634,063	362,188,827	115,887,451
Retakaful share of contributions(Ceded)	(26,540,876)	(38,263,622)	(104,605,345)	(3,961,655)	(20,113,510)		(193,485,008)	(37,741,944)
Changes in retakaful share of contribution	1,984,362	12,676,547	62,108,273	(890,872)	9,598,610	(284,153)	85,192,767	15,227,348
Net earned contribution	13,740,021	148,844,145	62,591,780	7,744,161	13,626,569	7,349,910	253,896,586	93,372,855
Prepaid Retakaful Cost	-	-	-	-	-	-	-	-
Earned Contribution	13,740,021	148,844,145	62,591,780	7,744,161	13,626,569	7,349,910	253,896,586	93,372,855
Commission Received	5,031,903	12,384,086	10,531,444	1,891,537	1,881,797	686,576	32,407,343	9,598,608
Change Commission Income	(2,331,556)	-	(574,155)	(328,960)	(156,369)	-	(3,391,040)	(3,387,042)
	-	-	-	-	-	-	-	-
Total takaful income	16,440,368	161,228,231	72,549,069	9,306,738	15,351,997	8,036,486	282,912,889	99,584,421
Investment income	337,690	1,982,901	1,522,881	220,398	241,495	63,728	4,369,093	281,103
Other Income		11,000					11,000	520,000
Wakalah fee	(15,318,614)	(74,770,257)	(42,035,541)	(5,038,675)	(9,656,587)	(3,053,625)	(149,873,300)	(46,354,980)
Total income	1,459,445	88,451,875	32,036,410	4,488,460	5,936,904	5,046,589	137,419,683	54,030,544
Expenses:								
Gross claims paid		(17,105,113)	(6,364,181)	-81000	-	(3,059,235)	(26,609,529)	(18,974,700)
Increase /Decrease in outstanding claims		165,000	4,509,000			895,851	5,569,851	(4,644,851)
Changes in claims Incurred but not yet reported	848,472	(29,689,850)	(9,993,233)	(258,649)	(700,211)	(4,785,443)	(44,578,914)	(1,391,284)
Gross claims incurred	2,307,917	41,821,913	20,187,996	4,148,811	5,236,693	(1,902,239)	71,801,090	(25,010,835)
Retakaful share of claims incurred	(643,977)	(941,318.00)	1,375,764.00	202,001.00	(63,169.00)	(39,761)	(110,460)	5,388,427
Net claims incurred	1,663,940	40,880,595	21,563,760	4,350,812	5,173,524	(1,942,000)	71,690,630	(19,622,408)
Direct Charges	(310,670)	(1,824,238)	(1,401,026)	(202,762)	(222,171)	(58,629)	(4,019,496)	(18,089)
Jualah Fee and Direct Cost								
Jualah Fee and Surplus Declaration	(67,538)	(396,580)	(304,576)	(44,080)	(48,299)	(12,746)	(873,819)	
1% NAICOM Supervisory Level	(357,647)	(2,100,087)	(1,612,880)	(233,423)	(255,766)	(67,494)	(4,627,298)	(1,439,434)
Total takaful expenses	928,084	36,559,689	18,245,277	3,870,548	4,647,288	(2,080,868)	62,170,018	(21,079,931)
Underwriting Result	928,084	36,559,689	18,245,277	3,870,548	4,647,288	(2,080,868)	62,170,018	32,950,612

Regulatory Segment Information (Contn)

Family Takaful

Statement of Financial Position By Participants` Funds

	Individual	Group	31 Dec 22 Total	31 Dec 21 Total
	₹	₹	₹	₹
Assets				
Cash and cash equivalent	7,021,981	56,423,092	63,445,072	11,706,638
Retakaful contract assets	880,123	7,071,973	7,952,096	1,360,236
Prepayments and other receivables				479,109
Prepaid wakalah fee	2,022,748	16,253,206	18,275,954	2,879,395
Property, plant and equipment			-	-
Statutory deposit				-
Total Assets	9,924,852	79,748,271	89,673,122	16,425,378
Liabilities and Equity				
Liabilities				
Takaful contract liabilities	13,760,185	110,565,977	124,326,161	7,198,487
Takaful investment contract	-	-	-	-
Takaful payables	138,348	1,111,652	1,250,000	4,841,874
Other payables and accruals	237,103	1,905,173	2,142,276	632,797
Deposit for Share	-	-	-	-
Total Liabilities	14,135,635	113,582,802	127,718,437	12,673,158
Participants' Funds	-	-	-	-
Contingency reserve fund	-	-	7,246,980	-
Unrealized fair value gains	-	-	-	-
Fair value gain/(loss) (FVOCI)	-	-	-	-
Takaful Risk Fund Reserves	-	-	-	3,752,219
Other Reserves				
Retained Underwritten Surplus/(Loss)			- 44,693,373	
Participants' Funds	-	-	-	3,752,219
Participant Fund	14,135,635	113,582,802	90,272,044	16,425,378

Regulatory Segment Information (Contn)

General Takaful

Statement of Financial Position By Participants' Funds

	Fire & Special Peril ₹	Motor Vehicle ₹	General Accident ₹	Engineering ₹	Marine Cargo ₹	Agric ₹	31 Dec.2022 Total ₹	31 Dec.2021 Total ₹
Assets								
Cash and cash equivalent	29,578,500	173,683,477	133,390,028	19,304,752	21,152,643	5,581,959	382,691,360	28,896,225
Takaful receivables	-	-	-	-	-	-	-	1,137,257
Retakaful contract assets	8,665,868	50,885,543	39,080,425	5,655,879	6,197,272	1,635,395	112,120,381	6,422,527
Prepayments and other receivables	68,853	404,301	310,505	44,938	49,239	12,994	890,829	408,595
Intangible asset	-	-	-	-	-	-	-	-
Prepaid wakalah fee	1,908,083	11,204,171	8,604,876	1,245,333	1,364,539	360,087	24,687,089	12,664,892
Property, plant and equipment	-	-	-	-	-	-	-	-
Statutory deposit	-	-	-	-	-	-	-	-
Total Assets	26,443,787	66,774,353	14,740,475	7,250,206	5,463,944	5,472,115	520,389,660	49,529,496
Liabilities and Equity								
Liabilities								
Takaful contract liabilities	16,713,153	98,138,800	75,371,230	10,908,034	11,952,173	3,154,052	216,237,443	42,595,346
Takaful investment contract	-	-	-	-	-	-	-	-
Takaful payables	-	-	-	-	-	-	-	5,490,055
Other payables and accruals	16,740,206	98,297,657	75,493,233	10,925,690	11,971,520	3,159,158	216,587,465	1,421,808
Deposit for Share	-	-	-	-	-	-	-	-
Total Liabilities	33,453,359	196,436,458	150,864,464	21,833,724	23,923,693	6,313,210	432,824,908	49,507,209
Participants' Funds								
Contingency reserve fund	1,263,276	7,417,896	5,696,992	824,492	903,414	238,401	16,344,473	(2,076,413)
Unrealized fair value gains	-	-	-	-	-	-	-	-
Fair value gain/(loss) (FVOCI)	-	-	-	-	-	-	-	-
Takaful Risk Fund Reserves	-	-	-	-	-	-	-	-
Retained Underwritten Surplus/(Loss)	5,929,903	34,820,095	26,742,057	3,870,220	4,240,686	1,119,072	76,722,033	22,287
Participants' Funds	7,193,179	42,237,991	32,439,049	4,694,712	5,144,100	1,357,474	93,066,505	(2,054,126)
Equity								
Share capital	-	-	-	-	-	-	-	-
Contingency Reserve	-	-	-	-	-	-	-	-
Retained earnings	-	-	-	-	-	-	-	22,287
Shareholders' Fund	-	-	-	-	-	-	-	22,287
Participant Fund	40,646,539	238,674,449	183,303,513	26,528,436	29,067,793	7,670,684	525,891,413	49,529,496

Movement in Retained Underwriting Surplus/(Deficit)**General Takaful****31 Dec. 2022**

Movement in Retained Underwriting Surplus/(Deficit)	Fire & Special Peril	Private Motor	General Accident	Engineering	Marine Cargo	Agric	Total
<u>2022</u>	₹	₹	₹	₹	₹	₹	₹
Balance as at January 1	12,344,784	5,000,644	2,476,700	1,479,823	1,533,824	1,041,741	23,877,517
Underwritten profit for the year	928,084	36,559,689	18,245,277	3,870,548	4,647,288	(2,080,868)	62,170,018
Transfer to contingency reserve	720,775	4,232,355	3,250,476	470,422	515,452	136,022	9,325,503
Surplus paid during the year	-	-	-	-	-	-	-
Qard Hassan refund to operator	-	-	-	-	-	-	-
Total	13,993,644	45,792,688	23,972,453	5,820,793	6,696,564	(903,105)	95,373,037

Regulatory Segment Information (Contn)

Movement in Participant Fund Earnings By Portfolio

Family Takaful

Movement in Participants' Funds

During the year	Individual	Group	Total	
<u>2022</u>	₹	₹	₹	
Balance as at January 1	3,085,045	25,873,141	28,958,186	
Underwritten profit for the year	(9,816,532)	(61,698,315)	(71,514,847)	
Transfer to contingency reserve	(236,487)	(1,900,225)	(2,136,712)	-
Surplus paid during the year	-	-	-	
Qard Hassan refund to operator	-	-	-	
Total	(6,967,974)	(37,725,399)	(44,693,373)	

Other National Disclosure

OTHER NATIONAL DISCLOSURES

Other National Disclosure

Statement of Value Added

₹

The Statement of Value Added for the year ended December 31st 2021 is as follows

	December 31, 2022		December 2021	
	₹	%	₹	%
Contribution Income	676,400,953		239,139,918	
Retakaful, Claims, Commission and services	(643,946,694)		(185,808,732)	
Add:				
Investment and other Income	-		-	
Value (Lost)/Added	32,454,259	100	53,331,186	100
Applied As follows				
To Pay Employee:				
Salaries and Other Staff Cost	101,699,286	313	80,773,958	151
To Pay Government:				
Taxation				
Earning for the year				
Retained in the Business				
Depreciation & Ammortisation	38,250,545	118	6,045,483	11
Retained Loss for the year	(107,495,573)	(331)	(33,488,255)	(63)
	32,454,259	100	53,331,186	100

Value Added represents the additional wealth which the company has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth among the employees, shareholders, government and that retained for the future creation of more wealth.

Other National Disclosure (Contn)

Three Years Financial Summary

A. Statement of Financial Position

	2022	2021	2020
	RM	RM	RM
Assets			
Cash and cash equivalent	452,383,607	301,425,268	86,846,362
Takaful receivables	5,501,753	-	1,137,257
Retakaful contract assets	120,072,477	33,262,469	7,782,763
Deffered acquisition cost	26,494,129	5,193,156	5,589,352
Prepayments and other receivables	17,901,874	415,101	6,744,392
Intangible asset	87,228,000	9,120,000	-
Prepaid wakalah fee expenses	42,963,043	18,454,574	15,544,287
Property, plant and equipment	92,236,201	13,116,905	17,394,788
Statutory deposit	210,000,000	210,000,000	210,000,000
Total Assets	1,054,781,084	590,987,473	351,039,200
	-	-	
Liabilities and Equity			
Liabilities			
Takaful contract liabilities	340,563,604	101,966,409	49,793,833
Takaful investment contract	-	-	-
Takaful payables	1,250,000	55,141,839	10,331,929
Other payables and accruals	269,822,588	22,608,670	12,538,733
Deferred wakalah fee	42,963,043	18,454,574	15,544,287
Taxation	5,818,766	2,819,142	1,744,229
Deposit for Share	1,000,000	65,550,000	300,998,183
Total Liabilities	661,418,001	266,540,634	390,951,195
Participants' Funds	23,591,453	12,129,238	2,639,246
Contingency reserve fund			
Unrealized fair value gains			
Fair value gain/(loss) (FVOCI)			
Takaful Risk Fund Reserves			
Other Reserves			
Retained Underwritten Surplus/(Loss)	32,028,660	52,835,703	1,135,260
Participants' Funds	55,620,112	64,964,941	3,774,506
Equity			
Share capital	790,409,624	610,998,183	210,000,000
Share premium	-	-	-
Retained earnings	(452,666,653)	(351,516,284)	(253,686,500)
Shareholders' Fund	337,742,971	259,481,899	(43,686,500)
Total Equity and Liabilities	1,054,781,084	590,987,473	351,039,200

Other National Disclosure (Contn)

Three Years Financial Summary

b. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2022	2021	2021
	₹	₹	₹
Gross contribution written	676,400,953	239,139,918	86,783,887
Unearned Contributions Reserve(UCR)	(102,016,157)	(39,940,280)	(35,585,604)
Gross Contribution Income	574,384,796	199,199,638	47,923,170
Retakaful Expenses	(134,467,933)	(38,429,632)	(14,604,773)
Net Earned contributions	439,916,863	160,770,006	33,318,397
Fee & Commission Income	29,290,899	10,174,027	3,013,107
Claim Expenses	(221,513,648)	(23,238,628)	(12,496,167)
Changes in Family Individual Life Fund	(17,386,874)	(6,196,155)	(3,275,114)
1% NAICOM supervision Levy	(6,764,010)	(2,391,399)	-
Jualah Fee Expenses	-	-	-
Finance cost - bank charges	(8,839,170)	(23,827)	-
Underwritten Expenses:	-	-	-
Underwritten Expenses	(125,445,313)	(107,891,514)	(19,169,268)
Wakalah Fee Income	230,238,743	77,201,393	19,169,268
Commission Expenses	-	-	-
Maintenance Expenses	-	-	-
Underwritten Profit:	319,497,491	113,597,058	20,560,223
Investment Income	32,423,568	853,985	(263,562,542)
Other Income	1,023,481	531,500	(248,167,765)
Mudarabah expenses	-	-	-
Mudarabah income	-	-	-
Management Expenses	(230,083,283)	(148,316,866)	-
Profit/(Loss) before Zakat and Taxation	(107,377,486)	(33,488,255)	-
Provision for Zakat	-	-	-
Tax expenses on takaful operations	-	-	-
Underwritten Surplus/Deficit	(107,495,573)	(33,488,255)	(248,167,765)
Taxation expense on Operator	(2,999,624)	(1,074,913)	(1,744,229)
Profit/(Loss) after Zakat and Taxation	(110,495,197)	(34,563,168)	(249,911,995)
Other Comprehensive Income:	-	-	-
Item that may not be reclassified subsequently	-	-	-
Total profit/(loss)/Total Surplus/Deficit	(110,495,197)	(34,563,168)	(249,911,995)
Item that may not be reclassified subsequently	-	-	-
Total profit/(loss)/Total Surplus/Deficit	(110,495,197)	(34,563,168)	(249,911,995)