Progression

2020 Annual Report
+ Accounts

Linkage Assurance Plc
RC:162306

...protection that counts

Contents

What we are

Linkage Assurance Plc. was incorporated 26 March, 1991 and was licensed to cover and transact non-life insurance businesses on 7 October, 1993.

As part of the recapitalization and consolidation reforms of Federal Government of Nigeria, the company merged with Central Insurance Company Limited on 27 February, 2007 to form a new and bigger Linkage Assurance Plc. to further provide quality service to our clients who form the bedrock of who we are.

We are one of the leading insurance service providers in Nigeria, with a reputation for prompt and accurate service delivery, efficiency and customer satisfaction. For over two decades, we are and have been driven by our tested relationship with various respectable brokers/agents. Through our alliance with reputable financial institutions and our growing investment in human resources & information technology, we maintain the professional mien required of a global reputable insurance company.

Total Assets	Total Equity	Profit After Tax
N33.9billion	N26.4billion	N2.4billion

Linkage Assurance Plc Affirms The A- Status

Agusto & Co., a top rating agency has rated Linkage Assurance Plc and affirmed the A- status on the Insurer. This rating confirms on the Company, a satisfactory financial condition and adequate capacity to meet claims obligation as well as a Stable Outlook.

Our Investment Portfolio

We have developed high competence in investment management having grown our investment portfolio to over N25 billion as at 31st December 2020. Our increasingly steady participation in fixed income, equity & debt instruments in both capital and money markets has produced returns resulting in appreciable increase in our investment portfolio.

Brand Platform

VISION STATEMENT

To consistently exceed customers expectation.

MISSION STATEMENT

To use best in class technology, competent and engaged workforce to deliver superior services and returns to our stakeholders

OUR CORE VALUE

E – Excellence
P – Professionalism
I – Integrity
I – Innovation
C – Customer Focus

We believe in consistently "Walking the Talk" and keeping promises to all stakeholders through emphasis on honesty, transparency and the highest degree of ethical standards.

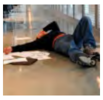
Service Offering

We offer a full range of integrated non-life insurance services backed up with commitment to excellence and quality service delivery to the satisfaction of our clients.

Automobile
Private Motor
Commercial Vehicle
Motor Trade
Motor Cycle

Property
Fire and Allied Perils
Theft/Burglary
Householders
Industrial All Risks(Material Damage)

General Accident
Fidelity Guarantee
Money Insurance
Goods In Transit
Group Personal Accident/Personal Accident



Liability Group
Employer's Liability
Personal/Public Liability

Transportation
Goods in transit
Marine Hull
Marine Cargo

Health & Compulsory Insurances
Travel Insurance
Miscellaneous/Compulsory Insurances
Builder's Liability
HealthCare Professional Indemnity

Marine
Marine Cargo
Marine Hull & Liability
Port Operators (Bailee) Liability

Aviation
Aviation Cargo
Aviation Hull & Liability
Aviation Passenger Liability

Bonds
- Advance Payment Bond
- Performance Bond
- Counter Guarantee Bond
- Bid Bond /Tender

Oil/Gas & Special Risk
- Energy Risk/Power Plants
- Oil & Gas
- Operators Extra Expenses
- Control of Well
- Gas Plants
- Refineries & Petrochemical Plants

Engineering Insurance
- Erection All Risks
- Construction All Risks
- Plant All Risks
- Boiler& Pressure Vessel
- Machinery Breakdown
- Electronic/Telecommunication Equipment
- Business Interruption (consequent upon
- Machinery. Breakdown)

Retail Products	
Motor Third Party Plus	Budget motor insurance
Events Insurance	Material damage + accident
Estate Insurance	Fire + Burglary cover for homes & estates
Purple Motor Plan	Comprehensive motor cover for women
Shop Insurance	Comprehensive risk cover for stores, supermarkets , malls and plazas
SME Comprehensive	Comprehensive risk cover for SMEs
Citadel Shield Plan	Personal/Group Personal Accident cover for students and pupils

Agricultural Insurance	
Livestock Insurance	Covers swine, sheep, goat, cattle and rabbits against diseases, fire, and accidents.
Poultry Insurance	Covers commercial birds against mortality from diseases, fire, flood, windstorm, and accident.
Multi Perils Crop Insurance	Covers cost of production and expected yield.
Fishery and Fish Farm	Covers mortality of farmed fish against flood, diseases, fire, and accident.
Farm Produce & Properties	Fire and Burglary on farm produce, Machineries, buildings, and properties.
Area Yield Index Insurance	Protection against named perils on farm output.

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 27th Annual General Meeting of LINKAGE ASSURANCE PLC will hold on Thursday, 20th May 2021 at, AGIP RECITAL HALL FOYER, MUSON CENTRE 8/9 Marina, Onikan, Lagos by 10:00 am to transact the following business:

ORDINARY BUSINESS

1. To receive and consider the Audited Financial Statements for the year ended 31 December 2020 together with the Reports of the Directors, Auditors, Audit Committee, and the Board Appraisal Report.

2. To declare Dividend.

3. To elect the following Directors retiring by Rotation:

i. Mr. Tamunoye Alazigha
ii. Mr. Olakunle Agbebi
iii. Mrs. Obafunke Alade-Adeyefa
iv. Mrs. Imo Oyewole

4. To ratify the appointment of Messrs. Ernst & Young as External Auditors of the Company.

5. To authorize the Directors to fix the remuneration of the Auditors.

6. Disclosure of the remuneration of Managers of the Company.

7. To elect members of the Statutory Audit Committee.

Special Business

To consider and if thought fit to pass the following Ordinary Resolutions:

1. That the remuneration of the Directors of the Company for the year ending December 31, 2021 be and is hereby fixed at N10m only.

2. That in accordance with the recommendation of the Directors, the sum of N2,000,000,000.00 (Two Billion Naira) of the Company's Retained Earning be and hereby capitalized for bonus issue and the said N2,000,000,000.00 (Two Billion Naira) divided into 4,000,000,000 ordinary shares of 50k each, be appropriated to the members whose names appear in the Register of members at the close of business on the 30th of April, 2021, in the proportion of Two (2) share for every five (5) shares registered in such members' name on that date, subject to the approval of the appropriate regulatory authorities, the shares so distributed being treated for all purposes as capital and not income, ranking pari passu with the existing shares issued pursuant to this resolution.

PROXY

A member of the Company entitled to attend and vote at the Annual General Meeting can appoint a proxy to attend and vote instead of him/her.
In view of the current Covid-19 pandemic, the directives to minimize social contacts by restricting the number of persons at public gatherings and in accordance with the Corporate Affairs Commission's Guidelines on Holding of Annual General Meetings (AGM) of Public Companies by taking advantage of Section 254 of the Companies and Allied Matters Act (CAMA) using Proxies, all members are hereby advised that attendance for the meeting shall be by PROXY ONLY.

A member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote in his/her place. A proxy need not be a member of the Company. Consequently, members are required to appoint a proxy of their choice from the list of the proposed proxies to represent them at the meeting: a) **Chief Joshua B. Fumudoh (Chairman), Mr. Daniel Braie (MD/CEO) and Mr. Moses Omorogbe (Company Secretary).**

A proxy form is enclosed in the Annual Report. For the instrument of proxy to be valid, it must be completed, duly stamped for the purposes of this meeting. The Company has made arrangements at its cost for the stamping of the duly completed proxy forms which must be deposited at the office of the Registrar, Centurion Registrars, 33C, Cameron Road, Ikoyi, Lagos or services@centurionregistrars.com or the Registered Office of the Company, Linkage Plaza, Plot 20, Block 94, Providence Street, Off Adewunmi Adebimpe Lekki Phase 1, Lagos not less than forty-eight hours before the time of the meeting

(a) CLOSURE OF REGISTER

The Register of members will be closed from 3rd of May 2021 to 10th of May 2021 both days inclusive for the purpose of dividend and bonus issue and to update the Register of Members. The qualification date for Bonus and dividend is Friday, 30th April, 2021.

DIVIDEND

If the dividend recommended by the Directors is approved at the meeting, the warrants, or accounts of shareholders with the appropriate e-dividend mandate, will be posted/credited on 26th of May, 2021 to shareholders whose names appear on the register of shareholders at the close of business on , 30th of April, 2021.

(b) AUDIT COMMITTEE

In accordance with Section 404 (6) of Companies and Allied Matters Act, 2020, any member may nominate a shareholder for appointment to the Audit Committee. Such nomination should be in writing and must reach the Company Secretary not less than 21 days before the meeting. The National Insurance Commission Code of Corporate Governance Code, 2009, states that some of the members of Audit Committee should have knowledge of accounting, financial analysis, and financial reporting.

Section 404 (5) of the Companies and Allied Matters Act 2020 provides that all the members of the Audit Committee shall be financially literate and at least one (1) member shall be a member of a professional accounting body in Nigeria established by an Act of the National Assembly. The Nigerian Code of Corporate Governance issued by the Financial Reporting Council of Nigeria also provides that members of the Audit Committee should be financially literate and able to read and interpret financial statements.

Notice Of Annual General Meeting

(c) WEBSITE
A copy of this Notice and other information relating to the meeting can be found on our website at http://www.linkageassuranceplc.com. Responses can also be sent through our email address: info@linkageassurance.com

(d) RIGHTS OF SECURITIES' HOLDERS TO ASK QUESTIONS
Securities' Holders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such questions must be submitted to the Company not later than seven (7) days to the Meeting.

REGISTERED OFFICE
Linkage Plaza
Plot 20, Block 94,
Providence Street,
Off Adewunmi Adebimpe Lekki
Phase 1, Lagos
P.O. Box 74175
Victoria Island
Lagos

Dated this 19th Day of April 2021

BY ORDER OF THE BOARD

MOSES OMOROGBE
Company Secretary
FRC/2017/NBA/00000017141

Corporate Information

Chairman	Chief Joshua B. Fumudoh	Chairman
Other Directors	Mr. Tamunoye Zifere Alazigha	Non-executive Director
	Mrs. Imo Oyewole	Non-executive Director
	Mr. Olakunle Agbebi	Non-executive Director (Minority Shareholder)
	Mr. Okanlawon Adelagun	Executive Director
	Mrs. Obafunke Alade-Adeyefa	Non-executive Director
	Mr. Bernard Nicolaas Griesel	Non-executive Director
	Mrs. Funkazi Koroye-Crooks	Non-executive Director
	Mr. Maxwell Ebibai	Non-executive Director
	Mr. Abubakar Shehu Dahiru	Independent Director
Managing Director	Mr. Daniel Braie	
Company Secretary	Mr. Moses Omorogbe	
Registered Office	Linkage Plaza Plot 20, Block 94, Providence Street Off Adewunmi Adebimpe Street Lekki-Epe Expressway, Lekki, Lagos	
Registrars	Centurion Registrars 33C, Cameron Road, Ikoyi, Lagos. www.centurionregistrars.com	
Auditor	KPMG Professional Services KPMG Towers, "Bishop Aboyade Cole Street" Victoria Island, Lagos www.kpmg.com/ng	
Reinsurers	African Reinsurance Corporation, Lagos, Nigeria Swiss Reinsurance Company Ltd, Zurich, Switzerland Continental Reinsurance Plc, Lagos, Nigeria WAICA Reinsurance, Sierra Leone Arab Insurance Company, Bahrain Cathedral @ Underwriter Syndicates No. 2010 MMX, London ZEP-RE (PTA Reinsurance Company), Nairobi, Kenya Atrium Underwriting Limited @ Lloyd's Underwriter Syndicate, UK Hannover Ruck SE, Hannover, Germany	
Principal Bankers	Access Bank Plc. Ecobank Nigeria Plc. FCMB Limited. Fidelity Bank Plc. First Bank of Nigeria Limited. Guaranty Trust Bank Plc. Heritage Bank Limited.	Keystone Bank Limited. Polaris Bank Limited. Stanbic IBTC Bank Limited. Union Bank Plc. United Bank for Africa Plc. Unity Bank Plc. Zenith Bank Plc.
Actuary	Ernst & Young	
RC No.	162306	
FRC Registered No.	FRC/2012/0000000000339	

Authorized and regulated by National Insurance Commission RIC - 026

Financial Highlights

Statement of profit or loss and other comprehensive income	31 Dec 2020 N'000	31 Dec 2019 N'000	Changes (%)
Gross premium written	8,331,841	6,518,964	28
Gross premium income	7,952,990	6,326,620	26
Net premium income	4,450,402	3,713,380	20
Underwriting profit	825,589	409,240	102
Investment and other income	2,075,854	2,263,966	(8)
Profit before taxation	2,536,069	1,338,726	89
Profit after taxation	2,395,012	1,452,154	65
Statement of financial position			
Total assets	33,877,404	28,704,432	18
Insurance contract liabilities	5,728,661	4,652,881	23

Key Ratios	31 Dec 2020 (%)	31 Dec 2019 (%)	Changes (%)
Claims ratio	39	41	(2)
Claims ratio (net)	17	26	(9)
Underwriting expenses ratio	35	34	1
Underwriting income ratio	14	15	(1)
Management expenses ratio	26	28	(2)

Our Performance
For the year ended 31 December 2020, our gross premium written grew by 28% to N8.33 billion from N6.52 billion in December 2019; with the major contribution from Oil and Gas class to the gross premium written in 2020. The underwriting profit from operations grew by 102% to N825.59 million from a profit of N409.24 million caused by increased gross premium written and decreased claims expenses compared to December 2019.

The dividend income of N721.18 million from Stanbic IBTC Pension Limited (SIPML) indicates a decrease of 5% in the dividend income of N762.35 million for the prior period.
Our profit before tax increased significantly by 89% to N2.54 billion from N1.34 billion in 2019. This was majorly attributable to decrease in claims, investment income and increase in gross premium written.

Outlook
We will continue to refine our strategy in line with the political, economic, sociological and technological changes in the industry particularly the impact of Coronavirus (COVID-19) pandemic on the business landscape. We will also continue to develop innovative products, alternative channels of distributions and strategic initiatives that will enable us achieve our corporate goals and objectives. With a medium-to-long term perspective, we believe that we will benefit from growth in these initiatives."

Retail products
We have developed and launched a number of retail products. These include the Linkage Third Party Plus, which is a budget friendly motor insurance that provides not only the compulsory Third party protection but an additional Own damage protection to the tune of N250,000. This product is only available from our Company, Linkage Assurance Plc. Others are the Linkage SME Comprehensive, Citadel Shield (which provides compensation as a result of injuries from accident for pupils and students in recognized academic establishments). Linkage Events Xclusive Insurance, Linkage Shop Insurance, Purple Motor Plan (comprehensive motor cover exclusively for women), and the Linkage Estate Insurance. We are also making efforts to deploy our online portal to make our products and services available to our customers especially the digital savvy customers and enterprises.

Agric Insurance
In line with our strategic focus, we have developed a bouquet of Agricultural Insurance products as risk management initiatives for both small, medium and large-scale farmers and agribusiness. These include Livestock Insurance Solution, Multiperil Crop Insurance Solution, Fish Farm & Fisheries Insurance, Poultry Farm Insurance, Area Yield Index Insurance and Farm All Risk (Material Damage) .

Operational Efficiency
In line with the vision statement, we have embarked on extensive digital transformation , this is expected to be one of the major drivers of operational efficiency as it will improve our business process, eliminate wastages, and positively impact our performances.


Business
Review

Chairman's Statement

"We wrote a Gross Premium Written (GPW) of N8.3billion in 2020 as against N6.5billion recorded in 2019, accounting for 28% growth. Profit before tax grew to N2.5billion in 2020 from N1.3billion in 2019 representing 89% growth during the period ."

Chief Joshua B. Fumudoh
Chairman

Chairman's Statement

Distinguished shareholders, fellow Board Members , Ladies and Gentlemen. I warmly welcome you to the 27th Annual General Meeting of Linkage Assurance PLC . I am happy to present to you a review of our operating environment and a synopsis of the Company's performance for the financial year ended December 31, 2020.

OPERATING ENVIRONMENT

The Global Economy

The year 2020 will remain a very memorable year for every nation and economy in the world due to the Covid-19 pandemic and the way it has altered many activities and lifestyle. The Coronavirus which began in China spread to more than 219 nations and regions.

In many economies, the frail economic environment caused by Covid led to the inability of many organizations to fulfill their financial obligations. This could be seen in sectors like Aviation, Hospitality, Sports, and many others. The financial sector was not left out as the pandemic induced interest-rate reduction which weakened the profitability of many financial institutions.

In many economies, economic activities almost came to a halt until the fourth quarter of 2020 when there was the glimmer of availability of vaccine in early 2021. The pandemic also caused border closure and restrictions of movement thereby resulting in reduction of economic activities. The global supply chain was almost brought to a halt and this impacted the demand for crude oil. The global price for crude oil dropped to below $30/barrel.

While the global real GDP increased by 2.2% in 2019 , it decreased by 3.5% in 2020 causing many economies to go into recession.

The Domestic Economy

In Q1-2020 , the Nigeria's Gross Domestic Product (GDP) grew by 1.87% . According to the Bureau of Statistics report, the performance recorded in Q1-2020 represents a drop of 0.23% points compared to Q1-2019 (2.10%). However, the Nigeria's oil sector recorded a real growth rate of 5.06% (year-on-year) in Q1-2020, indicating an increase of 6.51% points relative to the rate recorded in the corresponding quarter of 2019 (-1.46%).

The growth in the non-oil sector was driven mainly by Information and Communication (Telecommunications), Financial and Insurance (Financial Institutions), Agriculture (Crop Production), Mining and Quarrying (Crude Petroleum & Natural Gas), and Construction.

In real terms, the Non-Oil sector contributed 90.50% to the nation's GDP in the first quarter of 2020, less than its share in the first quarter of 2019. Activities that witnessed weaker performance relative to Q1 2019 include Quarrying, Road transport, Accommodation and Food Services as well as real estate.

In the Second Quarter 2020, the Nigeria Gross Domestic Product (GDP) decreased by -6.10% in real terms, and aggregate GDP stood at N34,023,197.60 in nominal terms.

Overall, the nominal growth rate was -16.81% points lower than recorded in the second quarter of 2019, and -14.81% points lower than recorded in the first quarter of 2020.

The oil sector, real growth stood at -6.63% (year-on-year) in Q2 2020 indicating a decrease of -13.80% points relative to the rate recorded in the corresponding quarter of 2019. Growth decreased by -11.69% points when compared to Q1 2020 which recorded 5.06%. The Oil sector contributed 8.93% to total real GDP in Q2 2020.

The non-oil sector recorded a decline of -6.05% in real terms during the reference quarter (Q2 2020). The recorded growth rate was -7.70% points lower compared to the rate recorded during the same quarter of 2019, and -7.60% points compared to the first quarter of 2020. The non-oil sector accounted for 91.07% of aggregate GDP in the second quarter of 2020, slightly higher than the share recorded in the second quarter of 2019 (91.02%) as well as the first quarter of 2020 (90.50%).

The improvement in trend for Non-oil GDP came from a combination of two large sectors (Agriculture and Telecoms) while the growth rate declined in three other large sectors (Trade, Manufacturing and Real Estate). Telecom's growth was strong, though down from 18.10% y/y in Q2 2020 to 17.36% y/y in Q3. The large Agricultural sector grew, though the rate of growth slowed from 1.58% y/y in Q2 2020 to 1.39% y/y in Q3 2020. These sectors together account for 41.97% of GDP. The Non-oil sectors especially Manufacturing

Chairman's Statement

were able to adapt to difficult conditions in consumer and FX markets.

According to the NBS, "the positive growth reflects the gradual return of economic activities following the easing of restricted movements and limited local and international commercial activities in the preceding quarters".

For the full year 2020, the annual growth of real GDP was estimated at -1.92%. This bumpy global crisis had ripple effects on Nigeria and every sector during the year under review.

The Nigerian Insurance Industry

According to Agusto & Co.'s report the Nigerian Insurance Industry's gross premium income (GPI) grew by 15% year-on-year to N592.3 billion in the financial year ended 31 December 2020. The report attributed performance of the insurance industry in 2020 to technological innovation in product distribution induced by the pandemic, regulatory-backed opportunities including the digitization of marine insurance certificates and an increasing awareness of the benefits of insurance . Nevertheless, the event that started on the 8th of October 2020 with nationwide protests demanding the disbandment of the Special Anti-Robbery Squad (SARS), a unit of the Nigerian Police Force, with riots in major cities, including Nigeria's commercial capital of Lagos resulted in the industry recording an increase in claims due to the destruction of assets and means of livelihood of many Nigerians.

The period of unrest was marked by attacks on private and public assets including bank buildings, vehicles, and malls and it left insurance companies obligated for claims worth billions of naira.

The President of the Lagos Chamber of Commerce and Industry estimated that Nigeria had lost more than N700bn ($1.8bn) in economic value to the #EndSARS protests. The Lagos state government estimated the damage/destruction due to the protests at a trillion naira in Lagos alone.

As a result of this, the regulators cautioned operators from granting free coverage for strikes, riots, and civil commotion.

During the year NAICOM licensed seven new operators which include, three takaful, two non-life, a life, and a reinsurer. As of December 2020, there were 66 insurance companies.

At year end December 2020, rating organization, Agusto & Co assigned to the Nigeria Insurance Industry a BB- status which reflects a moderate to high-risk environment with weak economic fundamentals.

Operating Results

Esteemed Shareholders , I am glad to inform you that despite the economic challenges that rocked the nation's economy in the past year , our company recorded growth in both top and bottom lines . We wrote a gross premium written (GPW) of N8.33billion as against N6.512billion recorded in 2019. This accounted for 28% YoY growth. Profit before tax grew to N2.5billion in 2020 from N1.3billion in 2019 representing 89% growth during the period. Also, underwriting profit from operations grew by 102% to N825million from N409million in 2019 due to improved operational efficiency measures and effective implementation of our strategic initiatives during the period.

Outlook for 2021

As we gradually commence recovery from the effects of the global Covid-19 Pandemic, we will tread cautiously into the year 2021 in our risk acceptance and operations. In line with our Strategic roadmap, we shall continue the repositioning strategy aimed at transforming your company to that desired position in the Nigerian Insurance market.

Conclusion

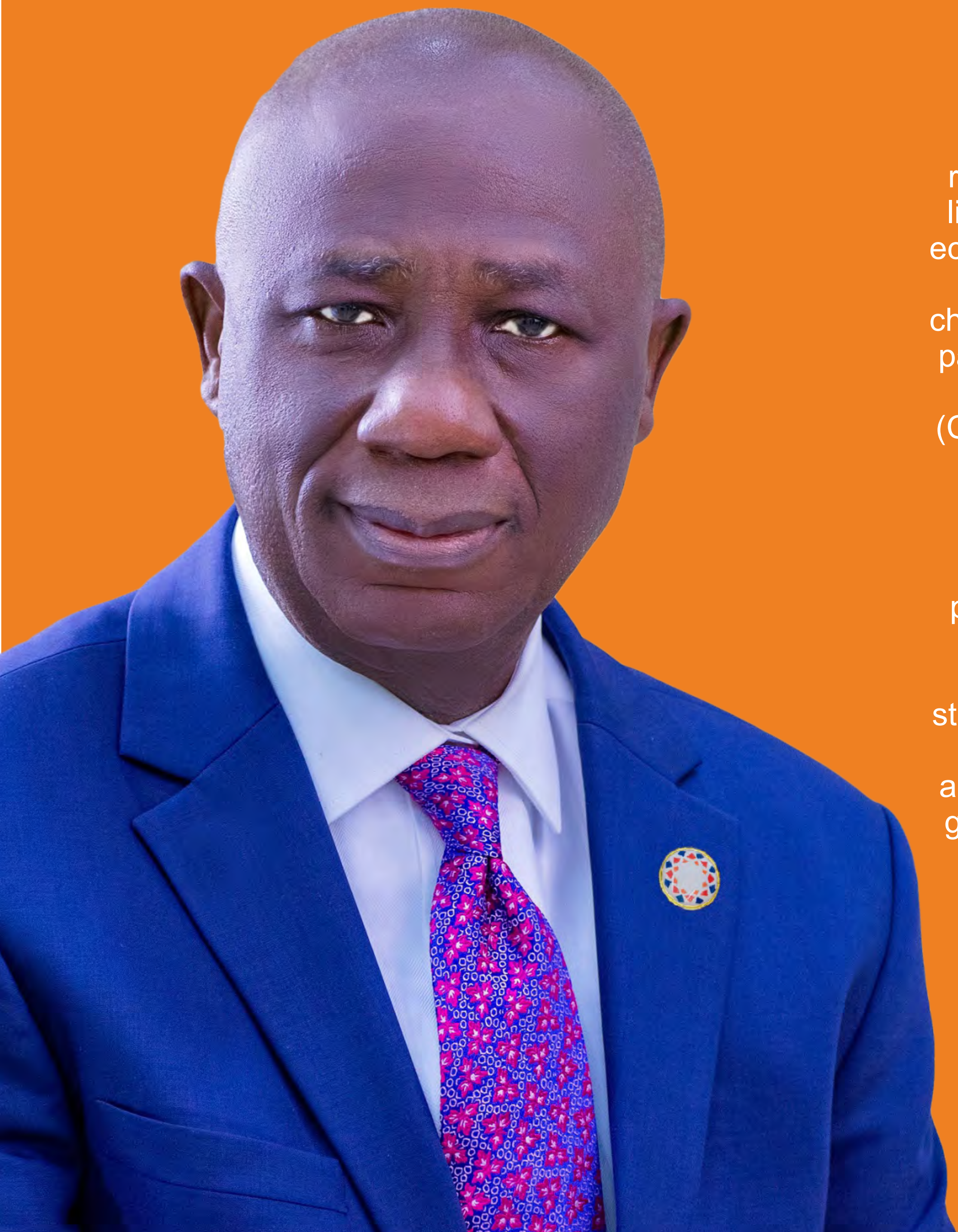
Distinguished ladies and gentlemen , on behalf of the Board of Linkage Assurance PLC ,I wish to express my appreciation to our esteemed Shareholders for their enduring trust and confidence reposed in us to work efficiently towards building a strong , dynamic, and competitive institution. May I, also applaud my colleagues on the Board , Management and Staff who have worked dedicatedly to ensure the success of the company .

I will not forget to recognize the contributions of the Brokers, Agents, and our numerous customers, we could not have achieved these results without your patronage and contribution.

Thank you and God bless .

Chief Joshua B. Fumudoh
Chairman

MD/CEO's Statement



"We will continue to refine our strategy in line with the political, economic, sociological, and technological changes in the industry particularly the impact of Coronavirus (COVID-19) pandemic on the business landscape. We will also continue to develop innovative products, alternative channels of distributions and strategic initiatives that will enable us to achieve our corporate goals and objectives."

Mr. Daniel Braie
Managing Director

MD/CEO's Statement

The Covid-19 pandemic cast a dark shadow over the whole of 2020, as many economies and sectors were forced by the lockdown to either close or work from home (WFH).

Despite the inevitable and widespread disruption to many businesses, we were able to grow both our top and bottom lines.

The Insurance Industry

During the year, several regulatory pronouncements were made by the regulator, The National Insurance Commission (NAICOM). These include the granting of approval for operators to underwrite microinsurance risks, which is expected to increase insurance penetration amongst low-income earners. NAICOM also granted operational licenses to four insurers, one reinsurer, two takaful firms. The industry was adversely affected by the recent social unrest and protests which took place in major cities across the nation last year just as the lockdown was being relaxed.

Due to the outcome of the End-SARS claims, the National Insurance Commission (NAICOM) issued directives to ensure that underwriters are strengthened to appropriately rate and charge requisite premiums especially on insurance coverage for Strike, Riot and Civil Commotion (SRCC) extensions. NAICOM unveiled IT guidelines for insurance sector.

Our Performance

For the year ended 31 December 2020, our gross premium written grew by 28% to N8.33 billion from N6.52 billion in December 2019; with the major contribution from Oil and Gas class to the gross premium written in 2020. The underwriting profit from operations grew by 102% to N825.59 million from a profit of N409.24 million caused by increased gross premium written and decreased claims expenses compared to December 2019.

Our profit before tax increased significantly by 89% to N2.54 billion from N1.34 billion in 2019.
This was majorly attributable to decrease in claims, increase in investment income and increase in gross premium written.

Outlook

We will continue to refine our strategy in line with the political, economic, sociological, and technological changes in the industry particularly with the impact of Coronavirus (COVID-19) pandemic on the business landscape. We will also continue to develop innovative products, alternative channels of distributions and strategic initiatives that will enable us to achieve our corporate goals and objectives. With a medium-to-long term perspective, we believe that we will benefit from growth with these initiatives.

Retail products

We shall continue to ensure that our set of retail products are made available to retail insurance consumers and SMEs all over Nigeria . These include the Linkage Third Party Plus, which is a budget friendly motor insurance that provides not only the compulsory Third party protection but an additional Own damage protection to the tune of N250,000. This product is only available from our Company, Linkage Assurance Plc. Others are the Linkage SME Comprehensive, Citadel Shield (which provides compensation because of injuries from accident for pupils and students in recognized academic establishments). Linkage Events Xclusive Insurance, Linkage Shop Insurance, Purple Motor Plan (comprehensive motor cover exclusively for women), and the Linkage Estate Insurance. We are also making efforts to increase our online presence to make our products and services available to our customers especially the digital savvy customers and enterprises.

Operational Efficiency

In line with the vision statement, we have embarked on extensive digital transformation, this is expected to be one of the major drivers of operational efficiency as it will improve our business process, eliminate wastages, and positively impact our performances.

Agric Insurance

As part of our strategic focus, our recently approved bouquet of Agricultural Insurance products will be available to both direct customers and brokers as risk management initiatives for both small, medium, and large-scale farmers and agribusiness. They include Livestock Insurance Solution, Multiperil Crop Insurance Solution, Fish Farm & Fisheries Insurance, Poultry Farm building & Produce Insurance and Area Yield Index Insurance.

MD/CEO's Statement

CSR Projects & Initiatives in 2020

During the period under review, we embarked on several corporate responsibility initiatives, we were able to reach out and support several bodies and institutions under our CSR programs. These include:

i. Support for Government effort to contain COVID-19 pandemic by Nigerian Insurance Industry
ii. Donation of branded nose masks, face shield and hand sanitizers to schools
iii. Donation towards Bayelsa Polo Club Inauguration
iv. Donation of branded nose masks with Linkage and FRSC logo to Federal Road Safety Corp
v. Donation towards fundraising for 300-seater lecture theater to the Lagos State University
vi. Corporate Social Responsibility to Kanu Heart Foundation
vii. Donation towards 2020 NAIPCO members training
viii. Donation towards Coursebook project to the Chartered Insurance Institute of Nigeria
ix. Corporate Social Responsibility to support Down Syndrome Foundation
x. Donation towards 2021-Armed Forces Remembrance Day

Manpower Development

Our greatest resources are our human capital assets, this is the reason we are not relenting in our efforts to ensure that the Linkage Assurance PLC staff is one of the best in the insurance industry in terms of skills and knowledge across all departments and units of the organization.

Conclusion

I also recognize the enormous contributions of our board of directors who have continued to support and encourage us, as well as our brokers, customers and shareholders . We could not have been successful without you all.

Thank you.

Mr. Daniel Braie
Managing Director/CEO

Report Of The Directors

For The Year Ended 31 December 2020

It is the pleasure of the Directors to submit their annual report together with the audited financial statements for the year ended 31 December 2020.

1. Legal status

The Company was incorporated on the 26th of March 1991 as a private limited liability company - Linkage Assurance Company Limited. It was registered by the National Insurance Commission on the 7th of October, 1993 to transact general insurance business and commenced operations in January, 1994. The Company became a Public Limited Liability Company in 2003 and the Company's shares, which are quoted on the Nigerian Stock Exchange, were first listed on 18 November, 2003. In compliance with regulatory directives on re-capitalization in the Insurance Industry in 2007, the Company merged with the former Central Insurance Company Limited. The registered office of the Company is Plot 20 Block 94 Providence Street, Off Adewunmi Adebimpe Street, Lekki Phase 1, Lekki, Lagos, Nigeria.

2. Principal activity

The Company was registered to transact all classes of life and non-life insurance business, insurance claims payment and investments. Subsequently it disposed its life business in February 2007 and concentrated on the non-life insurance business.

3. Operating results

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

	31 Dec 2020 N'000	31 Dec 2019 N'000
Gross premium written	8,331,841	6,518,964
Profit before taxation	2,536,069	1,338,726
Taxation (expense)/credit	(141,057)	113,428
Profit after taxation	**2,395,012**	**1,452,154**

4. Directors

The Directors who served during the period were as follows:

Chief Joshua B. Fumudoh	Chairman
Mr. Tamunoye Zifere Alazigha	Non-executive Director
Mrs. Imo Oyewole	Non-executive Director
Mr. Olakunle Agbebi	Non-executive Director
Mr Okanlawon Adelagun	Executive Director
Mrs. Obafunke Alade-Adeyefa	Non-executive Director
Mr. Bernard Nicolaas Griesel	Non-executive Director
Mr. Daniel Braie	Managing Director
Mrs. Funkazi Koroye-Crooks	Non-executive Director
Mr. Maxwell Ebibai	Non-executive Director
Mr. Abubakar Shehu Dahiru	Independent Non-executive Director

5. Directors interest in shares

The interests of the Directors in the issued share capital of the Company as recorded in the register of members as at 31 December 2020 and as notified by them for the purpose of fulfilling Section 301 of the Companies and Allied Matters Act (CAMA) 2020 are as follows:

	2020 Direct	2020 Indirect	2020 Total	2019 Total
Chief Joshua B. Fumudoh*	-	-	-	-
Mr. Tamunoye Zifere Alazigha*	-	-	-	-
Mrs. Imo Oyewole	-	-	-	-
Mr. Olakunle Agbebi	-	-	-	-
Mr Okanlawon Adelagun	-	-	-	-
Mrs. Obafunke Alade-Adeyefa	-	-	-	-
Mr. Bernard Nicolaas Griesel	-	1,327,000,000	1,327,000,000	1,061,809,052
Mr. Daniel Braie	-	-	-	-
Mrs. Funkazi Koroye-Crooks*	-	-	-	-
Mr. Maxwell Ebibai*	-	-	-	-
Mr. Abubakar Shehu Dahiru	-	-	-	-

*Directors representing the interest of Bayelsa State Ministry of Finance Incorporated (BSMFI).

Directors with indirect interest in the issued share capital of the Company as recorded in the Register of members were as follows:

		No. of Shares	
Name of shareholder	**Institution represented**	**31 Dec 2020**	**31 Dec 2019**
Mr. Bernard Nicolaas Griesel	Stanbic IBTC Nominees Nigeria	1,327,000,000	1,061,809,052
Chief Joshua B. Fumudoh Mr. Tamunoye Zifere Alazigha Mrs. Funkazi Koroye-Crooks Mr. Maxwell Ebibai	Bayelsa State Ministry of Finance Incorporated (BSMFI)	5,343,337,743	4,274,735,743

Report Of The Directors

For The Year Ended 31 December 2020

6. Contracts

In accordance with Section 303 of the Companies and Allied Matters Act (CAMA) 2020, all contracts with related parties were conducted at arms length. Information relating to related parties transactions are contained in Note 46 to the financial statements.

7. Shareholding

The Company's issued share capital of N5 billion is made up of 10 billion ordinary shares of 50k each which are held by Nigerian individuals and institutional investors. There was an increase of N1 billion in paid-up issued share capital during the year which is made up of 2bn ordinary shares. The additional share capital is a result of a bonus share issue of one share for every four shares held by existing shareholders. The bonus shares were issued from retained earnings. According to the register of members, no shareholder other than the following held more than 5% of the issued share capital of the Company as at 31 December 2020.

Bayelsa State Ministry of Finance Incorporated (BSMFI)	5,343,337,743	53.43%
Stanbic IBTC Nominees Nigeria Limited	1,327,000,000	13.27%

b) Analysis of shareholding structure

i) As at 31 December, 2020

Range	No of Holders	% of Holders	Units Held	% Units Held
1 - 10,000	11,474	52.14	45,288,336	0.45
10,001 - 50,000	7,133	32.42	153,906,779	1.54
50,0001 - 100,000	1,453	6.60	101,209,655	1.01
100,001 - 500,000	1,538	6.99	291,398,342	2.91
500,001 - 1,000,000	165	0.75	112,473,369	1.12
1,000,001 - 5,000,000	174	0.79	336,021,203	3.36
5,000,001 - 10,000,000	18	0.08	127,932,449	1.28
10,000,001 - 50,000,000	37	0.17	660,380,183	6.60
50,000,001 - 100,000,000	6	0.03	437,446,428	4.37
100,000,001 - 500,000,000	5	0.02	1,063,262,263	10.63
500,000,001 - 5,000,000,000	2	0.01	6,670,680,993	66.71
Grand Total	**22,005**	**100**	**10,000,000,000**	**100**

ii) As at 31 December, 2019

Range	No of Holders	% of Holders	Units Held	% Units Held
1 - 10,000	14,152	64.23	62,521,192	0.78
10,001 - 50,000	5,294	24.03	136,759,172	1.71
50,001 - 100,000	1,331	6.04	108,508,560	1.36
100,001 - 500,000	940	4.27	208,916,235	2.61
500,001 - 1,000,000	144	0.65	115,617,905	1.45
1,000,001 - 5,000,000	108	0.49	231,163,526	2.89
5,000,001 - 10,000,000	21	0.10	159,120,015	1.99
10,000,001 - 50,000,000	31	0.14	553,967,529	6.92
50,000,001 - 100,000,000	6	0.03	414,211,546	5.18
100,000,001 - 500,000,000	3	0.01	672,669,520	8.41
500,000,001 - 5,000,000,000	2	0.01	5,336,544,795	66.71
Grand Total	**22,032**	**100**	**7,999,999,995**	**100**

8 Human Resources

i. Employment of disabled persons

As a matter of policy, the Company does not discriminate against disabled persons. Full and fair consideration is given to applications for employment received from disabled persons, with due regard to their particular aptitudes and abilities. In the event of any employee becoming disabled in the course of employment, the Company is in a position to arrange appropriate training to ensure the continuous employment of such a person without subjecting him/her to any disadvantage in his/her career development. As at 31 December 2020, the Company had no disabled persons in its employment.

ii. Employee's development and training
The Company is committed to staff training in order to keep them abreast with new developments in the industry and this cut across all categories of staff. During the year under review, the Company utilized the professional training services of several organizations for the benefit of staff.

iii. Health, safety at work and staff welfare
Health, safety and fire drills are regularly organized to keep employees alert at all times. The Company engages the services of health care providers towards meeting the medical needs of the employees and their immediate families at its expense.

The Company also provides adequate transportation and housing facilities for all levels of employees.

iv. Gender Composition
Our employment policy shows no discrimination to gender or nationality. In accordance with international best practice, women are well represented at both the Board, Senior Management and the entire workforce.

Gender Distribution for Year 2020 Ending December 31, 2020

Composition of Employees	Number	Percentage
Female	82	47.13%
Male	92	52.87%
Total	**174**	**100.00%**
Board Composition by Gender		
Female	3	27.27%
Male	8	72.73%
Total	**11**	**100.00%**
Top Management Composition by Gender (Executive Director - CEO)		
Female	0	0.00%
Male	2	100.00%
Total	**2**	**100.00%**
Top Management Composition by Gender (GM - Principal Manager)		
Female	2	33.33%
Male	4	66.67%
Total	**6**	**100.00%**

9 Securities Trading Policy
The Company has a Securities Trading Policy which governs the trading of the Company's Securities by Insiders. The Policy has been circulated to all Directors and employees and also uploaded on the Company's website. The Company has contacted the Directors and they confirmed complying with the Nigerian Exchange Limited Rules as well as the Company's Securities Trading Policy.

10 Code Of Business Conduct And Ethics
The Company has Code of Business Conduct and Ethics for Directors and Code of Business Conduct and Ethics for Employees. Directors are bound by the Code of Business Conduct and Ethics for Directors while the Management and Employees are bound by the Code of Business Conduct and Ethics for Employees which they subscribed at the time of engagement.

11 Complaints Management Policy Framework
The Company has developed a Complaints Management Policy Framework in compliance with the Securities & Exchange Commission's Rules on Complaints Management Framework of the Nigerian Capital Market' which guides the Company, being publicly listed Company on the Nigerian Stock Exchange (NSE), on how to handle and resolve complaints arising from issues regarding the Company's operations. The purpose of the Policy is to establish an effective and efficient complaints management system that is responsive, confidential, equitable and transparent.

The Policy:
- provides an avenue for customer's complaints and dispute resolutions.
- recognizes, promotes and protects the customer's right, including the right to comment and provide feedback on service;
- provide an efficient, fair and accessible framework for resolving customer complaints and and monitoring feedback to improve service delivery;
- informs customers on the customer feedback handling processes; and
- provides staff with information about the customer feedback process.

The framework functions to enable complaints to be fairly investigated and possible conflicts of interest to be identified and mitigated. The Policy is endorsed by the Board of Directors and ensures full implementation and monitors compliance through Senior Management. The Policy is accessible through the Company's website.

Report Of The Directors
For The Year Ended 31 December 2020

12 Property and equipment
Changes in property and equipment during the year under review are shown in note 15 to the financial statements. In the opinion of the directors, the market value of the Company's assets is not lower than the value shown in the financial statements.

13 Acquisition of own shares
The Company did not purchase its own shares during the year under review.

14 Fines and penalties
The Company did not pay any fines/penalties to regulators during the year (2019: N7.25 million).

15. Remuneration Policy

Linkage Assurance Plc has an established remuneration framework for the Board and employees which aligns with the provisions of extant laws and regulations. The company's remuneration policy is geared towards attracting, retaining, and motivating the best talents at the Board and Management levels to achieve the company's financial strategic objectives. Linkage Assurance Plc ensures that the remuneration of the Board and Management are set levels which are fair and competitive taking into consideration the economic realities in the financial services sector and the Nigerian Code of Corporate Governance, 2018.

As part of the requirement of section 257 of CAMA 2020, included in the personnel cost (Note 42) are renumeration of Managers who for this purpose are part of the Executive Management Team of the company.

16. Directors' Remuneration

The Company ensures that remuneration paid to its Directors complies with the provisions of the Code of Corporate Governance issued by its regulators.

Type of package fixed	Description	Timing
Basic Salary	Part of gross salary package for Executive Directors only. Reflects the Insurance Industry competitive salary package and the extent to which the Company's objectives have been met for the financial year.	Paid monthly during the financial year.
Other allowances	Part of gross salary package for Executive Directors only. Reflects the Insurance Industry competitive salary package and the extent to which the Company's objectives have been met for the financial year.	Paid at periodic intervals during the financial year.
Director fees	Paid quarterly to Non-Executive Directors only	Paid at the end of every quarter.
Reimbursable marketing allowance	Paid annually to both Executive and Non-Executive Directors	Paid annually
Sitting Allowance	Allowances paid to Non-Executive Directors only for attending Board and Board Committee Meetings.	Paid after each Meeting.

17 Events after reporting date
Subsequent to the reporting period, a bonus share issue of two share for every five shares held by existing shareholders amounting to N2 billion (of 4 billion ordinary share at 50k per share) was proposed for approval by the shareholders. The Board also approved the payment of cash dividend of N500 million (N0.05 per share) which is subject to ratification by the shareholders. The bonus share and cash dividend are issued from the Company's retained earnings.

Report Of The Directors
For The Year Ended 31 December 2020

18 Audit committee

Mr. Balogun Shamusideen Olalekan	Chairman/Shareholder
Engr. S. A. Orji	Shareholder
Mr. Tamunoye Alazigha	Non-Executive Director
Mr. Maxwell Ebibai	Non-Executive Director
Mrs. Obafunke Alade Adeyefa	Non-Executive Director
Mrs. Esther O. Osijo1	Shareholder

1 Joined Statutory Audit Committee on the 13th of August, 2020

19 Auditor
The tenure of the Company's auditor, Messrs. KPMG Professional Services, will be five (5) years by 31 December 2020. In accordance with section 7.7.0 of the National Insurance Commission (NAICOM) Market Conduct and Business Practice Guidelines for Insurance Institutions in Nigeria, Messrs. KPMG Professional Services will not be eligible for reappointment as the Company's auditor in the next Annual General Meeting.

20 Dividend
Bonus issue
A bonus share issue of 2 share for every 5 shares held by existing shareholders amounting to N2 billion (of 4 billion ordinary shares at 50k per share) has been proposed for approval by the shareholders. The bonus share is to be issued from the Company's retained earnings.

Cash dividend
The Board of Directors, pursuant to the powers vested in it by the provisions of section 426 of the Companies and Allied Matters Act (CAMA) 2020, proposed a dividend of N0.05 per share (amounting to N500 million) which is to be paid from retained earnings account as at 31 December 2020. This will be presented for ratification by the shareholders at the next Annual General Meeting.

21 Donations
Donations during the year ended 31 December 2020 amounted to N30.24 million (2019: N18.55 million). The beneficiaries are as follows:

2020 Description	Organization	Amount (N)
Support for Government effort to contain COVID-19 pandemic by Nigeria Insurance Industry	Nigerian Insurers Association	20,000,000
Donation of branded nose masks, face shields and hand sanitizers to schools	Various schools	3,574,375
Donation towards Bayelsa Polo Club Inauguration	Bayelsa Polo Club	2,500,000
Donation of branded face masks with Linkage and FRSC logos to Federal Road Safety Corps	Federal Road Safety Corps	1,612,500
Donation towards fund raising for 300 seat lecture theatre to the Lagos State University	Lagos State University	1,000,000
Corporate Social Responsibility to support Kanu Heart Foundation	Kanu Heart Foundation	1,000,000
Donation towards 2020 NAIPCO members' training	National Association of Insurance and Pension Correspondents (NAIPCO)	250,000
Donation towards Coursebook Project to the Chartered Insurance Institute of Nigeria	Chartered Insurance Institute of Nigeria	100,000
Corporate Social Responsibility to support Down Syndrome Foundation	Down Syndrome Society of Nigeria	100,000
Donation towards 2021 Armed Forces Remembrance Day celebration	Emblem Appeal Launch	100,000
		30,236,875

By order of the Board

Company Secretary
Mr. Moses Omorogbe
FRC/2017/NBA/00000017141
9 March 2021

Corporate Governance

Sustainability Report

REPORT ON SUSTAINABLE PRACTICES

We have sustained our drive to entrench sustainable business practices in day-day operations. Our focus is to ensure that operations does not adversely affect the environment in which we carry on our business. In line with our core values, we have designed our processes and operations with a view to add consistent value to our stakeholders.

The Board and Management acknowledges that the long-term survival of the Company is tied to effective and efficient sustainable business practice. Accordingly, the Board has set the tone for entrenchment of sustainable practices in our day-to-day operations. As a socially responsible corporate organization, we are committed to restoration and sustenance of every resources employed in the execution of our business goals and objective.

Corporate Governance

Good corporate governance is the bedrock for sustainable business practice. The dream for sustainable business practice can only achieved when there is good corporate governance structure in place.

Conscious of the role of good corporate governance, we have designed our governance structure and standards to align with international best practices.

There is periodic review and benchmarking of the governance structure, policies, and processes to ensure they align with the vision and mission statement of the Company. The policies and processes are also benchmarked against the Codes of Corporate Governance and international best practice.

Annual Board evaluation is usually carried out by a reputable external party to assess the level of compliance of the Company's policies and processes with best practice.

Business Practices

Our guiding business philosophy is premised on our vision and mission statements. We are focused on delivery of superior service to our esteemed customers and returns to our shareholders through best business practices.

our robust governance framework was the major plank upon which we navigated through the turbulence that characterised the global economy due to the Covid-19 pandemic.

We understand the unique role insurance is expected to play in gradually bringing the global economy back to steam. As a matter of fact, we have put together unique set of corporate insurance solutions against individual and business risks.

We have strategically designed our services to support government efforts to diversify the economy through agriculture, power, and manufacturing. In this regard, we have designed products aimed at meeting insurance needs of these sectors.

Our retail products are designed towards deepening insurance penetration in the country. Over the years, we have invested in digital infrastructure to drive the retail arm of the business with specific focus on the need of individuals and small-scale businesses.

Compliance with relevant laws and regulation is critical for business sustenance, in that regard we have fine tuned our governance structure to ensure continuous respect and compliance while carrying on our business.

We have over the years created good working relationship with our regulators and have fulfil our obligations to the States where we operate and the Federal Government

Environmental Sustainability

We have set up framework to promote protection of our local government, our effects include deliberate and targeted reduction of use of paper. We are developing a robust digital document management system that eliminates or drastically reduce the use of papers. We have also adopted a safe waste management and disposal system.

In the past few years, we have involved ourselves in the areas of providing support for victims environmental related disasters such as flooding. Drugs and other materials were distributed to people and communities that were displaced by the flooding that ravaged some parts of the Country.

Our goal is to ensure that our activities have very minimum impact on the environment.

Occupational Health & Safety

We take safety at the work environment and the health of workers. seriously. All our work environments are equipped with necessary facilities that promote safety within the workplace.
Our health insurance package is tailor-made to carter for diverse health needs of our workforce.

Our working hours are in line with local and international regulations.

We try to live up to our core values through the philosophy of diversity and inclusion practices in our business. We always aim to provide equal opportunities that will enable all our employees to learn, grow and build successful careers for themselves. We ensure that all our employees are treated fairly, and with respect regardless of their nationality, tribe, sexual orientation, or religious beliefs.

It is our belief that respect for human rights is critical and fundamental to stable work environment. We are therefore committed to providing a work environment that is conducive for individuals and groups to carry out duties and contribute positively to the prosperity of the Company.

Board Evaluation Report

DCSL Corporate Services Limited
235 Ikorodu Road
Ilupeju, Lagos

P. O. Box 965, Marina
Lagos, Nigeria
Tel: +234 9 1271 7817
www.dcsl.com.ng

Abuja Office:
Statement Hotel, Plot 1002
1st Avenue, Off Shehu Shagari
Way, Abuja

Tel: +234 9 461 4902
RC NO. 352393

April 2021

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS OF LINKAGE ASSURANCE PLC FOR THE YEAR ENDED DECEMBER 31, 2020.

DCSL Corporate Services Limited (DCSL) was engaged by Linkage Assurance Plc ("Linkage") to carry out a performance evaluation of the Board of Directors for the year-ended December 31, 2020 in line with the provisions of the Nigerian Code of Corporate Governance 2018 (NCCG), National Insurance Commission (NAICOM) Regulations and Code of Corporate Governance, Securities and Exchange Commission (SEC) Corporate Governance Guidelines (SCGG), as well as global best practices on Corporate Governance.

The appraisal entailed a review of the Company's corporate and statutory documents, Minutes of Board and Committee meetings, policies and other ancillary documents made available to us and the administration of questionnaires to Directors.

To ascertain the extent of compliance with relevant corporate governance principles and appraise the performance of the Board, we benchmarked the Company's corporate governance structures, policies and processes against the above-mentioned Codes as well as global Best Practices and considered the following seven key corporate governance themes:

1. Board Structure and Composition;
2. Strategy and Planning;
3. Board Operations and Effectiveness;
4. Measuring and Monitoring of Performance;
5. Risk Management and Compliance;
6. Corporate Citizenship; and
7. Transparency and Disclosure

The Board has the responsibility for putting in place adequate corporate governance structures and practices and approving policies that will ensure the Company carries on its business in accordance with its Memorandum and Articles of Association as well as in conformity with applicable laws, codes and regulations to guarantee sustainability. Upon the conclusion of the performance evaluation of the Board, we confirm that the Board and Company substantially complied with the provisions of the applicable Codes.

Details of our key findings and recommendations are contained in our detailed Reports.

Yours faithfully,
For: DCSL Corporate Services Ltd

Bisi Adeyemi
Managing Director
FRC/2013/NBA/00000002716

Corporate Governance Report
For The Year Ended 31 December 2020

Linkage Assurance Plc ("Linkage") is committed to implementing the best practice standards of Corporate Governance. The Board of Linkage is mindful of its obligations under the National Insurance Commission Corporate Governance Code (NAICOM Code), the Securities & Exchange Commission Corporate Governance Code (SEC Code) as well as the Post Listing Rules & Requirements of the Nigerian Stock Exchange.

The Company's high standard in Corporate Policies and Governance are designed to encourage transparency in all its activities as well as ensure the protection of the long term interest of all Stakeholders. The business of the Company is conducted with high level of Integrity.

Board Selection and Appointment Process

The Board of the Company follows a formal and transparent process for the selection and appointment of Directors. The appointment of executive and non-executive directors to the Board is done through a formal and transparent process and in accordance with the Companies and Allied Matters Act, CAP, C20 LFN, 2004, NAICOM Code of Corporate Governance, SEC Code of Corporate Governance and the Company's internal policy for appointment of Directors.

The Board Enterprise Risk Management & Governance Committee oversees the process of the selection and interview of prospective appointees to the Board. The Committee carefully analyses the business and strategic plans of the Company vis-à-vis the existing strengths and weaknesses, the skills and experience gaps in the Board in selecting a suitable candidate for appointment.

External Consultants may be engaged to conduct the search for suitable candidates that meet the criteria set by the Board.

The Committee shortlist and interview candidates with the requisite skills and experience, thereafter conduct formal background check of the prospective candidates to ensure that they are fit and proper persons to be appointed to the Board.

Successful candidates are presented to the Board for approval in a meeting duly convened in accordance with the articles of association of the Company. The Candidate(s) name is forwarded to NAICOM for approval. While the Company Secretary notifies the Nigerian Stock Exchange (NSE) and the Securities and Exchange Commission of the appointment and also file the relevant forms with the Corporate Affairs Commission (CAC). The appointment of the candidate(s) by the Board is presented to the Shareholders for ratification at the next Annual General Meeting of the Company.

Induction and Continuous Training of Directors

Newly appointed Directors are familiarized with the operations of the Company through a formal induction program. The new directors are provided with detailed information about the operations of the Company and their roles and responsibilities. The new Directors are also provided with the Memorandum and Articles of Association and other relevant information materials of the Company.
Directors are availed with periodic continuous training programs to deepen their knowledge and understanding on emerging trends in the insurance industry and corporate governance. The trainings are usually facilitated by reputable training agencies.

Roles and Responsibilities of The Board

The Board reserves to itself all functions that are likely to have a material impact on the performance and reputation of the Company.
The following matters are specifically reserved for the Board:

- Provide leadership and setting the strategic objectives of the Company and ensures that the human and financial resources are effectively deployed towards attaining the set goals.
- Ensure effective succession planning for the Chairman, the Executive Directors and the MD/CEO.
- Overseeing the integrity of the Company's accounting and corporate reporting systems including external audit.
- Ensuring the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects Management to operate.
- Approval of the Company's remuneration framework and other Policy documents.
- Approval and monitoring Compliance with the corporate governance framework of the Company.
- Approval and monitoring of the operating budget and major capital expenditures.

Corporate Governance Report

For The Year Ended 31 December 2020

Biographical Details of Directors Proposed for Re-election

Mr. Tamunoye Alazigha is an expert in capital market and investment and has extensive public and private sector experience. He is the immediate past Managing Director of Bayelsa Development and Investment Corporation. He served formerly as Vice President & Group Head of Corporate Strategy, BGL Plc. He was also Director, Quantitative Research & Strategy, US Trust Bank of America.

He is an Alumnus, of Courant Institute of Mathematical Sciences, New York University (M.Sc. Mathematics and Alumnus, London Metropolitan University (B.Sc. Mathematics.

Mrs. Obafunke Alade-Adeyefa has over 30 years of experience in the corporate world. She is a former Managing Director/CEO Chevron Nigeria Closed PFA Limited. She also served as Manager, Treasury & Insurance, Chevron Nigeria Limited. Former Group Head Corporate Banking/Capital Markets, Marina International Bank Limited. She currently serves as an Independent Director in Union Bank of Nigeria Plc

She is an Alumnus of University of Ife, Ile-Ife (B.Sc., Economics) and fellow of the Institute of Chartered Accountants of Nigeria (FCA).

Mr. Olakunle Agbebi is the founder/Principal Partner, Olakunle Agbebi & Co. He has 30 years post-call experience in legal practice. He has extensive experience in litigation, business e-organisation and restructuring, corporate governance, and regulatory compliance. He is also the Chairman, OA & C Properties Limited.

He is an alumnus of University of Jos (LL. B, Law) and University of Lagos (LL.M, Law).

A member of Nigerian Bar Association.

Mrs. Imo Oyewole is the Managing Partner of Global Talent Network HR Consultants. She served as Vice President and Senior Generalist in Citigroup e-Business, USA. She is also a former Vice President and Country Human Resources Officer (CHRO), Citibank/ NIB, Nigeria.

She is a member of Society for Human Resources Management (SHRM)

An alumnus of Pace University, USA (MPA, Public Administration- Concentration in HR Management) and Bates College, USA (BA, Psychology- Behavioural Science)

Corporate Governance Structure

The Board of Directors of Linkage Assurance Plc. has the overall responsibility for ensuring the highest standards of corporate governance is maintained and adhered to by the Company. In order to promote effective governance of the Company, the following structures have been put in place for the execution of Linkage Assurance Plc's Corporate Governance strategy:

1. Board of Directors;
2. Board Committees; and
3. Executive Management Committees

The Board

The Board of Directors of Linkage, comprising of eleven (11) members is accountable to the shareholders and also responsible for the control, management and periodic review of the Company's business strategy. The Board of Directors is also committed to ensuring that the Company adheres strictly to the regulations guiding the operations of the Insurance Industry and other financial services sector in Nigeria.

The Board of Directors performs its functions either as a full Board or through the under listed established statutory committee and Committees of the Board:

Corporate Governance Report
For The Year Ended 31 December 2020

Statutory Audit Committee
The Committee is composed of 6 members as follows:

S/N	Name	Status
1	Mr. Shamusideen O. Balogun	Chairman/Shareholder
2	Engr. S. A. Orji	Shareholder
3	Mr. Tamunoye Alazigha	Non-Executive Director
4	Mrs. Obafunke Alade Adeyefa	Non-Executive Director
5	Mr. Maxwell Ebibai	Non-Executive Director
6	Mrs. Esther O. Osijo1	Shareholder

1 Joined Statutory Audit Committee on the 13th of August, 2020

This Committee, which is chaired by a shareholder, has the responsibility of ensuring that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices. The Committee reviews the scope & planning of audit requirements and it is also responsible for other matters reserved for the Audit Committee by the Companies and Allied Matters Act (CAMA) 2020 and the Company's Articles of Association.

Finance, Investment & General purpose Committee
The Committee is composed of 6 members as follows:

S/N	Name	Status
1	Mr. Bernard Nicolaas Griesel	Chairman
2	Mrs. Obafunke Alade Adeyefa	Director
3	Mr. Tamunoye Alazigha	Director
4	Mr. Olakunle Agbebi	Director
5	Mrs. Imo Oyewole	Director
6	Mr. Daniel Braie	Director

This Committee reviews matters relating to the investment of the Company's funds, management of all other assets and makes recommendation to the Board for approval. It also ensures maximum returns on investments and protection of the Company's assets. The Committee periodically evaluates the Company's risk policies and also provides appropriate advice and recommendations on matters relevant to risk management.

Enterprise Risk Management & Governance Committee
The Committee is composed of 6 members as follows:

S/N	Name	Status
1	Mr. Olakunle Agbebi	Chairman
2	Mrs. Funkazi Koroye-Crooks	Director
3	Mr. Maxwell Ebibai	Director
4	Mrs. Imo Oyewole	Director
5	Mr. Tamunoye Alazigha	Director
6	Mr. Shehu D. Abubakar1	Director

1 Joined Board Enterprise Risk Management and Governance Committee on the 20th of February, 2020

This Committee reviews and recommends for approval to the Board, matters bordering on Board Appointments, Staff Recruitment, Staff Compensation, Welfare and Promotions. Matters relating to the strategy for growth and advancement of the Company are also the responsibility of this Committee.

Corporate Governance Report
For The Year Ended 31 December 2020

Audit & Compliance Committee
The Committee is composed of 5 members as follows:

S/N	Name	Status
1	Mr. Shehu D. Abubakar	Chairman
2	Mrs. Obafunke Alade Adeyefa	Director
3	Mr. Bernard Nicolaas Griesel	Director
4	Mrs. Imo Oyewole	Director
5	Mrs. Funkazi Koroye-Crooks	Director

This Committee assists the Board in fulfilling its oversight responsibilities in ensuring the integrity of the Company's financial statements, compliance with legal and regulatory requirements, the performance of the internal audit function, the identification, assessment, management of the Company's risks and adherence to internal risk management policies and procedures.

Executive Management Committees
These are Committees comprising of the senior management of the Company. They are set up to ensure that all risk limits as contained in Board and regulatory policies are complied with at all times. They provide inputs for the respective Board Committees and also ensure that recommendations of the Board Committees are effectively and efficiently implemented. The Committees are risk driven as they are set up to identify, analyze, synthesize and make recommendations on risks arising from within the Company's operating environment. The Committees meet as frequently as risk issues occur to immediately take actions and decisions within the confines of their powers. The Committees include the Executive Management Committee, Management Investment Committee, Business Strategy Committee and the Management Enterprise Risk Committee.

Internal Audit Function
In consonance with the commitment of the Company to be a dynamic world class Company fully accountable to the Board of Directors and shareholders, the Internal Audit Unit has been further strengthened with the recruitment of additional staff to broaden its scope and thus enhance the control and oversight service rendered at Management level.

The Internal Audit is a Control Unit established within the Management to independently examine and evaluate the activities of the Company. The Company's Internal Audit Unit reports to the Audit Committee.

Shareholders' Relationship
The Company is accountable and committed to the shareholders and uses various fora to advise shareholders on the performance of the Company. This includes annual report and accounts, access to the Company Secretary by shareholders for all enquiries and free interactions with the members of the Board during Annual General Meetings.

Cummulative Years of Service
a. Tenure of Directors
The tenure for the Managing Director and the Executive Directors is determined by the Board considering performance, the existing succession planning mechanism, continuity of the Board and the need for continuous refreshing of the Board.

The tenure of each of the company's Non-Executive Director is for a defined period and can be re-elected for additional terms subject to satisfactory performance and approval by the Shareholders. However, the principles of the Nigerian Code of Corporate Governance 2018 limit the cumulative tenure of the Managing Director to ten years and that of Non-Executive Directors at a cumulative term of nine years.

S/N	DIRECTORS	DATE OF APPOINTMENT	YEARS OFSERVICE
1.	Chief Joshua B. Fumodoh	31st January, 2018	2 Years 11 Months
2.	Mr. Tamunoye Zifere Alazigha	13th August, 2013	7 Years 4 Months
3.	Mrs. Obafunke Alade-Adeyefa	1st January,2017	3 Years 11 Months
4.	Mr. Olakunle Bomo Agbebi	17th January,2017	3 Years 11 Months
5.	Mrs. Imo Oyewole	17th January,2017	3 Years 11 Months
6..	Mr. Shehu Abubakar	30th January,2019	1 Year 11 Months
7.	Mrs. Funkazi Koroye-Crooks	13th December, 2017	3 Years
8.	Mr. Bernard Nicholaas Griesel	27th April, 2017	3 Years 8 Months
9.	Mr. Maxwell Ebibai	13th December, 2017	3 Years
10.	Mr. Daniel Braie	17th January,2017	3 Years 11 Months
11.	Mr. Okanlawon Adelagun	7th December, 2018	2 Years

Corporate Governance Report
For The Year Ended 31 December 2020

Company Secretary
All stakeholders have access to the services of the Company Secretary. The Company Secretary is responsible for facilitating the induction and professional development of Board Members as well as ensuring information flow within the Board, its Committees and Management of the Company. Attendance at the Board and committee meetings during the year ended 31 December 2020 is as follows:

Key:
N/A Not Applicable as the individual was yet to be appointed.
X Absent at meetings

S/N	Names of Directors	21 Feb	24 Apr	12 Aug	23 Oct
1	Chief Joshua B. Fumudoh	1	1	1	1
2	Mr. Tamunoye Zifere Alazigha	1	1	1	1
3	Mrs. Imo Oyewole	1	1	1	1
4	Mr. Olakunle Agbebi	1	1	1	1
5	Mr Okanlawon Adelagun	1	1	1	1
6	Mrs. Obafunke Alade-Adeyefa	1	1	1	1
7	Mr. Bernard Nicolaas Griesel	1	1	1	1
8	Mr. Daniel Braie	1	1	1	1
9	Mrs. Funkazi Koroye-Crooks	1	1	1	1
10	Mr. Maxwell Ebibai	X	1	X	X
11	Mr. Abubakar Shehu Dahiru	1	1	1	1

Attendance at The Finance, Investment & General Purpose Committee Meetings held during the year ended 31 December 2020

S/N	Names of Directors	19 Feb	23 Apr	11 Aug	22 Oct
1	Mr. Bernard Nicolaas Griesel	1	1	1	1
2	Mrs. Obafunke Alade Adeyefa	X	1	1	1
3	Mr. Tamunoye Alazigha	1	1	1	1
4	Mr. Olakunle Agbebi	1	1	1	1
5	Mrs. Imo Oyewole	1	1	1	1
6	Mr. Daniel Braie	1	1	1	1

Attendance at the Statutory Audit Committee Meetings held during the year ended 31 December 2020

S/N	Members	21 Feb	22 Apr	10 Aug	21 Oct
1	Mr. Shamusideen O. Balogun	1	1	1	1
2	Engr. S. A. Orji	1	1	1	1
3	Mr. Tamunoye Alazigha	1	1	1	1
4	Mrs. Obafunke Alade Adeyefa	1	1	1	1
5	Mr. Maxwell Ebibai	X	X	X	1
6	Mrs. Esther O. Osijo[1]	X	X	X	1

Corporate Governance Report

For The Year Ended 31 December 2020

Attendance at the ERM & Governance Committee Meetings held during the year ended 31 December 2020

S/N	Names of Directors	20 Feb	23 Apr	11 Aug	22 Oct
1	Mr. Olakunle Agbebi	1	1	1	1
2	Mrs. Funkazi Koroye-Crooks	1	1	1	1
3	Mr. Maxwell Ebibai	X	1	1	X
4	Mrs. Imo Oyewole	1	1	1	1
5	Mr. Tamunoye Alazigha	1	1	1	1
6	Mr. Shehu D. Abubakar[2]	1	1	1	1

Attendance at the Board Audit & Compliance Committee Meetings held during the year ended 31 December 2020

S/N	Names of Directors	20 Feb	22 Apr	10 Aug	21 Oct
1	Mr. Shehu D. Abubakar	1	1	1	1
2	Mrs. Obafunke Alade Adeyefa	X	1	1	1
3	Mr. Bernard Nicolaas Griesel	X	1	1	1
4	Mrs. Imo Oyewole	1	1	1	1
5	Mrs. Funkazi Koroye-Crooks	1	1	1	1

[1] Joined Statutory Audit Committee on the 13th of August, 2020
[2] Joined Board Enterprise Risk Management and Governance Committee on the 20th of February, 2020

By order of the Board

Company Secretary
Mr. Moses Omorogbe
FRC/2017/NBA/00000017141
9 March 2021

Enterprise Risk Management Declaration Statement

In accordance with the requirements of Section 2.10 of NAICOM's guidelines for developing risk management framework of 2012, the Board of Directors of Linkage Assurance Plc. hereby declares that, to the best of its knowledge and belief, and having made appropriate enquiries:

a) the Company has systems in place for the purpose of ensuring compliance with the guideline;

b) the Board is satisfied with the efficacy of the processes and systems surrounding the production of financial information of the Company;

c) the Company has in place a risk management strategy, developed in accordance with the requirements of this guideline, setting out its approach to risk management; and

d) the systems that are in place for managing and monitoring risks, and the risk management framework, are appropriate to the Company, having regard to such factors as the size, business mix and complexity of the Company's operations.

Chief Joshua B. Fumudoh
Chairman
FRC/2018/IODN/00000017911
9 March 2021

Mr. Daniel Braie
Managing Director/CEO
FRC/2018/CIIN/00000018082
9 March 2021

Report Of The Statutory Audit Committee

Report of the Statutory Audit Committee to the members of Linkage Assurance Plc

In compliance with the Provisions of Section 404(4) of the Companies and Allied Matters Act (CAMA) 2020, we the members of the Audit Committee of Linkage Assurance Plc received the Audited Financial Statements for the year ended 31 December 2020 together with the Management Letter from the external auditors and management responses thereto at a duly convened meeting of the committee and hereby report as follows:

We confirm that;

1 We have received the scope and planning of the audit for the year ended 31 December 2020;

2 We reviewed the external auditor's Management Letter together with management responses; and

3 We ascertained that the accounting and reporting policies of the Company for the year ended 31 December 2020 are in accordance with legal requirement and agreed with ethical practices.

In our opinion, the scope and planning of the audit for the year ended 31 December 2020 were adequate and management responses to the auditor's findings were satisfactory.

We confirm that the internal control system was consistently and effectively monitored through effective internal audit.

The external auditors confirm that they received full cooperation from the management during the course of the statutory audit. The Committee therefore recommends that the audited financial statements for the year ended 31 December 2020 and the Auditors' report thereon be presented for adoption by the Company at the Annual General Meeting.

Mr. Shamusideen O. Balogun
FRC/2015/NIM/00000013086
Chairman, Audit Committee
9 March 2021

Members of the Committee

Name	Status
1 Mr. Shamusideen O. Balogun	Chairman/Shareholder
2. Engr. S. A. Orji	Shareholder
3. Mrs. Esther O. Osijo1	Shareholder
4. Mr. Tamunoye Alazigha	Non-Executive Director
5. Mrs. Obafunke Alade Adeyefa	Non-Executive Director
6. Mr. Maxwell Ebibai	Non-Executive Director

[1] Joined Statutory Audit Committee on the 13h of August, 2020

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

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

The directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act (CAMA), 2020 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Chief Joshua B. Fumudoh
Chairman
FRC/2018/IODN/00000017911
9 March 2021

Mr. Daniel Braie
Managing Director/CEO
FRC/2018/CIIN/00000018082
9 March 2021

Certification Pursuant to Section 60(2) of Investment and Securities Act No. 29 of 2007

We the undersigned, hereby certify the following with regards to our audited financial statements for the year ended 31 December 2020 that:

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

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

(ii) We:

- are responsible for establishing and maintaining internal controls.
- have designed such internal controls to ensure that material information relating to the Company is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
- have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report;
- have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;

(iii) We have disclosed to the auditors of the Company and audit committee:

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

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

Mr. Daniel Braie
Managing Director/CEO
FRC/2018/CIIN/00000018082
9 March 2021

Emmanuel Otitolaiye
Chief Financial Officer
FRC/2014/ICAN/00000008524
9 March 2021

Independent Auditor's Report

KPMG

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

Telephone 234 (1) 271 8955
234 (1) 271 8599
Internet home.kpmg/ng

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Linkage Assurance Plc

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Linkage Assurance Plc (the Company), which comprise:

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

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

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

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Actuarial valuation of insurance contract liabilities (2020: N5.73 bn; 2019: N4.65 bn)
The actuarial valuation of insurance contract liabilities involves high estimation uncertainties and requires management to apply significant judgment and assumptions over uncertain future outcomes.

Provisions for reported claims are based on historical experience, however, the eventual liabilities may differ from the estimated amounts. Furthermore, the estimated liability for claims that have occurred but are yet to be reported in respect of non-life insurance contracts involve judgment and economic assumptions such as inflation rates and discount rates whose eventual outcome are uncertain.

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The level of complexity, the significant judgment and assumptions applied by management in the estimating these insurance contract liabilities is of significance to our audit.

How the matter was addressed in our audit
Our audit procedures included the following;

- We evaluated the design, implementation and operating effectiveness of key controls implemented by the Company over data collection, analysis and assumptions-setting process.
- We agreed the underlying data used in actuarial valuation of insurance contract liabilities on a sample basis to source documentation.
- We engaged our actuarial specialists to assess the appropriateness of the methodology used by the Company's actuary for determining the insurance contract liabilities.
- With assistance of our actuarial specialists, we evaluated the reasonableness of the actuarial assumptions used by the Company's external actuary including assumptions on the projected cash flows, basic chain ladder runoff period, inflation rate and discount rate.

Refer to note 4.13 (accounting policies), note 2.4 (critical accounting estimates and judgments), note 17 (insurance contract liabilities) and notes 6.2 (insurance risk).

Valuation of unquoted equity instrument measured at fair value through other comprehensive income (2020: N14.90 bn, 2019: N13.48 bn)
The Company has a significant investment in an unquoted equity instrument which was classified as available for sale and measured at fair value with fair value changes recognized in other comprehensive income. The determination of the fair value of the investment involves the exercise of significant judgment and assumptions and is determined based on the Discounted Cash-Flows (DCF) method. Inputs to the DCF valuation model include the forecast cash flows of the investee over a long-term period, key assumptions such as the discount rate, and macroeconomic assumptions such as inflation and tax rates. Changes to the key assumptions such as change in forecasted cash flow and other assumptions may result in a materially different valuation result.

The significance of the judgments and assumptions made in determining the fair value of the unquoted equity instrument and the extent of work required to address this matter resulted in this being a matter of significance to our audit.

How the matter was addressed in our audit
Our procedures included the following:

- We engaged our valuation specialists to evaluate the appropriateness of the valuation methodology and reasonableness of assumptions used by the Company in determining the fair value of the unquoted equity instrument. This included obtaining an understanding of the projected operating results and free cash flows and an assessment of assumptions such as discount rate, terminal value, inflation rate and long-term growth rate. They also challenged the forecast cash flows and growth rates in the context of the historical performance of the underlying investee as well as our knowledge of the market and wider economic environment.
- We assessed the adequacy of the Company's disclosures including the use of estimates and judgments in arriving at the fair value of the unquoted equity instrument and sensitivity of the fair value measurement to changes in significant unobservable inputs in accordance with the requirements of the relevant accounting standard.

Information Other than the Financial Statements and Audit Report thereon
The Directors are responsible for the other information. The other information comprises the Directors' report, Statement of Directors' responsibilities, Enterprise Risk Management declaration statement, corporate governance report, Report of the Audit Committee, Sustainability report, Certificate Pursuant to Section 60(2) of the Investment and Securities Act No.29 of 2007, Financial highlights and Other National Disclosures,

Independent Auditor's Report

which we obtained prior to the date of this auditor's report, but does not include the financial statements and our auditor's report thereon. Other information also include Company information, Chairman's statement, Brand Platform, service offerings, Notice of Annual General Meeting, Board valuation report, Management team, E-dividend mandate form, Proxy form, Corporate directory, together the "Outstanding reports", which are expected to be made available to us after that date.

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

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

When we read the Outstanding reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent Auditor's Report

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- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements
Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA), 2020 and Section 28(2) of the Insurance Act, 2003.

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

Penalties
The Company did not pay any penalties in respect of contraventions during the year ended 31 December 2020.

Signed:

Oluwafemi O. Awotoye, FCA
FRC/2013/ICAN/00000001182
For: KPMG Professional Services
Chartered Accountants
12 March 2021
Lagos, Nigeria

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
SG/ICAN
0397579

Board Of Directors

Chief Joshua B. Fumudoh
Chairman

Managing Director of
Manufacturing and Marketing Co. (Nig.) Ltd.
Chairman, Boston Capital Investment Ltd.
Chairman, BCI Global Properties Ltd.
Chairman, MAMCO-Bayelsa Palm.
Director, National E-Government Strategies Ltd.
President Ijaw National Congress (1994-2000).
Member, National Political ReformsConference, 2005
Member, National Conference,2014.
Alumnus, University of Lagos

Mr. Daniel Braie
Managing Director

Chartered Insurance Practitioner
of over 37 years standing.
Former General Manager (Operations)/Company
Secretary-Trust & Guarantee
Insurance Co.Ltd.
Former DGM/Group Head
(Enterprise Marketing) - Crusader Nigeria Plc.
Former Managing Director- Eloms Nigeria Enterprises.
Alumnus- West African Insurance Institute, Liberia.
Alumnus - Enugu State University of Science &
Technology (ESUTBusiness School).
Associate - Nigerian Institute of Management

Mr. Tamunoye Zifere Alazigha
Non-executive Director

Managing Director, Bayelsa Development and Investment
Corporation.
Former Vice President & Group Head of Corporate
Strategy, BGL Plc.
Former Director, Quantitative Research & Strategy,
US Trust, Bank of America.
CEP Alumnus, Lagos Business School.
Alumnus, Courant Institute of Mathematical Sciences,
New York University.
Alumnus, London Metropolitan University.

Mrs. Funkazi Koroye-crooks
Non-executive Director

Commissioner Bayelsa State Ministry of Trade, Industry and Investment.
Former Special Adviser to the Bayelsa State Governor on
International Development and Partnership.
Company Secretary, Petrobay Nigeria Ltd.
General Counsel/Company Secretary, Bayelsa
Development and Investment Company.
Magistrate (Youth) Hounslow Bench, West London
(currently on leave of absence.
Appeal Court Magistrate (currently on leave of absence).
Former Consultant, World Intellectual Property Organization (WIPO).
Former, Head of the Africa Department, International.
Federation of the Phonographic Industry (IFPI).
Alumnus University of Ife.
Alumnus, Nigerian Law School.
Alumnus, London School of Economics

Board Of Directors

Mrs. Imo Oyewole
Non-executive Director

Managing Partner, Global
Talent Network HR Consultants
Former Vice President and Senior Generalist, Citigroup e-Business, USA.
Former Vice President and Country Human Resources Officer (CHRO), Citibank / NIB, Nigeria.
Member, Society for human Resources Management (SHRM).
Member, World-at-Work.
Alumnus, Pace University, USA.
Alumnus, Bates College, USA.

Mr. Olakunle Agbebi
Non-executive Director (minority Shareholders)

Founding/Principal Partner,Olakunle Agbebi & Co.
Chairman, OA & C Properties Limited.
Former Director, TMC Savings & Loans Limited.
Member, Nigerian Bar Association.
Member, Business Recovery & Insolvency Practitioners Association of Nigeria.
Alumnus, Nigerian Law School.
Alumnus, University of Jos.
Alumnus University of Lagos

Mrs. Obafunke Alade-adeyefa
Non-executive Director

Independent Director, Union Bank of Nigeria Plc.
Former Managing Director/CEO Chevron Nigeria Closed PFA Limited.
Former Manager, Treasury & Insurance, Chevron Nigeria Limited.
Former Group Head Corporate Banking/Capital Markets, Marina International Bank Limited.
Fellow, Institute of Chartered Accountants of Nigeria.
Associate, The Chartered Institute of Taxation of Nigeria
Alumnus, University of Ife, Ile- Ife.

Mr. Bernard Nicolaas Griesel
Non-executive Director

Analyst, Steyn Capital Management, South Africa.
Member, South African Institute of Chartered Accountants.
Audit Senior, Deloitte & Touch LLP USA.
Audit Senior, Deloitte & Touch South Africa.
Alumnus, University of Stellenbosch South Africa.

Board Of Directors

Mr. Maxwell Ebibai
Non-executive Director

Commissioner of Finance, Bayelsa State.
Former Senior Vice-President with the Asset Management Corporation of Nigeria (AMCON).
Former Assistant General Manager, Bank PHB Plc.
Associate, Standard Trust Bank Limited.
Alumnus University of Chicago Booth School of Business.
Alumnus, Bayero University.
Alumnus, Rivers State University of Science and Technology.

Mr. Okanlawon Adelagun
Executive Director

Principal Consultant, OkadelConsulting
Executive Director (Business Development), Union Assurance Plc
Managing Director, IGI Insurance(Ghana) Limited
Deputy-General Manager(Technical), T & G Insurance Co. Ltd
Member of Chartered Insurance Institute (London)
Member Chartered Insurance Institute of Nigeria
Alumnus of University of Ibadan
Alumnus of Swiss InsuranceTraining Centre (SITC)

Mr. Abubakar Shehu Dahiru
Independent Director

Solicitor/Partner- Mizan-Consult (Law-office)
Senior Legal Officer/Head-Revenue Mobilization Allocation & Fiscal Commission.
Business Development Manager/Regional Manager (North) - Sky Power Aviation Handling Company.
Special Adviser to the Governor of Adamawa State.
Alumnus of University of Abuja.
Alumnus of Ahmadu Bello University, Zaria.

Management Team

Mr. Daniel Braie
Managing Director

Mr. Okanlawon Adelagun
Executive Director
Technical

Mr. Anthony Saiki
Head, Oil And Gas

Mr. Emmanuel Otitolaiye
Chief Financial
Officer

Mr. Humphrey Ozegbe
Head, Human Capital

Mr. Taoheed Sikiru
Head, Compliance
& ERM

Mrs. Oluwaseun Ajila
Head, Internal Audit

Ms. Mayen Umoren
Head, Reinsurance And
Claims

Mr. Damilare Bakare
Head, Information
Technology

Mr. Imo Imo
Head, Strategy &
Business Development


Financial
Statements

General information and statement of significant accounting policies

1 Corporate Information

1.1 Reporting entity

Linkage Assurance Plc. ("LINKAGE" or "the Company") was incorporated in Nigeria on 26th of March 1991 as a private limited liability company domiciled in Nigeria. It was registered by the National Insurance Commission on the 7th of October 1993 to transact general insurance business and commenced operations in January, 1994. The Company became a public limited liability company in 2003 and the Company's shares, which were quoted on the Nigerian Stock Exchange were first listed on 18 November 2003. The registered office of the Company is Plot 20 Block 94 Lekki Epe Express way, Lekki, Lagos, Nigeria.

The Company's high standard in corporate policies and governance are designed to encourage transparency in all its activities as well as ensure the protection of the long term interest of all stakeholders. The business of the Company is conducted with high level of integrity.

1.2. Principal activities

The Company was registered to transact all classes of life and non-life insurance business, insurance claims payment and investments. Subsequently it disposed its life business in February 2007 and concentrated on the non-life insurance business.

2 Basis of Preparation

2.1 Statement of compliance

The financial statements of Linkage Assurance Plc. have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020, the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission (NAICOM) circulars.

The financial statements were authorized for issue by the Company's board of directors on 9 March 2021. Details of the Company's accounting policies are included in Note 4.

2.2 Going concern

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

2.3 Basis of measurement

The financial statements have been prepared under the historical cost basis except for the following:
(i) Financial instruments at fair value through profit or loss are measured at fair value;
(ii) Available-for-sale financial assets are measured at fair value;
(iii) Land and buildings are carried at fair value;
(iv) Investment properties are measured at fair value;
(v) Insurance contract liabilities at fair value and
(vi) Defined benefit obligation measured at present value.

2.4 Use of judgments and estimates

In preparation of these financial statements, management has made judgments and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

(a) Judgments

The following are the critical judgments, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in financial statements:

(I) Note 4.14 - Lease term: whether the Company is reasonably certain to exercise extension options.

(b) Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have a significant of risk of resulting in material adjustment on the amounts recognized in the financial statements are included in the following notes to the financial statements:

(i) Note 13 - determining the fair value of investment properties on the basis of significant unobservable inputs.
(ii) Note 15: determining the useful life of property and equipment.
(iii) Note 6.2 and 17- valuation of insurance contract liabilities: key actuarial assumptions.
(iv) Note 22 - measurement of defined benefits obligations; key actuarial assumptions.
(v) Note 50.1 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources.
(vi) Note 8.1 - determining the fair value of unquoted equity instruments on the basis of significant unobservable inputs.
(vii) Note 4.17 - recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilized.

2.5 Functional and presentation Currency

The financial statements are presented in Nigerian Naira (₦) and amounts presented / disclosed are rounded to the nearest thousands unless otherwise stated. Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The Company is incorporated in Nigeria and has adopted Naira as its functional currency.

General information and statement of significant accounting policies

3 Changes in accounting policies

The Company has consistently applied the accounting policies set out in Note 4.1 to 4.28 to all periods presented in these financial statements. A number of other new standards are effective from 1 January 2020 but do not have a material effect on the Company's financial statements.

4 Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

4.1 Cash and cash equivalents

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

For the purpose of the statement of cash flow, cash and cash equivalents consist of cash and cash equivalents as defined above.

4.2 Financial instruments

Financial instruments include all financial assets and liabilities. These instruments are typically held for liquidity, investment and strategic planning purposes. All financial instruments are initially recognized at fair value plus (or minus) directly attributable transaction costs, except those carried at fair value through profit or loss where transaction costs are recognized immediately in profit or loss. Financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument.

4.2.1 Classification of financial assets

The Company classifies its financial assets into the following categories:

- Financial assets at fair value through profit or loss
- Held-to-maturity investments
- Loans and receivables
- Available-for-sale financial assets

Management determines the appropriate classification of its investments at initial recognition and the classification depends on the purpose for which the investments were acquired or originated. The Company's financial assets include cash and short-term deposits, trade and other receivables, quoted and unquoted financial instruments.

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and subsequent changes in fair value, including any interest or dividend income, are recognized in profit or loss.

Held to maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. Where a sale occurs, other than of an insignificant amount of held-to-maturity assets, the entire category would be tainted and classified as available-for-sale. These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Available-for-sale financial assets (AFS)

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss. Available-for-sale financial instruments are securities that are intended to be held for an indefinite period of time and which may be sold in response to liquidity needs or in response to changes in market conditions.

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments, are recognized in OCI and accumulated in the fair value reserve. When these assets are derecognized or impaired, the gain or loss accumulated in equity is reclassified to profit or loss.

4.2.2 Non-derivative financial liabilities –Measurement

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

4.2.3 Impairment of non derivative financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired. Objective evidence of impairment is established as a result of one or more events that occurred after initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets 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,

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the disappearance of an active market for a security because of financial difficulties, adverse changes in the status of borrowers or issuers, or observable data indicating that there is a measurable decrease in the expected cashflow from a group of financial assets.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its costs. The Company considers a decline of 20% to be significant and a period of nine months to be prolonged. The Company considers evidence of impairment for receivables and held-to-maturity investment securities at both specific and collective level. Those not to be specifically impaired are collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes adjustment if 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 is calculated as the difference between an asset's 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. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

An impairment loss on available-for-sale (AFS) financial assets is recognized by reclassifying the gains and losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayments and amortization) and the current fair value less any impairment loss previously recognized in profit or loss. If the fair value of an impaired AFS debt security subsequently increased and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairment loss is reversed through profit or loss. Impairment losses recognized in profit or loss for an investment in an equity instrument classified as available for sale is not reversed though profit or loss.

4.2.4 De-recognition of financial assets

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

4.2.5 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss (at FVTPL) or 'other financial liabilities'. Financial liabilities are recognized initially at fair value and in the case of other financial liabilities, less directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, insurance payables and investment contracts. The Company's financial liabilities are classified as other financial liabilities.

Other financial liabilities which includes creditors arising out of reinsurance arrangements, direct insurance arrangement and other payable, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective interest basis.

The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

De-recognition

The Company de-recognizes financial liabilities when, and only when, the obligations are discharged, cancelled or they expire. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the profit or loss.

4.2.6 Offsetting financial instruments

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

4.3 Fair value measurement

Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

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

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the

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Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Company on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

4.4 Financial guarantee contracts

Financial guarantee contracts are contracts that require the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee liabilities are initially recognized at fair value, which is the premium received and then amortized over the life of the financial guarantee. Subsequent to initial recognition, the financial guarantee liability is measured at the higher of (i) the amount determined n accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and (ii) the amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with IFRS 15. Financial guarantees are included within other liabilities.

4.5 Trade receivables

Trade receivables arising from insurance contracts represent premium receivable with determinable payments that are not quoted in an active market and the Company has no intention to sell. Premium receivables are those for which credit notes issued by brokers are within 30 days, in conformity with the “NO PREMIUM NO COVER” policy. Trade receivables are classified as loans and receivables.

The Company assesses at each reporting date whether there is objective evidence that an insurance receivable is impaired. If there is objective evidence that the insurance receivable is impaired, the carrying amount of the insurance receivable is reduced accordingly through an allowance account and recognized as impairment loss in profit or loss.

Trade receivables include amounts due from agents, brokers and insurance contract holders. Trade receivables are recognized when due.

4.6 Reinsurance

The Company cedes business to reinsurers in the normal course of business for the purpose of limiting its net loss potential through the transfer of risks. Premium ceded comprise gross written premiums. Reinsurance arrangements do not relieve the Company from its direct obligations to its policyholders. In the course of ceding out business to reinsurers, the Company incurs expenses. This is recognized as reinsurance expense in the statement of profit or loss.

4.7 Deferred acquisition costs and revenue

The incremental costs directly attributable to the acquisition of new business are deferred by recognizing an asset. For other insurance contracts, acquisition costs including both incremental acquisition costs and other indirect costs of acquiring and processing new business are deferred (deferred acquisition costs).

Where such business is reinsured the reinsurers' share is carried forward as deferred income.

Deferred acquisition costs and deferred origination costs are amortized systematically over the life of the contracts and tested for impairment at each reporting date. Any amount not recoverable is expensed. They are derecognized when the related contracts are settled or disposed of.

Deferred Acquisition Revenue

The Company recognizes commissions receivable on outwards reinsurance contracts as a deferred income and amortized over the average term of the expected premiums payable.

4.8 Investment property

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

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date.

Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year/period in which they arise.

Investment properties are de-recognized either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

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Any gains or losses on the retirement or disposal of an investment property are recognized in the income statement in the year/period of retirement or disposal.

Transfers are made to or from investment properties only when there is a change in use evidenced by the end of owner-occupation, commencement of an operating lease to another party or completion of construction or development. When the use of property changes from owner-occupied to investment property the property is re-measured to fair value and reclassified accordingly. Any gain arising from this re-measurement 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 OCI and presented in the revaluation reserve. Any loss recognized in profit or loss

4.9 Intangible assets

The intangible assets include computer software acquired for use in the Company's operation.

Software acquired by the Company is stated at cost less accumulated amortization and accumulated impairment losses (where this exists). Acquired intangible assets are recognized at cost on acquisition date. Subsequent to initial recognition, these assets are carried at cost less accumulated amortization and impairment losses in value, where appropriate.

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

Amortization is recognized in the income statement on a straight-line basis over the estimated useful life of the software from the date that it is available for use since this most closely reflects the expected pattern of consumption of the economic benefits embodied in the asset. The assets are usually amortized over their useful life most which do not exceed 4 years. Amortization methods are reviewed at each financial year/period-end and adjusted if appropriate.

Intangible assets are derecognized at disposal date or at the date when it is permanently withdrawn from use without the ability to be disposed of. The differences between the carrying amounts at the date of derecognition and any disposal proceeds as applicable, is recognized in profit or loss.

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

4.10 Property and equipment

Recognition and measurement

All categories of property and equipment are initially recorded at cost. Items of property and equipment except land and buildings are subsequently measured at revalued amount less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bring the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of equipment.

Land are stated at revalued amount while buildings are subsequently stated at revalued amount less depreciation and impairment losses. All other property and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Land and buildings are revalued every three (3) years. Increase in the carrying amount of land and buildings arising from revaluation are credited to revaluation reserve in other comprehensive income.

Decreases that offset previous increases in land and buildings arising from revaluation are charged against the revaluation reserve while other decreases, if any, are charged to profit or loss.

Subsequent costs

The cost of replacing part of an item of property or equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be reliably measured. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

Depreciation

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

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

Land	Nil
Buildings	50 years
Computer hardware and office equipment	4 years
Furniture and fittings	4 years
Motor vehicles	4 years

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

Land is not depreciated.

De-recognition

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

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4.11 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Indefinite-lived intangible assets are tested annually for impairment. An impairment loss is recognized if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

A cash-generating unit is the smallest identifiable asset group that generates cash flows, which are largely independent from other assets and groups. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

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

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

4.12 Statutory deposit

The Company maintains a statutory deposit with the Central Bank of Nigeria (CBN) which represents 10% of the minimum capitalization in compliance with the Insurance Act. This balance is not available for the day-to-day operations of the Company and is measured at cost.

4.13 Insurance contract liabilities

Estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for expected ultimate cost of claims incurred but not yet reported (IBNR) at the reporting date.

It can take a significant period of time before the ultimate claims cost can be established with certainty and for the same type of policies.

The ultimate cost of outstanding claims is estimated by using one of the ranges of standard actuarial claims projection techniques – Discounted Inflation Adjusted Chain Ladder method.

The main assumption underlying this technique is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, this method extrapolates the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analyzed by accident years, but can also be further analyzed by geographical area, as well as by significant business lines and claim types.

Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based.

Additional qualitative judgment is used to assess the extent to which past trends may not apply in future, (for example to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Similar judgments, estimates and assumptions are employed in the assessment of adequacy of provisions for unearned premium. Judgment is also required in determining whether the pattern of insurance service provided by a contract requires amortization of unearned premium on a basis other than time apportionment.

4.14 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease

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transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.
Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in other liabilities in the statement of financial position.

Short-term leases and leases of low-value assets
The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a Lessor
At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract. The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease.

The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease. The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.Generally, the accounting policies applicable to the Company as a lessor in the comparative period were not different from IFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

4.15 Provisions
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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

4.16 Employee benefits

(i) ***Short-term benefits***

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. 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 or 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***

Defined contribution plans

The Company operates a defined contribution plan in accordance with the provisions of the Pension Reform Act. The contribution of the employee and employer is 8% and 10% of the qualifying monthly emoluments (i.e. basic, housing and transport) of employees respectively. The Company's obligations for contributions to the plan are recognized as an expense in profit or loss when they are due. Prepaid contributions are recognized as asset to the extent that a cash refund or reduction in future payments is available.

Defined benefit plan

The Company commenced the operation of a staff sinking fund scheme upon obtaining Board of directors' approval in May 2014. This Sinking Fund is non-contributory defined employee exit benefit plan under which the Company alone makes fixed contributions into a separate entity and the fund can only be accessed by staff members at the point they are exiting the Company for reasons other than dismissal.

The amount payable to exiting staff is dependent on years of service and compensation as at date of exit. This value of this benefit is actuarially determined at each reporting date by an independent actuary using the projected unit credit method.

When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of the economic benefits available in the form of any future refund from the plan or reductions in the future contributions to the plan. To calculate the present value of the economic benefits, consideration is given to any applicable minimum funding requirements. Remeasurements of the net defined benefits liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognized in OCI.

The Company determines the net interest expense (income) on the defined benefits liability (asset) for the period by applying a discount rate used to measure the defined benefits liability (asset) taking into account any changes in the defined benefit liability (asset) during the period as a result of contributions and benefits payments. Net interest expense and other expenses related to defined benefit plan are recognized in the profit or loss.

(iii) ***Termination benefits***

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes cost for a restructuring. If benefits are not expected to be settled within 12 months of the reporting date then they are discounted.

4.17 Taxation

Company Income Tax

Income tax expense comprises current tax (company income tax, tertiary education tax National Information Technology Development Agency levy and Nigeria Police Trust Fund levy) and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows:

Company income tax is computed on taxable profits

Tertiary education tax is computed on assessable profits

National Information Technology Development Agency levy is computed on profit before tax

Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year)

Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the period are treated as income tax in line with IAS 12.

Minimum tax

Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or

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loss. The Company is subject to the Finance Act (amendments made to Companies Income Tax Act (CITA)). Total amount of tax payable under the new Finance Act shall not be less than 0.5% of the Company's gross premium.

Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognized in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as Minimum tax.

The Company offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognized amounts, and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realized.

Deferred tax
Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. Deferred tax is not recognized for:

* temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting not taxable profit or loss;

* taxable temporary differences arising on the initial recognition of goodwill; and

* temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future tax profits will be available against which they can be used. Future taxable profit are determined based on the reversal of relevant taxable temporary differences. If the amount of the taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of the future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

4.18 Other receivables and prepayments
Other receivables include cash advance, sundry receivables, withholding tax recoverable, etc. Other receivables are carried at amortized cost using the effective interest rate less accumulated impairment losses.
Prepayments include amounts paid in advance by the Company on rent, staff benefits, vehicle repairs etc. Expenses paid in advance are amortized on a straight line basis to the profit and loss account.

4.19 Share capital and reserves

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

Share premium
The Company classifies share premium as equity when there is no obligation to transfer cash or other assets.

b. *Dividend*
Dividend on ordinary shares are recognized and deducted from equity when they are approved by the Company's shareholders, while interim dividends are deducted from equity when they are paid. Dividends for the year/period that are approved after the reporting date are disclosed as an event after reporting date and as note within the financial statements.

c. *Contingency reserves*
Contingency reserve is calculated at the higher of 3% of gross premium and 20% of net profits. This amount is expected to be accumulated until it amounts to the higher of minimum paid-up capital for a non-life (general) insurance company or 50% of gross premium in accordance with section 21(2) of the Insurance Act of Nigeria and relevant National Insurance Commission (NAICOM) guidelines and circulars.

d. *Asset revaluation reserve*
Subsequent to initial recognition, an item of property, plant and equipment and intangible asset carried using cost model, may be revalued to fair value. However, if such an item is revalued, the whole class of asset to which that asset belongs has to be revalued. The revaluation surplus is recognized in equity, unless it reverses a decrease in the fair value of the same asset

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which was previously recognized as an expense, in which case it is recognized in profit or loss. A subsequent decrease in the fair value is charged against this reserve to the extent that there is a credit balance relating to the same asset, with the balance being recognized in profit or loss.

e. *Fair value reserve*
The fair value reserve comprises the cumulative net change in the fair value of the Company's available-for-sale investments. Net fair value movements are recycled to profit or loss if an underlying available-for-sale investment is either derecognized or impaired.

f. *Re-measurement reserve*
The re-measurement reserve comprises the actuarial gains and losses on defined benefits post employment plan.

4.20 Contingent liabilities and assets

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

Possible assets of the Company, the existence of which will only be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Company, are not recognized in the Company's statement of financial position but are disclosed in the notes to the financial statement where an inflow of economic benefits is probable.

4.21 Foreign currency translation

The financial statements are presented in Nigerian naira (N), which is the functional and presentation currency, and rounded down to the nearest thousand (000) unless otherwise indicated.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange operating gains or losses resulting from the settlement of such transactions and from translation at year/period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit or loss.

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the Income Statement within 'investment & other income'. All other foreign exchange gains and losses are presented in the income statement within 'investment and other income' or 'other operating and administrative expenses'.

4.22 Insurance contracts

(a) Classification
IFRS 4 requires contracts written by insurers to be classified as either 'insurance contracts' or 'investment contracts' depending on the level of insurance risk transferred. The Company only issues contracts that transfer insurance risks.

Insurance contracts are those contracts where a party (the policy holder) transfers significant insurance risk to another party (insurer) and the latter agrees to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder, or other beneficiary.

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

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

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

(b) Recognition and measurement of insurance contracts

Premium income is recognized on assumption of risks.

(i) *Premiums*
Premiums comprise gross written premiums on insurance contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. Premiums are shown before deductions of commissions and are gross of any taxes or duties levied on premiums.

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

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

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(iv) *Claims payable*

Claims incurred consist of claims and claims handling expenses paid during the financial year together with the movement in the provision for outstanding claims and incurred but not yet reported (IBNR) claims. Claims paid represent all payments made during the year, whether arising from events during that or earlier years/periods.

Claims and loss adjustment expenses are charged to income statement as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders.

Outstanding claims represent the estimated ultimate cost of settling all claims arising from incidents occurring prior to the end of reporting date, but not settled at that date. Outstanding claims computed are subject to liability adequacy tests to ensure that material and reasonably foreseeable losses arising from existing contractual obligations are recognized.

(v) *Commissions and deferred acquisition costs*

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

(vi) *Liability adequacy test*

At the end of reporting date, liability adequacy tests are performed to ensure that material and reasonably foreseeable losses arising from existing contractual obligations are recognized. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses and investment income backing such liabilities are considered. Any deficiency is charged to Statement of comprehensive income by increasing the carrying amount of the related insurance liabilities.

(vii) *Salvage and Subrogation Reimbursement*

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

Salvaged property is recognized in other receivables and prepayments when the amount that can reasonably be recovered from the disposal of the property has been established and salvage recoveries are included as part of claims recoveries.

Subrogation reimbursements are recognized in claim recoveries when the amount to be recovered from the liable third party has been established.

4.23 Revenue

Revenue comprises insurance premium derived from the provision of risk underwriting services; and interest and dividend income earned on investment securities held by the Company.

Revenue recognition

Insurance premium revenue

The revenue recognition policy relating to insurance contracts is set out under 4.22.(b)(I)

Commission earned

The revenue recognition policy on commission is disclosed in 4.22.(b)(v)

Investment income

Interest income for interest bearing financial instruments, are recognized within 'investment & other income' in the income statement using the effective interest method. The effective interest rate is the rate that exactly discount the estimated future cash payments and receipts through the expected life of the financial asset (or, where appropriate, a shorter period) to the net carrying amount of the financial asset. The effective interest rate is calculated on initial recognition of the financial asset and is not revised subsequently. Investment income also includes dividends when the right to receive payment is established. For listed securities, this is the date the security is listed as ex-dividend.

Other operating income

Other operating income comprises income from realized profits on sale of securities, realized foreign exchange gains/(losses), rental income and other sundry income recognized when earned.

Realized gains and losses recorded in the profit or loss on investments include gains and losses on financial assets and investment property. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortized cost and are recorded on occurrence of the sale transaction.

Rental income from investment property is recognized as revenue on a straight line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

4.24 Net claims expenses

Net claims expenses comprise claims incurred and claims handling expenses incurred during the financial year and changes in the provision for outstanding claims net of recoveries/recoverable from reinsurers.

(a) *Claims*

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

The Company does not discount its liabilities for unpaid claims. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Company and statistical analyses for the claims

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incurred but not reported, and to estimate the expected ultimate cost of more complex claims that may be affected by external factors. No provision has been made for possible claims under contracts that are not in existence at the end of the reporting period.

(b) *Reinsurance claims*
Reinsurance claims are recognized when the related gross insurance claim is recognized according to the terms of the relevant contract.

4.25 Underwriting expenses

Underwriting expenses comprise acquisition costs and other underwriting expenses. Acquisition cost comprise all direct and indirect costs arising from the writing of insurance contracts. Examples include, but are not limited to, commission expense, superintendent fees and other technical expenses. Other underwriting expenses are those incurred in servicing existing policies/contracts. These are charged in the income statement.

4.26 Operating expense

Expenses are decreases in economic benefits during the accounting period in the form of outflows, depletion of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants. Expenses are recognized on an accrual basis regardless of the time of spending cash. Expenses are recognized in the income statement when a decrease in future economic benefit related to a decrease in an assets or an increase of a liability has arisen that can be measured reliably. Expenses are measured at historical cost.

Only the portion of cost of a previous period that is related to the income earned during the reporting period is recognized as an expense. Expenses that are not related to the income earned during the reporting period, but expected to generate future economic benefits, are recorded in the financial statement as assets. The portion of assets which is intended for earning income in the future periods shall be recognized as an expense when the associated income is earned.

Expenses are recognized in the same reporting period when they are incurred in cases when it is not probable to directly relate them to particular income earned during the current reporting period and when they are not expected to generate any income during the coming years.

4.27 Operating segments

IFRS 8 Operating segments requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the Chief Operating Decision Maker (in the case of the Company, the Chief Executive) to allocate resources to the segments and to assess their performance.

The Company's reportable segments under IFRS 8 are therefore identified as follows: fire, accident, motor vehicle, engineering, oil and gas and others. The other segment relates to marine and aviation business class revenue which do not meet the quantitative threshold. (Refer to note 5). The accounting policies of the reportable segments are the same as the Company's accounting policies. Segment result represents the result of each segment without allocation of certain expenses, finance costs and income tax. This is the measure reported to the Company's Chief Executive for the purpose of resource allocation and assessment of segment performance.

4.28 Earnings per share

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

4.29 New standards, interpretations and amendments to existing standards

(a) Effective standards not yet adopted by the Company
There are new or revised Accounting Standards and Interpretations in issue that are effective but not yet adopted by the Company. This include the following Standards and Interpretations that are applicable to the business of the entity and may have an impact on future financial statements:

(i) IFRS 9 Financial Instruments
IFRS 9 became effective for financial year commencing on or after 1 January 2018 but the standard has not been adopted in preparing these financial statements as the Company elected to adopt the deferral approach available to insurance companies.

IFRS 9 is part of the IASB's project to replace 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 de-recognition of financial instruments from IAS 39.IFRS 9 replaces the multiple classification and measurement models in IAS 39 with a single model that has only three classification categories: amortized cost, fair value through OCI and fair value through profit or loss.

Furthermore for non-derivative financial liabilities designated at fair value through profit or loss, it requires that the credit risk component of fair value gains and losses be separated and included in OCI rather than in the income statement.

Classification and measurement
The standard uses one primary approach to determine whether to measure a financial asset at amortized cost, fair value through other comprehensive income (FVTOCI), or fair value through profit or loss (FVTPL) as

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against the IAS 39 classifications of FVTPL, Available-for-Sale (AFS) financial assets, Loans and Receivables and Held-to-Maturity (HTM) investments. The Company's business model is the determining factor for classifying its financial assets. Financial assets are measured at amortized cost if the business objective is to hold the asset in order to collect contractual cash flows that are solely payments of principal and interest (SPPI). Financial assets are measured at fair value through OCI if the business's objective is to collect contractual cash flows as well as cash flows from selling the asset.

The final category of financial assets are those assets where the business model is neither to hold for solely to collect the contractual cashflows nor selling to collect the cashflows and therefore classified as at fair value through profit or loss. These are financial assets that are held with the objective of trade and to realize fair value changes. The Company can also designate some of its financial assets at fair value through profit or loss if this helps to eliminate an accounting mismatch.

The table below provides the expected changes in classification on adoption of IFRS 9:

Financial Assets 31 December 2020	IAS 39 Classification	IFRS 9 Classification	Carrying Amount 31 December 2020
Cash and cash equivalents	Loans and receivables	Amortized cost	3,592,711
Financial assets at fair value through profit or loss	FVTPL	FVTPL	8,655,489
Available-for-sale financial assets:			
Quoted equities	AFS	FVOCI	-
Unquoted equities	AFS	FVOCI	14,243,000
Unquoted equities- at cost	AFS	FVOCI	64,029
Loans and receivables	Loans and receivables	Amortized cost	76,671
Held-to-Maturity investments	Loans and receivables	Amortized cost	1,509,466
Trade receivables	Loans and receivables	Amortized cost	63,974
Other receivables (less prepayments and other assets)	Loans and receivables	Amortized cost	172,611
Reinsurance assets (less prepaid reinsurance, outstanding claims and IBNR)	Loans and receivables	Amortized cost	1,239,009

Financial Assets 31 December 2019	IAS 39 Classification	IFRS 9 Classification	Carrying Amount 31 December 2019
Cash and cash equivalents	Loans and receivables	Amortized cost	1,609,222
Financial assets at fair value through profit or loss	FVTPL	FVTPL	4,449,949
Available-for-sale financial assets:			
Quoted equities	AFS	FVOCI	30,227
Unquoted equities	AFS	FVOCI	13,389,000
Unquoted equities- at cost	AFS	FVOCI	64,029
Loans and receivables	Loans and receivables	Amortized cost	276,820
Held-to-Maturity investments	Loans and receivables	Amortized cost	5,188,148
Trade receivables	Loans and receivables	Amortized cost	65,898
Other receivables (less prepayments and other assets)	Loans and receivables	Amortized cost	96,757
Reinsurance assets (less prepaid reinsurance, outstanding claims and IBNR)	Loans and receivables	Amortized cost	429,637

Impairment
IFRS 9 also requires that credit losses expected at the balance sheet date (rather than those incurred as at year-end) are reflected at the date of reporting on all financial assets. This approach is an expected credit loss (ECL) model as opposed to the incurred credit loss model under IAS 39. This approach does not require a credit loss event to have occurred before the recognition of the loss at the reporting date. The amount of the expected credit losses is expected to be updated at each reporting date to reflect changes in credit risks since initial recognition. ECL is determined by multiplying the Exposure At Default (EAD) by the Probability of Default (PD) and the Loss Given Default (LGD).

The Company do not currently have an Expected Credit Loss (ECL) model for financial assets; hence the potential impact of the ECL impairment on profit or loss and equity has not been estimated.

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Amendments to IFRS 4 Applying IFRS 9 financial instruments with IFRS 4 insurance contracts

In September 2016, the IASB published an amendment to IFRS 4 which addresses the concerns of insurance companies about the different effective dates of IFRS 9 Financial instruments and the forth-coming new insurance contracts standard, IFRS 17. The amendment provides two different solutions for insurance companies: a temporary exemption from IFRS 9 (i.e. the deferral approach') for entities that meet specific requirements (applied at the reporting entity level), and the 'overlay approach'. Both approaches are optional. The effective date is 1 January 2018 or when the entity first applies IFRS 9. IFRS 4 (including the amendments) will be superseded by the forth-coming new insurance contracts standard, IFRS 17. Accordingly, both the temporary exemption and the 'overlay approach' are expected to cease to be applicable when the new insurance standard becomes effective.

In response to concerns regarding temporary accounting mismatches and volatility, and increased costs and complexity, the IASB issued amendments to IFRS 4 Insurance Contracts. The amendments reduce the impacts, but companies need to carefully consider their IFRS 9 implementation approach to decide if and how to use them. The two optional solutions raise some considerations which require detailed analysis and management judgement.

The optional solutions are:

1. Temporary exemption from IFRS 9 – Some Companies will be permitted to continue to apply IAS 39 Financial Instruments: Recognition and Measurement. To qualify for this exemption the company's activities need to be predominantly connected with insurance. A company's activities are predominantly connected with insurance if, and only if:(a) the amount of its insurance liabilities is significant compared with its total amount of liabilities; and(b) the percentage of its liabilities connected with insurance relative to its total amount of liabilities is:(i) greater than 90 percent; or (ii) less than or equal to 90 percent but greater than 80 percent, and the Company does not engage in a significant activity unconnected with insurance. Liabilities connected with insurance include investment contracts measured at FVTPL, and liabilities that arise because the insurer issues, or fulfils obligations arising from, these contracts (such as deferred tax liabilities arising on its insurance contracts).

2. Overlay approach – This solution provides an overlay approach to alleviate temporary accounting mismatches and volatility. For designated financial assets, a company is permitted to reclassify between profit or loss and other comprehensive income (OCI), the difference between the amounts recognized in profit or loss under IFRS 9 and those that would have been reported under IAS 39.

With respect to IFRS 9 above, the Company is eligible to apply IFRS 9 deferral approach since IFRS 9 has not been previously applied by the Company and the activities of the Company are predominantly connected with insurance. To determine if the Company's activities are predominantly connected with insurance, the Company has assessed the ratio of the Company's liabilities connected with insurance - including investment contracts liabilities - compared with it's total liabilities as at 31 December 2015. See the assessment below:

LIABILITIES	AS REPORTED(A)	Admissible for Predominance Test (B)
	31-Dec-15	**31-Dec-15**
Insurance contract liabilities	2,276,752	2,276,752
Trade payables	229,316	229,316
Provision and other payables	327,273	-
Retirement benefit obligations	84,225	-
Income tax liabilities	147,355	147,355
Deferred tax liabilities	117,921	-
	3,182,842	**2,653,423**
	Score = (B/A)%	**83.37%**

"The Company has elected to apply the temporary exemption from IFRS 9 (deferral approach) and qualifies for the temporary exemption based on the following:a) Its activities are predominantly connected with insurance contracts;b) As at 31 December 2015, which is the reporting date that immediately precedes 1 April 2016, the carrying amount of its liabilities arising from insurance contracts was ?2.65 billion which was 83.37% of the total carrying amount of all its liabilities as at that date. c) The Company's activities have remained the same and are predominantly connected with insurance contracts. The majority of the activities from which the Company earns income and incur expenses are insurance-related."

Based on the above, the Company will apply IFRS 9 together with IFRS 17 in 2023.

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Fair value disclosures

i) Financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest (SPPI)
The Company's financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding are as follows:

a) Cash and cash equivalents
b) Available-for-sale financial assets (Bonds)
c) Loans and receivables
d) Held-to-Maturity financial assets
e) Trade receivables
f) Reinsurance assets (less prepaid reinsurance and reinsurers' share of outstanding claims and IBNR)
g) Other receivables (only financial receivables)

ii) Financial assets with contractual terms that do not give rise to cash flows that are solely payments of principal and interest.
These are financial assets that meet the definition of financial assets designated at fair value through profit or loss in line with IFRS 9; or that are managed and whose performance is evaluated on a fair value basis. These are:

a) Financial assets measured though profit and loss
b) Equity securities and Investment funds

The expected fair value changes from the adoption of IFRS 9 are disclosed below:

As at 31 December 2020	Financial assets that meet the SPPI criterion		All other financial assets	
Category	**Fair value**	**Fair value change during the reporting period**	**Fair value**	**Fair value change during the reporting period**
In thousands of Naira				
Cash and cash equivalents	3,592,711	-	-	-
Debt securities				
Held-to-maturity	1,509,466	-	-	-
Loans and receivables	76,671	-	-	-
Trade and other receivables	236,585	-	-	-
Statutory deposits	300,000	-	-	-
Subtotal	5,715,433	-	-	-
Equity securities - FVOCI	-	-	14,902,515	869,259
Financial instruments - FVTPL	-	-	8,655,489	1,819,593
Total	**5,715,433**	**-**	**23,558,004**	**2,688,852**

* The fair values of these financial assets approximate their cost.

(b) Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

(i) Insurance contracts (IFRS 17) - Effective for financial year commencing 1 January 2023
IFRS 17 replaced IFRS 4 Insurance Contracts

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

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

Under the new standard, investment components are excluded from insurance revenue and service expenses. Entities can also choose to present the effect of changes in discount rates and other financial risks in profit or loss or OCI. The new standard includes various new disclosures and requires additional granularity in disclosures to assist users to assess the effects of insurance contracts on the entity's financial statements.

The entity is in the process of determining the impact of IFRS 17 and will provide more detailed disclosure on the impact in future financial statements.

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

(ii) Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The amendments address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to:

- changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities.

Changes in basis for determining cash flows

The amendments will require an entity to account for a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform by updating the effective interest rate of the financial asset or financial liability.

Disclosure

The amendments will require the Company to disclose additional information about the entity's exposure to risks arising from interest rate benchmark reform and related risk management activities.

The standard is effective for annual periods beginning on or after 1 January 2021. Application will not impact amounts reported for 2020 or prior periods.

4.30 Disclosures on COVID-19

(i) Background

The COVID-19 pandemic which started in China in December 2019 and rapidly spread across the world is impacting all aspects of life in a manner that is unprecedented. The impact cuts across businesses, the economy and social interactions. These impacts seem like they will remain for the foreseeable future. In a bid to curtail the spread the virus, the Federal Government of Nigeria imposed movement restrictions in Lagos and Ogun State as well as the Federal Capital Territory on 29 March 2020. Gradual lifting of movement has commenced with daily updates announced.

In adapting to the government's response to COVID-19, the Company responded Management swiftly activated Business Continuity Management Group (BCMG) which enabled key personnel drawn from all departments to remotely work from home through secured technology, and the weekly report from members of BCMG to Executive Management (EXCO) indicates that the telecommuting is working well. Thus, we are able to provide continuous service to our customers whilst ensuring safety of employees and other stakeholders.

(ii) Assessment of impact

a Impact of COVID-19 on Impairment of Financial Assets

In assessing the impact of COVID-19 on the financial assets of the Company, cognisance was taken on the fact that the Company is yet to adopt IFRS 9 which it has deferred to 1 January 2023 along with IFRS 17.

Therefore, based on IAS 39, the Company does not see a significant impairment impact on its financial assets as a result of COVID-19. The Company's financial assets are predominantly fixed income and sovereign (treasury bills and FGN bonds) in nature and are subsequently classified as stage 1. The stage allocation remains unchanged as there is no significant increase in credit risk. The impact of forward-looking information has also been considered in assessing the impact of COVID-19 on impairment of financial assets. These include GDP growth, exchange rate, country rating, bank rating, inflation, and oil price. Whilst COVID-19 has negatively impacted all of the forward-looking information, other variables in the computation ensured that the impact remains minimal.

b Impact of COVID-19 on Revenue and Cost

Movement restriction measures taken to limit the spread of the virus could limit sales activities across the Company. This impact will become more apparent as the year progresses. Revenues from marine insurance could be affected due to the limited economic activity during the period. Also, job losses and limited government spending due to oil price drop will impact revenue. The movement restriction could also mean reduced claimed expense as a result of reduced human and economic activities. Operating expenses is being monitored to ensure that they are well within justifiable limits.

c Going Concern Assessment

The Company will continue to assess the status of the fight against the pandemic and its impact on the Company's business. However, based on current assessment, the Directors are confident that the Going Concern of the Company will not be threatened and would be able to continue to operate post COVID-19 and in the foreseeable future.

d Outlook

Management is confident that with the BCMG in place, we can continue with business operations uninterrupted.
Notwithstanding, since we cannot reasonably estimate the length or severity of this pandemic, or the extent to which the current lockdown would last, Management would continue to assess the material impact on the Company's financial position, results of operations, and cash flows in fiscal 2020 and would regularly make appropriate disclosures thereon to all stakeholders.

Statement of financial position
As at 31 December 2020

In thousands of Naira	Note	31 Dec 2020	31 Dec 2019
Assets			
Cash and cash equivalents	7	3,592,711	1,609,222
Financial investments	8		
- Fair value through profit or loss		8,655,489	4,449,949
- Available for sale		14,902,515	13,483,256
- Held to maturity		1,509,466	5,188,148
- Loans and receivables		76,671	276,820
Trade receivables	9	63,974	65,898
Other receivables and prepayments	12	501,131	408,303
Reinsurance assets	10	2,445,920	1,121,787
Deferred acquisition cost	11	328,812	262,550
Investment properties	13	150,000	150,000
Property and equipment	15	1,349,516	1,381,180
Intangible assets	14	1,199	7,319
Statutory deposit	16	300,000	300,000
Total assets		**33,877,404**	**28,704,432**
Liabilities			
Trade payables	19	704,169	363,724
Other payables	20	819,984	460,618
Provision for litigation	20.2b	103,000	-
Current tax liabilities	23	82,565	75,390
Insurance contract liabilities	17	5,728,661	4,652,881
Lease liabilities	21	219	61,923
Defined benefit obligations	22	62,981	49,846
Total liabilities		**7,501,579**	**5,664,382**
Equity			
Share capital	25	5,000,000	3,999,999
Share premium	26	729,044	729,044
Contingency reserve	27	2,547,773	2,068,770
Retained earnings	28	3,308,185	2,392,175
Assets revaluation reserve	29	828,773	752,083
Re-measurement reserve	30.2	13,244	18,431
Fair value reserve	30.1	13,948,807	13,079,548
Total equity		**26,375,825**	**23,040,050**
Total liabilities and equity		**33,877,404**	**28,704,432**

The financial statements were approved on 9 March 2021 and signed on behalf of the Board of Directors by:

Chief Joshua B. Fumudoh	**Mr. Daniel Braie**	**Emmanuel Otitolaiye**
Chairman	**Managing Director/CEO**	**Chief Financial Officer**
FRC/2018/IODN/00000017911	**FRC/2018/CIIN/00000018082**	**FRC/2014/ICAN/00000008524**

The summary of significant accounting policies and the accompanying notes form an integral part of these financial statements.

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2020

In thousands of Naira	Note	31 Dec 2020	31 Dec 2019
Gross premium written	31	8,331,841	6,518,964
Unearned premium	32	(378,851)	(192,344)
Gross premium income	32	**7,952,990**	**6,326,620**
Reinsurance expenses	33	(3,502,588)	(2,613,240)
Net premium income		**4,450,402**	**3,713,380**
Fees and commission income	34	625,656	555,634
Net underwriting income		**5,076,058**	**4,269,014**
Net claims expenses	35	(1,367,934)	(1,647,903)
Underwriting expenses	36	(2,882,535)	(2,211,871)
Underwriting profit		**825,589**	**409,240**
Investment income	37	2,011,815	2,237,582
Impairment loss on financial assets	38	(84,895)	(99,286)
Net fair value gains on financial assets at fair value through profit or loss	39	1,819,593	516,768
Other operating income	40	64,039	26,384
Fair value changes on investment property	37	-	6,000
Fair value changes on property and equipment	41	(10,240)	-
Management expenses	42	(2,089,832)	(1,757,962)
Profit before minimum taxation		**2,536,069**	**1,338,726**
Minimum tax expense	23.1	(19,882)	(31,633)
Tax (expense)/credit	23.1	(121,175)	145,061
Profit/(loss) after taxation		**2,395,012**	**1,452,154**
Other comprehensive income/(loss) net of tax			
Items that will be reclassified subsequently to profit or loss:			
Revaluation gain/(loss) on property and equipment	29	76,690	-
Net fair value gain/(loss) on available-for-sale financial assets	43	869,259	3,672,739
		945,949	3,672,739
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		(5,187)	(5,330)
Total other comprehensive income/(loss), net of taxes		**940,762**	**3,667,409**
Total comprehensive income/(loss) for the year		**3,335,774**	**5,119,563**
Basic and diluted earnings per share (kobo)	44	**24.0**	**14.5**

The summary of significant accounting policies and the accompanying notes form an integral part of these financial statements.

Statement of changes in equity
For the year ended 31 December 2020

In thousands of naira	Share capital	Share premium	Contingency Reserve	Asset revaluation reserve	Re-measurement reserve	Fair value reserve	Retained earnings	Total
At 1 January 2020	3,999,999	729,044	2,068,770	752,083	18,431	13,079,548	2,392,175	23,040,050
Bonus share issue from retained earnings		-	-	-	-	-	-	-
Recognition of share fractions		-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	2,395,012	2,395,012
Other comprehensive income:								
Revaluation gain/(loss) on property and equipment	-	-	-	76,690	-	-	-	76,690
Remeasurement of defined benefit obligation	-	-	-	-	(5,187)	-	-	(5,187)
Net fair value changes on AFS financial assets	-	-	-	-	-	869,259	-	869,259
Total comprehensive income	-	-	-	**76,690**	**(5,187)**	**869,259**	**2,395,012**	**3,335,774**
Transaction with equity holders and recognized directly in equity								
Bonus share issue from retained earnings	1,000,000	-	-	-	-	-	(1,000,000)	-
Recognition of share fractions	1	-	-	-	-	-	-	1
Transfer to contingency reserve	-	-	479,002	-	-	-	(479,002)	-
At 31 December 2020	**5,000,000**	**729,044**	**2,547,773**	**828,773**	**13,244**	**13,948,807**	**3,308,184**	**26,375,825**

Statement of changes in equity for the year ended 31 December 2019

In thousands of naira	Share capital	Share premium	Contingency Reserve	Asset revaluation reserve	Re-measurement reserve	Fair value reserve	Retained earnings	Total
At 1 January 2019	3,999,999	729,044	1,778,339	752,083	23,761	9,406,809	1,230,452	17,920,488
Profit for the year	-	-	-	-	-	-	1,452,154	1,452,154
Other comprehensive income/(loss):								
Remeasurement of defined benefit obligation	-	-	-	-	(5,330)	-	-	(5,330)
Net fair value changes on AFS financial assets	-	-	-	-	-	3,672,739	-	3,672,739
Total comprehensive (loss)/income	-	-	-	-	**(5,330)**	**3,672,739**	**1,452,154**	**5,119,563**
Transfer to contingency reserve	-	-	290,431	-	-	-	(290,431)	-
At 31 December 2019	**3,999,999**	**729,044**	**2,068,770**	**752,083**	**18,431**	**13,079,548**	**2,392,175**	**23,040,050**

The summary of significant accounting policies and the accompanying notes form an integral part of these financial statements.

Statement of cash flows

For the year ended 31 December 2020

In thousands of Naira	Note	2020	2019
Cash flows from operating activities			
Premiums received from policy holders	45(b)	8,330,897	6,445,650
Premiums received in advance	19.1	2,936	2,868
Deposits without details	20.2	217,086	182,228
Reinsurance payments	45(d)	(3,488,437)	(2,647,840)
Claims paid	35	(2,404,455)	(2,436,577)
Reinsurance claim recoveries	45(c)	908,259	589,257
Salvage recovery	45(c)	22,678	50,384
Commission paid	45(e)	(1,642,971)	(1,305,933)
Maintenance expenses paid	42	(1,273,913)	(882,902)
Commission received	45(f)	692,517	589,608
Cash payment to and on behalf of employees	45(l)	(890,683)	(709,906)
Other operating cash payments	44(a)	(940,980)	(1,095,422)
Corporate tax paid	23	(133,882)	(173,542)
Net cash used in operating activities		(600,948)	(1,392,127)
Cash flows from Investing activities			
Purchase of properties and equipment	45(I)	(57,777)	(149,659)
Purchase of intangible assets	14	-	(168)
Proceeds from sale of property and equipment	45(j)	1,153	5,691
Purchase of investment securities	45(h)	(6,855,700)	(9,238,723)
Proceeds from sale of investment securities	45(h)	2,293,652	3,118,391
Proceeds from redemption of financial assets held to maturity	8	5,251,890	5,630,280
Loan repayments	45(h)	244,106	249,718
Dividend received	37	906,959	785,629
Rental income received	40	4,500	11,000
Interest received	45(g)	858,981	1,451,953
Net cash from investing activities		2,647,764	1,864,112
Financing activities			
Payment of lease liabilities	45(k)	(61,704)	(66,114)
		(61,704)	(66,114)
Net increase in cash and cash equivalents		1,985,112	405,871
Cash and cash equivalents at the beginning of the period		1,609,222	1,205,124
Impact of exchange difference on cash held	40	(1,624)	(1,774)
Cash and cash equivalents at 31 December 2020	7	3,592,711	1,609,222

The summary of significant accounting policies and the accompanying notes form an integral part of these financial statements.

5. Segment reporting

Operating segments IFRS 8 Segment Reporting requires operating segments to be identified on the basis of internal reports of reportable segments that are regularly reviewed by the Chief Executive to allocate resources to the segments and to assess their performance The Company's reportable segments under IFRS 8 are therefore identified as follows:

- Motor
- Fire
- General accident
- Marine & aviation
- Oil & gas
- Engineering & bond

The following is an analysis of the Company's revenue and result by reportable segment for the period ended 31 December 2020:

	Motor N'000	Fire N'000	General Accident N'000	Marine N'000	Aviation N'000	Bond N'000	Oil & Gas N'000	Engineering N'000	Total N'000
Income:									
Gross premium written	1,603,328	1,285,338	867,508	682,393	523,866	5,553	2,850,767	513,088	8,331,841
Net change in unearned premium	(130,026)	(75,530)	(14,041)	(104,899)	14,702	1,891	20,689	(91,637)	(378,851)
	1,473,302	**1,209,808**	**853,467**	**577,494**	**538,568**	**7,444**	**2,871,456**	**421,451**	**7,952,990**
Re-insurance cost	(4,619)	(788,132)	(478,968)	(279,283)	(361,581)	(3,315)	(1,358,762)	(227,927)	(3,502,588)
Net premium income	**1,468,683**	**421,676**	**374,498**	**298,210**	**176,987**	**4,129**	**1,512,694**	**193,523**	**4,450,402**
Commission received	839	249,020	141,310	85,050	1,974	967	48,646	97,850	625,656
Net underwriting Income	**1,469,523**	**670,696**	**515,808**	**383,261**	**178,961**	**5,096**	**1,561,340**	**291,373**	**5,076,058**
Expenses:									
Net claims incurred	(470,092)	(318,387)	(164,589)	(58,815)	(93,519)	(577)	(160,406)	(101,548)	(1,367,934)
Acquisition cost	(209,203)	(242,028)	(201,507)	(157,133)	(87,376)	(1,383)	(639,030)	(70,963)	(1,608,622)
Maintenance expenses (Note 41)	(245,144)	(196,524)	(132,639)	(104,336)	(80,098)	(849)	(435,874)	(78,450)	(1,273,913)
	(924,439)	(756,940)	(498,736)	(320,282)	(260,991)	(2,808)	(1,235,309)	(250,962)	(4,250,469)
Segment underwriting profit/(loss)	**545,083**	**(86,244)**	**17,072**	**62,978**	**(82,029)**	**2,288**	**326,030**	**40,411**	**825,589**

The accounting policies of the reportable segments are the same as the Company's accounting policies.

Segment result represents the result of each segment without allocation of certain expenses, finance costs and income tax. This is the measure reported to the Company's Chief Executive for the purpose of resource allocation and assessment of segment performance.

There are no geographic information as all revenues related to the reportable segments are earned in Nigeria.

Notes to the financial statements
For the year ended 31 December 2020

31 December 2019	Motor	Fire	General Accident	Marine	Aviation	Bond	Oil & Gas	Engineering	Total
Income:	**N'000**	**N'000**	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Gross premium written	1,136,061	915,982	735,474	470,513	436,116	17,098	2,545,108	262,612	6,518,964
Net change in unearned premium	50,319	(62,198)	3,227	1,388	(92,584)	3,875	(69,280)	(27,091)	(192,344)
	1,186,380	**853,784**	**738,701**	**471,901**	**343,532**	**20,973**	**2,475,828**	**235,521**	**6,326,620**
Re-insurance cost	(21,566)	(500,571)	(343,204)	(171,613)	(288,356)	(7,547)	(1,105,578)	(174,805)	(2,613,240)
Net premium income	**1,164,814**	**353,213**	**395,497**	**300,288**	**55,176**	**13,426**	**1,370,250**	**60,716**	**3,713,380**
Commission Received	1,582	156,388	114,989	54,853	205	2,029	173,234	52,354	555,634
Net underwriting Income	**1,166,396**	**509,601**	**510,486**	**355,141**	**55,381**	**15,455**	**1,543,484**	**113,070**	**4,269,014**
Expenses:									
Net claims incurred	(371,052)	(238,081)	(277,141)	(33,158)	(6,079)	(65,566)	(717,976)	61,150	(1,647,903)
Acquisition cost	(203,477)	(182,473)	(166,142)	(137,093)	(49,515)	(2,933)	(531,581)	(55,756)	(1,328,969)
Maintenance expenses (Note 41)	(153,863)	(124,057)	(99,610)	(63,279)	(59,511)	(2,301)	(344,699)	(35,583)	(882,902)
	(728,392)	(544,611)	(542,892)	(233,531)	(115,105)	(70,800)	(1,594,256)	(30,189)	(3,859,774)
Segment underwriting profit/(loss)	**438,004**	**(35,010)**	**(32,406)**	**121,610**	**(59,724)**	**(55,345)**	**(50,772)**	**82,881**	**409,240**

6 Capital and Risk Management

6.1 Capital Management – Objectives, Policies and Approaches.

The objective of the Company's capital management is to ensure that the Company is adequately capitalized at all times, even after experiencing significant adverse events. In addition, we seek to optimize the structure and sources of our capital to ensure that it consistently delivers maximum returns to the Company's shareholders and guarantees adequate protection of our policyholders.

The capital management policy is to hold sufficient capital to meet regulatory capital requirements (RCR) and also to sufficiently accommodate our risk exposures as determined by our risk appetite. Other objectives include to:

- maintain the required level of capital that guarantee security to our policyholders;
- maintain financial strength that would support business growth in line with strategy;
- maintain strong credit ratings and healthy capital ratios to support business objectives;
- retain financial flexibility by maintaining strong liquidity and consistent positive equity returns;
- allocate capital efficiently to ensure that returns on capital employed meet the requirements of capital providers and shareholders.

The Company's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence our capital position in the light of changes in economic and market conditions, and risk characteristics.

The primary source of capital used is equity shareholders' funds. In addition, we utilize adequate and efficient reinsurance arrangements to protect shareholders' funds by reducing the need for further funding following unfavorable events such as catastrophes or just large random single claims.

The Company has had no significant changes in its policies during the year ended 31 December 2020. However, there was a change in the Company's capital structure during the year ended 31 December 2020. The Company increased its share capital by N1 billion.

Analysis of shareholders funds
In thousand of Naira

	31 Dec 2020	31 Dec 2019
Total assets	33,877,404	28,704,432
Less: Total liabilities	7,501579	5,664,382
Shareholders funds as at year end	**26,375,825**	**23,040,050**
Adjustment for non-capital items	330,011	269,869
Available capital resources	**26,045,814**	**22,770,181**
Changes in available capital	14%	29%

The Company's available capital is based on the shareholders' equity/fund as adjusted to reflect the full economic capital base available to absorb any unexpected volatility in results of operations. Thus, available capital resources, after adjusting for non-capital assets, is N26,045,814,000 (2019: N22,770,182,000) amounting to an increase over the comparative period.

The Minimum Capital Requirement
The statutory minimum capital requirement for Non-life business is N3 billion.

In thousands of naira	31 Dec 2020	31 Dec 2019
Total shareholders' funds	26,375,825	23,040,050
Regulatory required capital	3,000,000	3,000,000
Excess over minimum capital	23,375,825	20,040,051
Capitalization rate	879%	768%

NAICOM released a circular dated 3 June 2020 (NAICOM/DPR/CIR/25-04/2020) to all insurance and reinsurance companies in Nigeria. The circular indicated the difficulty to proceed with the 31 December 2020 recapitalization deadline due to the incidences of COVID-19 pandemic. The Commission extended and segmented the recapitalization process into two phases; general insurance business are required to meet 50% of the minimum capital requirement of N10bn by 31 December 2020 and have full compliance of the remaining balance by 30 September 2021. However, as at year end, The National House of Assembly suspended the directive of NAICOM as a relief due to the ongoing COVID-19 pandemic.

Notes to the financial statements

For the year ended 31 December 2020

The solvency margin requirement

Insurance industry regulator measures the financial strength of non-life insurers using a solvency margin model, NAICOM generally expect non-life insurers to comply with this capital adequacy requirement. This test compares insurers' capital against its risk profile. Section 24 (1) of the Insurance Act, 2003 requires that an insurer shall in respect of its business other than its life insurance business, maintain at all times a margin of solvency being the excess of the value of its admissible assets in Nigeria over its liabilities in Nigeria. The solvency margin shall not be less than 15 percent of the gross premium income less reinsurance premiums paid out during the year under review or the minimum paid-up capital whichever is greater.

During the period, the Company has complied with this capital requirement. The regulator has the authority to request more extensive reporting and can place restrictions on the Company's operations if the Company falls below this requirement as deemed necessary.

The Company's solvency margin is as follows:

In thousands of naira	**31 Dec 2020**	**31 Dec 2019**
Assets		
Cash and cash equivalents	3,592,711	1,609,222
Financial investments	10,837,112	9,945,144
Trade receivables	63,974	65,898
Other receivables and prepayment	73,549	97,977
Reinsurance assets	2,235,746	1,121,787
Deferred acquisition cost	328,812	262,550
Property and equipment	1,349,516	1,381,180
Statutory deposit	300,000	300,000
Total admissible assets	**18,781,420**	**14,783,758**
Liabilities		
Insurance contract liabilities	5,728,661	4,652,881
Trade payables	701,233	363,724
Other payables	819,984	460,618
Provision for litigation	103,000	-
Defined benefit obligations	62,981	49,846
Lease liabilities	219	61,923
Current tax liabilities	82,565	75,390
Total admissible liabilities	**7,498,643**	**5,664,382**
Excess of total admissible assets over admissible liabilities (solvency margin)	**11,282,777**	**9,119,376**
Higher of (a) and (b):		
Gross premium income	7,952,990	6,326,620
Less: Reinsurance expense	(3,502,588)	(2,613,240)
Net premium	4,450,402	3,713,380
15% of net premium	667,560	557,007
Minimum paid up capital	3,000,000	3,000,000
The higher thereof:	**3,000,000**	**3,000,000**
Excess of solvency margin over minimum capital base	**8,282,777**	**6,119,376**
Solvency margin ratio	**376%**	**304%**

6.2 Insurance risk

The Company issues contracts that transfer insurance risk. This section summarizes this risk and the way it is being managed.

***(a)* Types of insurance risk contracts**

The Company principally issues the following types of general insurance contracts: Motor, Fire, General Accidents, Aviation, Marine, Engineering, Bond and Oil & Gas. The risks under this policies usually cover twelve months duration. The most significant risks in this policies arise from climate changes, natural disasters and terrorist activities. For longer claims that take some years to settle, there is also inflation risk.

These risks however do not vary significantly with the risk location, type of insured and industry.

Notes to the financial statements
For The Year Ended 31 December 2020

(b) ***Management of insurance risk***

The risks facing us in any insurance contract arise from fluctuations in the timing, frequency and severity of claims and claims settlements relative to expectations; unexpected claims arising from a single source or cause; inaccurate pricing of risks or inappropriate underwriting of risks when underwritten; and inadequate reinsurance protection or other risk transfer techniques.

The principal risk that the Company faces under its insurance contracts is that the actual claims and benefits payments, or its timing thereof, exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random, and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques. The objective of the Company is to ensure that sufficient reserves are available to cover these liabilities. In addition, the Company manages this risk through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling and investigations.

The Company's insurance underwriting strategy has been developed in such a way that the types of insurance risks accepted are diversified to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. Insurance risk is increased by the lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Company has the right not to renew certain policies, it can impose excess or deductibles and has the right to reject the payment of a fraudulent claim. Insurance contracts also entitle the Company to pursue third parties for payment of some or all of claims costs.

The Company purchases reinsurance as part of its insurance risk mitigation programme. The reinsurance arrangements include excess and proportional coverage. The effect of such reinsurance arrangements is that the Company should not suffer total net insurance losses in any one year. Amount recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts.

The Company has a specialized claims unit that ensures mitigation of the risks surrounding all known claims. This unit investigates and adjusts all claims in conjunction with appointed loss adjusters. The Company actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments. Risk concentration is assessed per class of business. The concentration of insurance risk before and after reinsurance by class in relation to the type of insurance risk accepted is summarized below, with reference to the carrying amount of the insurance liabilities (gross and net of reinsurance) arising from all non-life insurances.

(c) **Insurance risk concentration per policy type**

Line of business	31 December 2020			31 December 2019		
In thousands of naira	Gross premium	Reinsurance	Net	Gross premium	Reinsurance	Net
Motor	1,603,328	(4,619)	1,598,709	1,136,061	(21,566)	1,114,495
Fire	1,285,338	(788,132)	497,206	915,982	(500,571)	415,411
General Accident	867,508	(478,968)	388,540	735,474	(343,204)	392,270
Engineering	513,088	(227,927)	285,161	262,612	(174,804)	87,808
Marine	682,393	(279,283)	403,110	470,513	(171,613)	298,900
Bond	5,553	(3,315)	2,238	17,098	(7,547)	9,551
Aviation	523,866	(361,581)	162,285	436,116	(288,357)	147,759
Oil & Gas	2,850,767	(1,358,762)	1,492,005	2,545,108	(1,105,578)	1,439,530
	8,331,841	**(3,502,588)**	**4,829,253**	**6,518,964**	**(2,613,240)**	**3,905,724**

(d) **Key Assumptions**

The principal assumption underlying the liability estimates is that the Company's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claims costs, claim handling costs, claim inflation factors and claims numbers for each accident year. Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example: once-off occurrence; changes in market factors such as public attitude to claiming; economic conditions as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency rates.

Notes to the financial statements

For The Year Ended 31 December 2020

(e) **Sensitivity Analysis**

The insurance claims liabilities above are sensitive to the key assumptions that follow. However, it has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and equity fund. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that the movements in these assumptions are not linear.

(f) **Insurance risk concentration per policy type**

Line of business	**31 December 2020**			**31 December 2019**		
In thousands of Naira	**Gross outstanding claims**	**Reinsurance recoveries**	**Net liabilities**	**Gross outstanding claims**	**Reinsurance recoveries**	**Net liabilities**
Motor	353,390	(37,235)	316,155	255,378	(44,695)	210,683
Fire	835,078	(570,389)	264,689	360,297	(228,257)	132,040
Accident	753,905	(414,759)	339,146	470,209	(181,973)	288,236
Engineering	409,166	(312,719)	96,447	236,021	(79,274)	156,747
Marine	97,875	(29,561)	68,314	185,695	(38,456)	147,239
Bond	80,330	(33)	80,297	-	-	-
Aviation	53,656	(5,000)	48,656	-	-	-
Oil & Gas	1,086,036	(13,326)	1,072,710	1,464,908	(7,855)	1,457,053
	3,669,437	**(1,383,023)**	**2,286,414**	**2,972,508**	**(580,510)**	**2,391,998**

(g)

Claims Development Table

The Company has reported and disclosed its claims reserves based on the requirements of IFRS 4 - Insurance Contracts. Below is the claims development information over the period 2007 – 2019 as follows:

	Claims Development Table										
Accident Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**
2007	152,755	134,625	41,902	10,416	2,964	1,834	1,080	5	470	-	-
2008	271,568	285,238	51,796	8,056	3,139	334	345	162	-	-	-
2009	175,944	225,974	93,072	64,576	31,461	1,507	606	1,139	-	-	-
2010	280,328	257,899	117,497	136,000	16,732	1,406	1,058	3,933	-	-	74
2011	188,021	209,088	119,363	172,367	2,056	5,317	947	694	8	-	
2012	206,910	265,358	85,262	83,530	6,970	110,924	35,388	111	9,340		
2013	184,702	380,558	36,518	8,111	672	22,874	3,890	67			
2014	390,700	282,279	26,057	2,437	3,344	2,505	315				
2015	490,091	708,228	53,231	153,927	5,345	-					
2016	655,500	900,972	97,185	21,487	80,475						
2017	479,042	518,080	671,537	65,925							
2018	620,415	813,120	97,609								
2019	918,574	298,644									
2020	1,085,909										

The claims development information over the period 2007 – 2018 is as follows:

	Claims Development Table										
Accident Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**
2007	150,467	338,281	342,915	345,141	345,151	1,834	1,080	5	470	-	-
2008	333,954	521,016	531,836	532,829	533,994	334	345	162			
2009	258,170	104,809	407,562	409,178	420,427	1,507	606	1,139			
2010	201,283	356,274	369,779	370,742	371,949	1,406	1,058	585			
2011	182,705	293,340	310,143	311,428	311,713	5,317	947				
2012	188,547	257,973	271,316	271,335	271,710	110,908					
2013	156,934	274,116	275,935	276,314	276,314						
2014	201,239	260,422	263,665	263,954							
2015	257,731	328,303	328,716								
2016	224,006	289,063									
2017	200,948										
2018	611,826										

Notes to the financial statements
For The Year Ended 31 December 2020

(h) Sensitivity Analysis of Liability for Claims

31 December 2020	**Impact on variables**				
Criteria	**Changes in Assumption**	**Gross Liabilities N'000**	**Net Liabilities N'000**	**Profit before tax N'000**	**Equity Fund N'000**
Average claims cost	+10% increase	573	328	(245)	(122)
Number of claims	+10% increase	240	137	(103)	(52)
Average claims settlement period	Reduction by 3 months	(554,294)	(475,973)	78,321	54,828

31 December 2019	**Impact on variables**				
Criteria	**Changes in Assumption**	Gross Liabilities N'000	Net Liabilities N'000	Profit before tax N'000	Equity Fund N'000
Average claims cost	+10% increase	564	546	(18)	(13)
Number of claims cost	+10% increase	76,737	74,278	(2,458)	(1,721)
Average claims settlement period	Reduction by 3 months	(433,042)	(371,854)	61,188	42,831

6.3 Financial risks
The Company is exposed to a range of financial risks through its financial instruments and reinsurance assets.

The key financial risk is that in the long term its investments proceeds are not sufficient to meet the obligations arising from its insurance contracts. The most important components of the financial risks are:
- Credit risks
- Liquidity risks
- Market risks
- Property risks.

(a) Credit risks
Credit risk is the risk of default and change in credit quality of issuers of securities, counter-parties and untimely or non-payment of premiums by policyholders as at when due.

The categories of credit risk exposed to by the Company are:

(i) Direct default risk: which is the risk of non-receipt of cash flows or assets due to the Company because brokers, policyholders and other debtors default on their obligations.

(ii) Concentration risk: which is the exposure of losses due to excessive concentration of business activities to individual counterparties, groups of individuals or related entities, counterparties in specific geographical locations, industry sector, specific products, etc.

(iii) Counterparty risk: this is the risk that a counterparty is not able or willing to meet its financial obligations as they fall due.

In managing credit exposures to counterparties, the Company had instituted the following policies and procedures:

(i) A credit risk management policy, which sets out the assessment and determination of credit risk components. In addition, it sets out the net exposure limits for each counterparty, based on geographical and industry segmentation. The policy is regularly reviewed for pertinence and for changes in the risk environment.

(ii) Reinsurance arrangement is entered with counterparties that have a good credit rating. Concentration risk is avoided by following policy guidelines on counterparties' limits that are set each year by the board of directors and reviewed regularly. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment, if need be.

(iii) The credit risk in respect of customer balances incurred on non-payment of premiums will only persist during the grace period specified in Section 50 of the Insurance Act.

(iv) The Company sets the maximum amounts and limits that may be advanced to corporate counterparties by reference to their long-term credit ratings.

Notes to the financial statements
For The Year Ended 31 December 2020

Credit risk exposure and concentration
The Company's maximum credit risk exposure as per its statement of financial position as at 31 December 2020 and 31 December 2019 is the carrying amounts of each component. The maximum risk exposure presented below does not include the exposure that arises in the future as a result of the changes in values. Credit risk is spread across many industries, firms and individuals. The Company monitors concentration of credit risk by sector as shown below.

In summary, our credit exposure is highly concentrated in the financial institutions sector – commercial banks, insurance companies, finance houses, etc. The maximum exposure is shown gross, before the effect of mitigation through the use of netting and collateral agreements, below.

31 December 2020

In thousands of Naira	Financial institutions	Manufacturing	Aviation	Others	Total
Cash and cash equivalents	3,592,711	-	-	-	3,592,711
Financial assets:					
Fair value through profit or loss	8,655,489	-	-	-	8,655,489
Available-for-sale	14,838,486	-	-	64,029	14,902,515
Loans and receivables	35,507	-	-	41,164	76,671
Held to maturity	558,190	-	-	951,276	1,509,466
Reinsurance assets (less unearned premium)	2,445,920	-	-	-	2,445,920
Trade receivables	63,974	-	-	-	63,974
Other receivables	-	-	-	501,131	501,131
Statutory deposit	300,000	-	-	-	300,000
Gross credit risk exposure	30,490,277	-	-	1,557,600	32,047,877

31 December 2019

In thousands of Naira	Financial institutions	Manufacturing	Aviation	Others	Total
Cash and cash equivalents	1,609,222	-	-	-	1,609,222
Financial assets:					
Fair value through profit or loss	4,449,949	-	-	-	4,449,949
Available-for-sale	13,419,227	-	-	64,029	13,483,256
Loans and receivables	44,187	52,444	-	180,189	276,820
Held to maturity	5,188,148	-	-	-	5,188,148
Reinsurance assets (less unearned premium)	1,121,787	-	-	-	1,121,787
Trade receivables	65,898	-	-	-	65,898
Other receivables	-	-	-	408,303	408,303
Statutory deposit	300,000	-	-	-	300,000
Gross credit risk exposure	26,198,418	52,444	-	652,521	26,903,383

Notes to the financial statements
For The Year Ended 31 December 2020

Credit Risk Quality
One of the principal criteria used to judge the risk of default (or quality) of our credit risk exposure is credit quality of the counterparty we are exposed to. This we determine by using our internal credit rating criteria, which is benchmarked against Global Credit Rating Co.'s rating criteria as comparatively shown below:

Credit Quality	GRC Rating Scale	Linkage Rating Scale	Definition of Criteria
LOW	AAA AA+ - AA-	AAA	Highest Credit Quality: The risk factors are negligible, being only slightly more than risk-free government instruments.
	A+ - A-	AA	Very High Credit Quality: Protection factors are very strong. Adverse changes in business, economic or financial conditions would increase investment risk, although not significant.
MEDIUM	BBB+ - BBB-	BBB	Adequate protection factors and considered sufficient for prudent investment. However, there is considerable variability in risk during economic cycles.
	BB+ - BB-		Below investment grade but capacity for timely repayment exists. Present or prospective financial protection factors fluctuate according to industry's conditions or company's fortunes. Overall, quality may move up or down frequently within this categories.
	B+ - B-	BB	Below investment grade and possessing risk that obligations will not be met when due. Financial protection factors will fluctuate widely according to economic cycles, industry conditions and/or company fortunes.
HIGH	CCC	NOT RATED	Well below investment grade securities. Considerable uncertainty exists as to timely payment of principal or interest. Protection factors are narrow and risk can be substantial with unfavorable economic/industry conditions, and/or with unfavorable company development.
	DD		Defaulted debt obligations. The issuer failed to meet scheduled principals and/or interest payments. Company has been, or is likely to be, placed under the order of the court.

Using the above rating table, the position of the Company's credit quality as at 31 December 2020 is as shown below. Overall, our credit risk exposure has maintained a low risk profile. This is because our exposure to high risk counterparties has been low in order to protect policyholder funds and secure the liquidity of operating funds.

Credit Risk Quality

31 December 2020 In thousands of Naira	AA	A-	BBB	B+	Not rated	Total
Assets						
Cash and cash equivalents	573,123	-	-	487,991	2,531,597	3,592,711
Financial assets:						
- FVTPL	354,701	-	-	6,115,973	2,184,815	8,655,489
- Available-for-sale	14,307,028	400,000	158,615	18,380	18,491	14,902,514
- Held-to-maturity	-	-	-	558,190	951,276	1,509,466
- Loans and receivable	-	-	-	-	76,671	76,671
Reinsurance assets	2,445,920	-	-	-	-	2,445,920
Trade receivables	-	-	-	-	63,974	63,974
Other receivables	-	-	-	-	501,131	501,131
Statutory deposit	-	-	-	300,000	-	300,000
Total credit exposure	**17,680,772**	**400,000**	**158,615**	**7,480,534**	**6,327,955**	**32,047,876**

Linkage Assurance Plc

31 December 2019
In thousands of Naira

Assets	AA	A-	BBB	B+	Not rated	Total
Cash and cash equivalents	85,758	-	-	75,661	1,447,803	1,609,222
Financial assets:						
- FVTPL	506,444	481,204	512,152	2,282,400	667,749	4,449,949
- Available-for-sale	13,431,764	25,612	-	10,409	15,471	13,483,256
- Held-to-maturity	-	-	-	5,188,148	-	5,188,148
- Loans and receivable	12,711	-	-	-	264,109	276,820
Reinsurance assets	1,121,787	-	-	-	-	1,121,787
Trade receivables	-	-	-	-	65,898	65,898
Other receivables	-	-	-	-	408,303	408,303
Statutory deposit	-	-	-	300,000	-	300,000
Total credit exposure	**15,158,464**	**506,816**	**512,152**	**7,856,618**	**2,869,333**	**26,903,383**

It is the Company's policy to maintain accurate and consistent risk ratings across its credit portfolio. This enables management to focus on the applicable risks and the comparison of credit exposures across all lines of business, geography and products. The rating system is supported by a variety of financial analytics combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal ratings are tailored to the various categories and are derived in accordance with the Company's rating policy. The attributable risk ratings are assessed and updated regularly.
During the year, no credit exposure limit was exceeded.

We provide a further analysis of our credit risk exposure in terms of counterparty's financial instruments as investment grades or non-investment grades, as well as Neither Past Due or Past Due but Not Impaired. All our financial assets during the period are neither past due or past due but not impaired with the exception of trade receivables as shown below.

As at 31 December 2020
In thousands of Naira

	Neither Past Due nor Impaired				
	Investment	Non-Investment Grades		Past Due and	Total
Assets	Grades	Satisfactory	Unsatisfactory	Impaired	
Cash and cash equivalents	3,719,490	642	-	127,421	3,592,711
Financial assets:					
- FVTPL	8,655,489	-	-	-	8,655,489
- Available-for-sale	14,902,515	-	-	-	14,902,515
- Held-to-maturity	558,190	951,276	-	-	1,509,466
- Loans and receivables	35,507	41,164	-	-	76,671
Reinsurance assets	-	2,445,920	-	-	2,445,920
Trade receivables	-	63,974	-	-	63,974
Other receivables	-	501,131	-	-	501,131
Statutory deposit	300,000	-	-	-	300,000
Total credit exposure	28,171,191	4,004,107	-	127,421	32,047,877

As at 31 December 2019
In thousands of Naira

	Neither Past Due nor Impaired				
	Investment	Non-Investment Grades		Past Due but	Total
Assets	Grades	Satisfactory	Unsatisfactory	not Impaired	
Cash and cash equivalents	1,481,260	541	-	127,421	1,609,222
Financial assets:					
- FVTPL	4,449,949	-	-	-	4,449,949
- Available-for-sale	13,483,256	-	-	-	13,483,256
- Held-to-maturity	5,188,148	-	-	-	5,188,148
- Loans and receivables	253,432	23,387	-	-	276,820
Reinsurance assets	-	1,121,787	-	-	1,121,787
Trade receivables	-	65,898	-	-	65,898
Other receivables	-	408,303	-	-	408,303
Statutory deposit	300,000	-	-	-	300,000
Total credit exposure	25,156,045	1,619,916	-	127,421	26,903,383

Notes to the financial statements
For The Year Ended 31 December 2020

Impaired Financial Assets
As at 31 December 2020, there were no impaired reinsurance assets (31 December 2019: Nil) and impaired loans and receivables amounted to N176.93 million (31 December 2019: N104.25 million).

For assets to be classified "past-due and impaired" contractual payments must be in arrears for more than 90 days. No collateral is held as security for any past due or impaired assets.

(b) ***Credit Collateral***
The amount and type of collateral required depends on an assessment of credit risk of the counter party. Guidelines are implemented regarding the acceptability of types of collateral and the valuation parameters. Collateral is mainly obtained for securities lending and for cash purposes. Credit risk is also mitigated by entering into collateral agreements.

Management monitors the market value of the collateral, requests additional collateral when needed and performs an impairment valuation when applicable. The collateral can be sold or replaced by the Company, where necessary and is repayable if the contract terminates or the contract's fair value decreases. No collateral received from the counterparty has been sold or repledged this year/period.

(b) Liquidity Risk
Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The characteristic nature of our business requires the availability of adequate cash flow to meet our contractual obligations to policyholders (and other third parties) in the event of claim settlement.

This is the risk of loss arising due to insufficient liquid assets to meet cash flow requirements or to fulfil financial obligation once claims crystallize. In the case of catastrophic events there is also a liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance recoveries.

The Company's exposure to liquidity risk comprises of:

(i) Funding (Cash-flow) Liquidity Risk:
This is the risk of not meeting current and future cash flow and collateral needs, both expected and unexpected, without materially affecting daily operations or overall financial condition of the Company."

(ii) Market (Asset) Liquidity Risk:
This is the risk of loss which is occasioned by the incapacity to sell assets at or near their carrying value at the time needed."

The Company mitigates its exposure to liquidity risk through the following mechanisms:

- Liquidity policy, which sets out the assessment and determination of what constitutes the Company's liquidity risk. Compliance with the policy is monitored and exposures and breaches are reported to the Assets and Liability Management Committee. The policy is regularly reviewed for pertinence ad for changes in the risk environment.

- Guidelines are set for asset allocations, portfolio limit structures and maturity profiles of assets, in order to ensure sufficient funding available to meet insurance contracts obligations.

- Contingency funding plans are in place, which specify minimum proportions of funds to meet emergency calls as well as specifying events that would trigger such plans.

- The Company's catastrophe excess–of–loss reinsurance contracts contain clauses permitting the immediate draw down of funds to meet claim payments should claim events exceed a certain size.

- Below is a maturity profile summary of the Company's undiscounted contractual obligations cash flows of financial assets matched with financial liabilities. For insurance contract liabilities and reinsurance assets, maturity profile estimates are based on timing of net cash flows from the recognized insurance liabilities.

  Unearned premiums and the reinsurers' share of unearned premiums have been excluded from the analysis as they are not contractual obligations.

- In addition, the Company maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flow.

Notes to the financial statements
For The Year Ended 31 December 2020

Maturity Analysis (Undiscounted cashflow basis)
The table below summarizes the undiscounted cashflow profile of the Company's financial assets and liabilities :

As at 31 December 2020
In thousands of Naira

Assets	Notes	Carrying Amount	Gross Amount	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years	> 5 years
Cash and cash equivalents	7	3,592,711	3,592,711	3,592,711	-	-	-	-
Financial assets:								
- FVTPL	8	8,655,489	8,655,489	-	-	245,327	5,849,716	2,560,446
- Available-for-sale	8.1	14,902,515	14,902,515	-	-	-	14,902,515	-
- Held-to-maturity	8	1,509,466	1,509,466	-	475,768	152,105	881,593	-
- Loans and receivable	8.2	76,671	76,671	-	-	42,483	34,188	-
Reinsurance assets	10	2,445,920	2,445,920	-	-	2,445,920	-	-
Trade receivables	9	63,974	63,974	63,974	-	-	-	-
Other receivables	12	501,131	501,131	-	501,131	-	-	-
Total undiscounted liquid assets		**31,747,877**	**31,747,877**	**3,656,685**	**976,899**	**2,885,835**	**21,668,012**	**2,560,446**
Liabilities								
Trade payables	19	704,169	704,169	704,169	-	-	-	-
Other payables	20	819,984	819,984	819,984	-	-	-	-
Provision for litigation	20.2b	103,000	103,000	103,000				
Lease obligations	21	219	219	219	-	-	-	-
Total undiscounted liabilities		**1,627,372**	**1,627,372**	**1,627,372**	**-**	**-**	**-**	**-**

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For The Year Ended 31 December 2020

As at 31 December 2019
In thousands of Naira

		Carrying Amount	Gross Amount	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years	> 5 years
Assets								
Cash and cash equivalents	7	1,609,222	1,609,222	1,609,222	-	-	-	-
Financial assets:								
- *FVTPL*	8	4,449,949	4,880,221	-	209,616	402,602	1,994,607	2,273,396
- *Available-for-sale*	8.1	13,483,256	13,483,256	-	-	-	13,483,256	-
- *Held-to-maturity*	8	5,188,148	5,188,148	4,178,492	194,601	815,055	-	-
- *Loans and receivable*	8.2	276,820	276,820	-	-	253,433	23,387	-
Reinsurance assets	10	1,121,787	1,121,787	-	-	1,121,787	-	-
Trade receivables	9	65,898	65,898	65,898	-	-	-	-
Other receivables	12	408,303	408,302	-	408,302	-	-	-
Total undiscounted liquid assets		**26,603,383**	**27,033,654**	**5,853,612**	**812,519**	**2,592,877**	**15,501,250**	**2,273,396**
Liabilities								
Trade payables	19	363,724	363,724	363,724	-	-	-	-
Other payables	20	460,618	460,618	460,618	-	-	-	-
Finance lease obligations	21	61,923	61,923	13,834	5,641	12,019	30,429	-
Total undiscounted liabilities		**886,265**	**886,265**	**838,176**	**5,641**	**12,019**	**30,429**	**-**

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Maturity Analysis (on Expected maturity basis)
The table below summarizes the expected utilization or settlement of assets and liabilities:

	31 December 2020			31 December 2019		
In thousands of Naira	Current	Non-Current	Total	Current	Non-Current	Total
Assets						
Cash and cash equivalents	3,592,711	-	3,592,711	1,609,222	-	1,609,222
Financial assets	915,684	24,228,457	25,144,141	5,464,968	17,933,205	23,398,173
Trade receivables	63,974	-	63,974	65,898	-	65,898
Reinsurance assets	2,445,920	-	2,445,920	1,121,787	-	1,121,787
Deferred acquisition cost	328,812	-	328,812	262,550	-	262,550
Other receivables & prepayments	501,131	-	501,131	408,303	-	408,303
Investment property	-	150,000	150,000	-	150,000	150,000
Intangible assets		1,199	1,199	-	7,319	7,319
Property & equipment	-	1,349,516	1,349,516	-	1,381,180	1,381,180
Statutory deposit	-	300,000	300,000	-	300,000	300,000
Total Assets	**7,848,233**	**26,029,172**	**33,877,404**	**8,932,729**	**19,771,705**	**28,704,432**
Liabilities						
Insurance liabilities	5,728,661	-	5,728,661	4,652,881	-	4,652,881
Trade payables	704,169	-	704,169	363,724	-	363,723
Finance lease obligation	219	-	219	31,494	30,429	61,923
Other payables	819,984	-	819,984	460,618	-	460,618
Provision for litigation	-	103,000	103,000	-	-	-
Retirement benefit obligations	-	62,981	62,981	-	49,846	49,846
Income tax liabilities	82,565	-	82,565	75,390	-	75,390
Deferred tax liabilities	-	-	-	-	-	-
Total Liabilities	**7,335,598**	**165,981**	**7,501,579**	**5,584,107**	**80,275**	**5,664,382**

(c) **Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The identification, management, control, measurement and reporting of market risk are aligned towards the sub-risk categories namely:

- Foreign exchange risk
- Interest-rate risk
- Equity price risk

The Company's market risk policy sets out the assessment and determination of what constitutes market risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company's Asset Liability Management Committee and Board through its Audit, Compliance and Risk Management Committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.

- Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities and those assets are held to deliver income and gains for policyholders which are in line with expectations of the policyholders.

- The Company stipulates diversification benchmarks by type of instrument and geographical area based on exposure to variations in interest rates, equity prices and foreign exchange.

- There is strict control over hedging activities.

(i) ***Currency (Foreign Exchange) Risk***

Currency risk is the potential risk of loss from fluctuating foreign exchange rates as a result of the Company's exposure to foreign currency denominated transactions. It is also the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's principal transactions are carried out in Naira and its exposure to foreign exchange risk arises primarily with respect to transactions denominated in foreign currencies. The Company's financial assets are primarily denominated in local currency as its insurance contract liabilities and investment. This mitigates the foreign currency exchange rate risk for its operations. Thus, the main foreign exchange risk arises from translation of recognized assets and liabilities denominated in currencies other than those in which insurance and investment contract liabilities are expected to be settled.

Notes to the financial statements
For The Year Ended 31 December 2020

Analysis of assets and liability by major currencies
The table below summarizes the Company's financial assets and liabilities by major currencies:

31 December 2020

	Naira N'000	Euro N'000	Pound Sterling N'000	US Dollars N'000	Total N'000
Assets					
Cash and cash equivalents	3,481,938	23,452	2,296	85,025	3,592,711
Financial assets	24,470,770	-	-	673,371	25,144,141
Trade receivables	63,974	-	-	-	63,974
Reinsurance assets	2,235,747	-	-	210,173	2,445,920
Deferred acquisition cost	328,812	-	-	-	328,812
Other receivables	172,611	-	-	-	172,611
Statutory deposit	300,000	-	-	-	300,000
TOTAL ASSETS	**31,053,852**	**23,452**	**2,296**	**968,569**	**32,048,169**
Liabilities					
Trade payables	704,169	-	-	-	704,169
Finance lease obligation	219				219
Other payables	819,984	-	-	-	819,984
Provision for litigations	103,000	-	-	-	103,000
TOTAL LIABILITIES	**1,627,372**	**-**	**-**	**-**	**1,627,372**

31 December 2019

Assets	Naira N'000	Euro N'000	Pound Sterling N'000	US Dollars N'000	Total N'000
Cash and cash equivalents	1,141,303	18,427	1,809	447,682	1,609,221
Financial assets	-	-	-	-	-
Trade receivables	65,898	-	-	-	65,898
Reinsurance assets	1,121,787	-	-	-	1,121,787
Deferred acquisition cost	262,550	-	-	-	262,550
Other receivables	96,757	-	-	-	96,757
Statutory deposit	300,000	-	-	-	300,000
TOTAL ASSETS	**2,988,295**	**18,427**	**1,809**	**447,682**	**3,456,213**
Liabilities					
Trade payables	363,724	-	-	-	363,724
Finance lease obligation	61,923				61,923
Other payables	460,618	-	-	-	460,618
TOTAL LIABILITIES	**886,265**	**-**	**-**	**-**	**886,265**

The Company has no significant concentration of foreign currency risk.

Sensitivity analysis - foreign currency risk
The analysis that follows is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity due to changes in the fair value of currency sensitive monetary assets and liabilities including insurance contract claim liabilities. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. The movements in these variables are non–linear.

The method used for deriving sensitivity information and significant variables did not change from the previous period.

	31 December 2020			**31 December 2019**		
Major Currencies	**Changes in exchange rate (%)**	**Impact on Profit before tax**	**Impact on equity**	**Changes in exchange rate (%)**	**Impact on Profit before tax**	**Impact on equity**
EURO	+10%	2,345	2,345	+10%	1,843	1,843
GBP	+10%	230	230	+10%	181	181
USD	+10%	96,857	96,857	+10%	44,768	44,768
EURO	-10%	(2,345)	(2,345)	-10%	(1,843)	(1,843)
GBP	-10%	(230)	(230)	-10%	(181)	(181)
USD	-10%	(96,857)	(96,857)	-10%	(44,768)	(44,768)

Notes to the financial statements
For The Year Ended 31 December 2020

(ii) *Interest rate risk*

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Investment in fixed interest rate instruments exposes the Company to cash flow interest risk and fair value interest risk. This is because the Company's investment approach is conservative with high investment in fixed income instruments. The Company does not have interest-rate based liabilities. However, the Company's investment income moves with interest rate over the time creating unrealized gains or losses.

The Company's interest risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed rate instruments. The policy also requires it to manage the maturities of interest bearing financial assets and interest bearing financial liabilities. Any gap between fixed and variable rate instruments and their maturities are effectively managed by the Company through derivative financial instruments. Interest on fixed interest rate instruments is priced at inception of the financial instrument and is fixed until maturity or terminated.

The Company has no significant concentration of interest rate risk.

Sensitivity analysis - interest rate risk

The table below details analysis of the impact of interest rate changes on reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax (due to changes in fair value of floating rate financial assets and liabilities, including the effect of fair value hedges) and equity (that reflects adjustments to profit before tax). The correlation of variables will have a significant effect in determining the ultimate impact on interest rate risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non–linear.

The method used for deriving sensitivity information and significant variables did not change from the previous period.

31 December 2020

Interest earning assets	Basis points	Impact on Profit before tax N'000	Up to 1 Year N'000	1 -3 Years N'000	3 - 5 Years N'000	> 5 years N'000	Total N'000
Short term deposit	+100	22,843	22,843	-	-	-	22,843
Other investments (a)	+100	11,491	11,491	-	-	-	11,491
Bonds	+100	64,764	-	64,764	-	-	64,764
Short term deposit	-100	(22,843)	(22,843)	-	-	-	(22,843)
Other investments (a)	-100	(11,491)	(11,491)	-	-	-	(11,491)
Bonds	-100	(64,764)	-	(64,764)	-	-	(64,764)

a Other investments consists of promissory notes of N197.78m (2019: Nil) and investment notes of N915.70m (2019: Nil)

31 December 2019

Interest earning assets	Basis points	Impact on Profit before tax N'000	Up to 1 Year N'000	1 -3 Years N'000	3 - 5 Years N'000	> 5 years N'000	Total N'000
Short term deposit	+100	13,201	13,201	-	-	-	13,201
Treasury Bill	+100	51,881	51,881	-	-	-	51,881
Bonds	+100	44,499	-	44,499	-	-	44,499
Short term deposit	-100	(13,201)	(13,201)	-	-	-	(13,201)
Treasury bill	-100	(51,881)	(51,881)	-	-	-	(51,881)
Bonds	-100	(44,499)	-	(44,499)	-	-	(44,499)

Notes to the financial statements
For The Year Ended 31 December 2020

(iii) Equity Risk
Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company's equity price risk exposure relates to financial assets whose values will fluctuate as a result of changes in market prices, principally quoted stocks and shares securities.

The Company's price risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on investments in each country, sector and market and careful and planned use of derivative financial instruments.

The Company has no significant concentration of price risk.

Sensitivity Analysis - equity price risk
The following table contains the fair value and related equity price risk sensitivity of the Company's listed and non-listed equity securities. The equity price risk sensitivity has been calculated based on what the Company views to be reasonably possible changes in the equity prices for the coming year. For listed equities a 20% change in the equity price has been used in the calculation of the sensitivity as at 31 December 2020. For non-listed securities a 40% change in the equity prices has been used in the calculation of the sensitivity.

Sensitivity Analysis - equity price risk

		31 December 2020			31 December 2019		
Market Indices	Changes in variables	Fair Value N'000	Impact on Profit before tax N'000	Impact on Equity N'000	Fair Value N'000	Impact on Profit before tax N'000	Impact on Equity N'000
Fair value through profit or loss	+20%	8,655,489	1,731,098	1,211,768	4,366,233	873,247	611,273
Available-for-sale - Quoted	+20%	595,486	119,097	83,368	30,227	6,045	4,232
Available-for-sale - Unquoted	+40%	14,307,029	5,722,812	4,005,968	13,453,029	5,381,212	3,766,848
Fair value through profit or loss	-20%	8,655,489	(1,731,098)	(1,211,768)	4,366,233	(873,247)	(611,273)
Available-for-sale - Quoted	-20%	595,486	(119,097)	(83,368)	30,227	(6,045)	(4,232)
Available-for-sale - Unquoted	-40%	14,307,029	(5,722,812)	(4,005,968)	13,453,029	(5,381,212)	(3,766,848)

(d) Operational Risk
Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. 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 is able to manage the risks. Controls include effective segregation of duties, access controls, authorization and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process.

(e) Valuation model
Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market condition (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

Fair values are determined at prices quoted in active markets. In the current environment, such price information is typically not available for all instruments and the Company applies valuation techniques to measure such instruments. These valuation techniques make maximum use of market observable data but in some cases management estimate other than observable market inputs within the valuation model. There is no standard model and different assumptions would generate different results.
Fair values are subject to a control framework designed to ensure that input variables and output are assessed independent of the risk taker. These inputs and outputs are reviewed and approved by a valuation committee. The Company has minimal exposure to financial assets which are valued at other than quoted prices in an active market.

Notes to the financial statements

For The Year Ended 31 December 2020

The table below shows financial assets carried at fair value:

In thousands of Naira	31 December 2020 Level 1	Level 2	Level 3	31 December 2019 Level 1	Level 2	Level 3
Financial assets						
Quoted investments	8,655,489	-	-	4,449,949	-	-
Investment in unit trust scheme	595,486	-	-	30,227	-	-
Unquoted equity investments	-	-	14,243,000	-	-	13,389,000
	9,250,975	**-**	**14,243,000**	**4,480,176**	**-**	**13,389,000**

Fair value measurements recognized in the statement of financial position. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, categorized into Levels 1 to 3 based on the degree to which the fair value is observable.

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

Fair value hierarchy

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

31 December 2020

	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total fair value N'000	Total carrying amount N'000
Assets					
Cash and cash equivalents	3,592,711	-	-	3,592,711	3,592,711
Financial assets:					
Loans and receivables	-	-	102,442	102,442	76,671
Held to maturity	1,569,956	-	-	1,569,956	1,509,466
Trade receivables	-	-	63,974	63,974	63,974
Other receivables and prepayments	-	-	501,131	501,131	501,131
				5,830,214	5,743,953
Liabilities					
Insurance contract liabilities	-	-	5,728,661	5,728,661	5,728,661
Trade payables	-	-	704,169	704,169	704,169
Other payables	-	-	922,984	922,984	922,984
Finance lease obligations	-	-	219	219	219
Defined benefit obligations	-	-	62,981	62,981	62,981
				7,419,014	7,419,014
31 December 2019					
Assets					
Cash and cash equivalents	1,609,222	-	-	1,609,222	1,609,222
Financial assets:					
Loans and receivables	-	-	276,820	276,820	276,820
Held to maturity	5,246,889	-	-	5,246,889	5,188,148
Trade receivables	-	-	65,898	65,898	65,898
Other receivables and prepayments	-	-	408,303	408,303	408,303
				7,607,132	7,548,391
Liabilities					
Insurance contract liabilities	-	-	4,652,881	4,652,881	4,652,881
Trade payables	-	-	363,724	363,724	363,724
Other payables	-	-	460,618	460,618	460,618
Finance lease obligations	-	-	61,923	61,923	61,923
Defined benefit obligations	-	-	49,846	49,846	49,846
				5,588,992	5,588,992

Notes to the financial statements

For The Year Ended 31 December 2020

7 Cash and cash equivalents

Cash and cash equivalents comprise:

	31 Dec 2020 N'000	31 Dec 2019 N'000
Cash in hand	642	541
Balances with banks & other financial institutions (see (b) below)	3,719,490	1,736,102
	3,720,132	1,736,643
Allowance for impairment (see (a) below)	(127,421)	(127,421)
Cash and bank balance as at year end	**3,592,711**	**1,609,222**
(a) Allowance for impairment		
Balance as at the beginning of the year	127,421	127,421
Addition	-	-
Balance as at the end of the year (see (c) below for details)	**127,421**	**127,421**

(b) These are cash balances and short-term placements with banks and other financial institutions with tenor of 90 days or less. Cash & cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and have a maturity of three months or less from the date of acquisition.

(c) Amount relates to short term investments with Resort Savings and Loans (N75.1 million), Triumph Bank (N20.1 million), Profound Finance and Investment Ltd (N9.5 million), Assurance bank (N9.3 million), Center Point Merchant Bank (N7.4 million and others (N6 million) which are fully impaired and their recoverability are in doubt.

8 Financial assets

The Company's financial assets comprise fair value through profit or loss financial assets, available-for-sale financial assets, loans and receivables and held to maturity.

	31 Dec 2020 N'000	31 Dec 2019 N'000
Fair value through profit or loss (see 'a' below)	8,655,489	4,449,949
Available-for-sale (note 8.1)	14,902,515	13,483,256
Loans and receivables (note 8.2)	76,671	276,820
Held to maturity	1,509,466	5,188,148
	25,144,141	**23,398,173**

Financial instrument classification

In thousands of Naira	31 December 2020				
	Fair Value through Profit or Loss	Available for Sale	Loans and Receivables	Held to Maturity	Total
- Listed	8,655,489	595,486	-	360,410	9,611,385
- Unlisted	-	14,307,029	-	1,149,056	15,456,085
- Other financial assets	-	-	76,671	-	76,671
	8,655,489	14,902,515	76,671	1,509,466	25,144,141
Within one year	245,328	-	42,483	627,873	915,684
More than one year	8,410,161	14,902,515	34,188	881,593	24,228,457
	8,655,489	14,902,515	76,671	1,509,466	25,144,141

Financial instrument classification

In thousands of Naira	31 December 2019				
	Fair Value through Profit or Loss	Available for Sale	Loans and Receivables	Held to Maturity	Total
- Listed	4,366,233	30,227	96,630	5,188,148	9,681,238
- Unlisted	83,716	13,453,029	-	-	13,536,745
- Other financial assets	-	-	180,190	-	180,190
	4,449,949	13,483,256	276,820	5,188,148	23,398,173
Within one year	83,716	-	261,630	5,188,148	5,533,494
More than one year	4,366,233	13,483,256	15,190	-	17,864,679
	4,449,949	13,483,256	276,820	5,188,148	23,398,173

Notes to the financial statements
For The Year Ended 31 December 2020

Reconciliation of Movements in Financial Assets during the year 2020

In thousands of Naira	Fair Value through Profit or Loss	Available for Sale	Loans and Receivables	Held to Maturity	Total
Gross balance as at January 1	4,449,949	13,483,256	381,070	5,263,082	23,577,357
Addition during the year	4,679,599	550,000	116,635	1,509,466	6,855,700
Disposal during the year	(2,293,652)	-	-	-	(2,293,652)
Repayment during the year	-	-	(244,106)	-	(244,106)
Redemption/repayment during the year	-	-	-	(5,251,890)	(5,251,890)
Fair value gain/(loss)	1,819,593	869,259	-	-	2,688,852
Total gross amount	**8,655,489**	**14,902,515**	**253,599**	**1,520,658**	**25,332,261**
Impairment loss	-	-	(176,928)	(11,192)	(188,120)
Balance as at December 31	**8,655,489**	**14,902,515**	**76,671**	**1,509,466**	**25,144,141**

Reconciliation of Movements in Financial Assets during the year 2019

	Fair Value through Profit or Loss	Available for Sale	Loans and Receivables	Held to Maturity	Total
Gross balance as at January 1	3,464,033	9,810,517	243,948	5,629,018	19,147,516
Addition during the year	3,587,539	-	386,840	5,264,344	9,238,723
Disposal during the year	(3,118,391)	-	-	-	(3,118,391)
Repayment during the year	-	-	(249,718)	-	(249,718)
Redemption/repayment during the year	-	-	-	(5,630,280)	(5,630,280)
Fair value gain/(loss)	516,768	3,672,739	-	-	4,189,507
Total gross amount	**4,449,949**	**13,483,256**	**381,070**	**5,263,082**	**23,577,357**
Impairment loss	-	-	(104,250)	(74,934)	(179,184)
Balance as at December 31	**4,449,949**	**13,483,256**	**276,820**	**5,188,148**	**23,398,173**

(a) The fair value of quoted financial instruments is determined by reference to published price quotations in an active market. The resulting fair value changes have been recognized in profit or loss.

(b) The held to maturity instrument consists of bonds investment of N360.41 million (2019: Nil), investment notes of N951.28 million (2019: Nil) and promissory notes of N197.78 million (2019: Nil). The held to maturity balance of N5.19 billion in 2019 represents investment in treasury bills.

(c) The impairment loss of N11.19 million consists of impairment charge on investments in DEAP Capital of N11.19 million (2019: N11.19 million).

8.1 Available for sale

Available for sale financial assets comprise:

In thousands of Naira	31 Dec 2020	31 Dec 2019
Quoted equities and unit trust schemes		30,227
Unquoted equities - at fair value through OCI (see "a" below)	14,243,000	13,389,000
Equity mutual funds	595,486	-
Unquoted equities - at cost	64,029	64,029
	14,902,515	**13,483,256**

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For The Year Ended 31 December 2020

(a) The unquoted equities carried at fair value above represent the 117,647,058 ordinary shares of N1 each of Stanbic IBTC Pension Managers Limited held by Linkage Assurance Plc.

The fair value of the investment as at 31 December 2020 was N14.243 billion (31 December 2019: N13.389 billion) and was determined using the discounted cashflow (DCF) method and level 3 inputs of the IFRS 13 *Fair Value Measurement* fair value hierarchy.

The valuation was done by Sirius Associate. The valuation report was signed by Oluwakemi A. Adeniran with FRC number FRC/2012/ICAN/00000000205.

Summary of Significant Assumptions

Description	31 Dec 2020	31 Dec 2019
Growth in gross income (GI) % over the next 5 years	7	8
Operating expenses / Gross income %	30	30
Depreciation and amortization / Gross income %	2	2
Effective tax rate (Tax / Profit before tax) %	32	32
Capital expenditure / Gross income % over the next 5 years	37, 19, 33, 2, 2	36, 17, 31, 1, 1
Perpetual growth rate %	3.75	5.73
Period counts over the next 5 years	0.5, 1.5, 2.5, 3.5, 4.5	0.5, 1.5, 2.5, 3.5, 4.5
Expected market rate of return %	17.47	21.36
Risk-free rate %	7.42	12.86
Market risk premium %	10.05	8.5
Beta	1	1
Weighted average cost of capital %	17.47	21.36
Equity value of Stanbic IBTC Pension Managers Limited (see note 8.4(a))	151.392	142.312
Equity value of 11.76% holding	17.804	16.736
Illiquidity discount %	20	20
Value of Linkage Assurance PLC's equity stake	N14.243 billion	N13.389 billion

Notes to the financial statements
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The analysis below shows the changes in equity value of Stanbic IBTC Pension Managers Limited's (SIPML) with respect to changes in weighted average cost of capital (WACC) and the terminal growth rate of free cash flow (FCF).

(a) Sensitivity Analysis

At 31 December 2020

		Equity Value (N million)								
		Terminal growth rate of FCF								
		1.75%	**2.25%**	**2.75%**	**3.25%**	**3.75%**	**4.25%**	**4.75%**	**5.25%**	**5.75%**
WACC	**15.47%**	159,615	164,024	168,780	173,925	179,509	185,591	192,240	199,540	207,591
	15.97%	153,463	157,501	161,844	166,528	171,596	177,096	183,087	189,636	196,826
	16.47%	147,741	151,449	155,426	159,704	164,319	169,311	174,729	180,630	187,081
	16.97%	142,408	145,820	149,472	153,390	157,604	162,150	167,068	172,406	178,219
	17.47%	137,425	140,572	143,934	147,532	**151,392**	155,544	160,022	164,867	170,126
	17.97%	132,760	135,670	138,771	142,083	145,628	149,431	153,521	157,934	162,707
	18.47%	128,384	131,080	133,947	137,003	140,266	143,759	147,506	151,536	155,884
	18.97%	124,272	126,774	129,431	132,256	135,267	138,482	141,924	145,616	149,588
	19.47%	120,402	122,728	125,194	127,811	130,596	133,563	136,731	140,123	143,761

At 31 December 2019

		Equity Value (N million)								
		Terminal growth rate of FCF								
		3.73%	**4.23%**	**4.73%**	**5.23%**	**5.73%**	**6.23%**	**6.73%**	**7.23%**	**7.73%**
WACC	**19.36%**	149,503	152,868	156,463	160,313	164,446	168,893	173,692	178,887	184,529
	19.86%	144,545	147,656	150,972	154,516	158,310	162,382	166,765	171,494	176,614
	20.36%	139,895	142,776	145,842	149,111	152,603	156,342	160,355	164,675	169,336
	20.86%	135,525	138,199	141,040	144,061	147,283	150,724	154,410	158,365	162,622
	21.36%	131,412	133,899	136,534	139,334	142,312	145,487	148,880	152,512	156,411
	21.86%	127,534	129,850	132,301	134,899	137,658	140,594	143,724	147,068	150,648
	22.36%	123,873	126,033	128,315	130,731	133,293	136,013	138,907	141,992	145,288
	22.86%	120,410	122,428	124,557	126,808	129,190	131,714	134,396	137,249	140,291
	23.36%	117,130	119,019	121,009	123,108	125,327	127,675	130,164	132,808	135,620

Notes to the financial statements
For The Year Ended 31 December 2020

8.2 Loans and receivables
31 December 2020

In thousands of Naira	Gross Amount	Impairment	Carrying Amount
Due from third parties (see note a & b below)	163,270	(127,764)	35,506
Loan to staff	31,919	-	31,919
Loan to policy holders	13,655	(13,655)	-
Ex-staff loans	44,755	(35,509)	9,246
	253,599	**(176,928)**	**76,671**

31 December 2019

In thousands of Naira	Gross Amount	Impairment	Carrying Amount
Due from third parties (see note a & b below)	309,618	(56,189)	253,429
Loan to staff	22,714	-	22,714
Loan to policy holders	13,655	(13,655)	-
Ex-staff loans	35,083	(34,406)	677
	381,070	**(104,250)**	**276,820**

(i) Movement in impairment of loans and receivables

	Due from third parties	Loan to staff	Loan to policy holders	Ex-staff loans	Total
Balance as at 1 January 2020	56,189	-	13,655	34,406	104,250
Impairment charge during the year	71,575	-	-	1,103	72,678
Balance as at 31 December 2020	**127,764**	**-**	**13,655**	**35,509**	**176,928**

(a) **Breakdown of Due from third parties**

Name of third parties	**31 Dec 2020 N'000**	**31 Dec 2019 N'000**
Lease Fin. - Olumegbon	297	297
Tsf Fin. - Lease Fin.	927	927
Pine Hill Leasing	35,508	49,437
Lease-Glc Resources	4,374	4,374
Aquila Leasing Ltd.	71,577	107,365
Konikolo Trust Fund	49,087	49,087
Sunfair Comm. Prod. Ltd	1,500	1,500
Stanbic IBTC Bank Plc CP	-	12,711
Coronation Merchant Bank Ltd CP	-	31,476
Mixta Real Estate Plc	-	52,444
Total	**163,270**	**309,618**

(b) The impairment amount of N127.76 million represents impairment charge on due from third parties as at 31 December 2020 (2019: N56.19 million). The increase of N71.58 million during the year, is attributable to the full impairment of a receivable from Aquila Leasing of N71.58 million.

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9 Trade receivables

In thousands of Naira	31 Dec 2020	31 Dec 2019
Due from broker	63,974	65,898
	63,974	65,898

9.1 Analysis of debtors in days

In thousands of Naira	31 Dec 2020	31 Dec 2019
Within 30 days	63,974	65,898
	63,974	65,898

10 Reinsurance assets

In thousands of Naira	31 Dec 2020	31 Dec 2019	Changes during the year
Prepaid reinsurance (note 10(a))	852,723	615,645	237,078
Reinsurance projection on UPR	-	-	-
Total as per actuarial valuation	852,723	615,645	237,078
Reinsurance treaty premium (deficit)/surplus (see note (i) below)	-	(74,368)	74,368
Total prepaid reinsurance (note 10.1)	852,723	541,277	311,446
Reinsurance recoverable on outstanding claims (note 10(b))	1,239,009	429,637	809,372
Due from Reinsurers (see note (ii) below)	210,174	-	210,174
Reinsurance projection on IBNR (note 10(c))	144,014	150,873	(6,859)
	2,445,920	**1,121,787**	**1,012,687**

(i) This represents the net impact of reinsurance premium expense payable, commission revenue receivable/received and Claims recovery from reinsurers. The balance in the account is a payable to reinsurance companies as at year end.

(ii) This represents amount due from reinsurers on claims paid during the year.

(a) Movement in prepaid reinsurance costs

	31 Dec 2020	31 Dec 2019
Balance at the beginning of the year	615,645	357,810
Additions during the year	3,739,666	2,871,075
Reinsurance expense in the year (see note 33.1)	(3,502,588)	(2,613,240)
Balance at the end of the year	**852,723**	**615,645**

(b) Movement in reinsurance recoverable on outstanding claims

	31 Dec 2020	31 Dec 2019
Balance at the beginning of the year	429,637	212,969
Changes during the year (see note 17.1(a))	809,372	216,668
Balance at the end of the year	**1,239,009**	**429,637**

(c) Movement in reinsurance recoverable on IBNR projection

	31 Dec 2020	31 Dec 2019
Balance at the beginning of the year	150,873	47,225
Changes during the year (see note 17.1(c))	(6,859)	103,648
Balance at the end of the year	**144,014**	**150,873**

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Reinsurance assets are valued after an allowance for recoverability has been assessed.

10.1 Breakdown of prepaid reinsurance is as follows:

In thousands of Naira	31 Dec 2020	31 Dec 2019
Motor	196	-
Fire	234,787	144,259
General accident	114,235	87,722
Engineering	87,567	58,596
Marine	136,557	49,925
Bond	624	762
Aviation	27,192	81,116
Oil & Gas	251,565	193,265
	852,723	615,645
Treaty premium (deficit)/surplus	-	(74,368)
	852,723	**541,277**

11 Deferred acquisition cost

11.1 Deferred acquisition costs represent commissions on unearned premium relating to the unexpired period of risks and comprise:

In thousands of Naira	31 Dec 2020	31 Dec 2019
Motor	57,777	43,083
Fire	63,870	49,679
General Accident	37,421	33,548
Engineering	27,600	14,744
Marine	36,540	18,286
Bond	200	14,949
Aviation	11,505	440
Oil & Gas	93,899	87,821
	328,812	**262,550**

11.2 Movement in the deferred acquisition costs

In thousands of Naira	31 Dec 2020	31 Dec 2019
Balance at the beginning of the year	262,550	259,098
Increase during the year (see note 36.1)	66,262	3,452
Balance at the end of the year	**328,812**	**262,550**

12 Other receivables and prepayments

In thousands of Naira	31 Dec 2020	31 Dec 2019
Prepayments (see (a) below)	328,520	311,546
Other receivables (see (b) below)	178,822	113,251
	507,342	424,797
Allowance for impairment	(6,211)	(16,494)
	501,131	**408,303**

Notes to the financial statements
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(a) Prepayments

In thousands of Naira	31 Dec 2020	31 Dec 2019
Prepaid staff benefits (see (i) below)	73,549	97,977
Deposits with stock broker (see (ii) below)	2,602	2,602
Prepaid rent	46,808	11,959
Other prepaid expenses (see (iii) below)	205,561	199,008
	328,520	**311,546**

(I) This represents amounts prepaid to staff of the Company with respect to rent advance (N27.27 million), furniture grant (2.94 million, staff fleet premium advance (N3.78 million) and car loan encashment (39.56 million).

(ii) This represents amounts prepaid to stock brokers.

(iii) Included in other prepaid expenses is N168.75 million (N112.50 million paid to Corporate Affairs Commission and N56.25 million paid to Federal Inland Revenue Services) which represents payments in respect to increase in authorized share capital from 15 billion units to 30 billion units.

(b) Other receivables

In thousands of Naira	31 Dec 2020	31 Dec 2019
Prepaid business acquisition expenses	-	647
Withholding tax recoverable	111,004	10,012
Sundry receivables (see (i) below)	67,818	102,592
	178,822	113,251
Allowance for impairment (see (ii) below)	(6,211)	(16,494)
	172,611	**96,757**

(I) This represents balance on contribution to claims pool.

(ii) The impairment allowance of N6.21 million represents impairment on deposits with stock brokers (N2.60 million) and impairment on staff prepaid benefit (N3.61 million).

Movement in allowance for impairment

In thousands of Naira	31 Dec 2020	31 Dec 2019
Balance at the beginning of the year	16,494	6,211
Addition	-	10,283
Reversal	(10,283)	-
Balance at the end of the year	**6,211**	**16,494**

13 Investment properties

(a) The balance in this account can be analyzed as follows:

S/N	Location of asset	Carrying amount as at January 1	Additions	Disposals	Reclassification	Fair value gain/(loss)	Carrying amount as at 31 December
1	No. 9C Shekinah Green Estate, Apo District, Abuja.	75,000	-	-	-	-	75,000
2	No. 11C Shekinah Green Estate, Apo District, Abuja.	75,000	-	-	-	-	75,000
		150,000	-	-	-	-	150,000

The Company possess Deed of Conveyance for the investment properties 1 and 2 above.

Notes to the financial statements
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(b) **Reconciliation of carrying amount**

In thousands of Naira	31 Dec 2020	31 Dec 2019
Balance at the beginning of the year	150,000	144,000
Fair value gain/(loss)	-	6,000
Balance at the end of the year	**150,000**	**150,000**

(c) Measurement of fair values

(i) Fair value hierarchy of the investment properties are as follows:

In thousands of Naira	31 Dec 2020	31 Dec 2019
Level 1	-	-
Level 2	-	-
Level 3	150,000	150,000
	150,000	**150,000**

Valuation technique and significant unobservable inputs
The following table shows the valuation technique used in measuring the fair value of investment property as at 31 December 2020, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
The fair values are determined by applying the direct market evidence comparative method of valuation to derive the open market value. This valuation model reflects the current price on actual transaction for similar properties in the neighborhood in recent time. References were made to prices of land and comparable properties in the neighborhood. The data obtained were analyzed and adjustment was made to reflect differences in site area and the actual location, quality of construction and off-site facilities.	'-Rentals for similar property -Rate of development in the area -Quality of the building and repairs. -Influx of people and/or businesses to the area	The estimated fair value would increase (decrease) if the rate of development in the area increases (decreases), quality of the building increases (decreases), influx of people and/or business to the area increases (decreases).

The valuation was done by Andy Bassey & Associate Estate Surveyors & Valuers with firm FRC number FRC/2012/00000000487. The valuation report was signed by Andem Bassey (FNIVS, RSV) with FRC number FRC/2012/NIESV/00000000363.

14 Intangible assets

In thousands of Naira	31 Dec 2020	31 Dec 2019
Cost		
Balance at the beginning of the year	67,147	66,979
Addition during the year	-	168
Balance at the end of the year	**67,147**	**67,147**
Accumulated Amortization		
Balance at the beginning of the year	59,828	52,870
Charge for the year	6,120	6,958
Balance at the end of the year	65,948	59,828
Net Book Value		
Balance at the end of the year	**1,199**	**7,319**

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15 Property and equipment

At 31 December 2020

In thousands of Naira	Land	Buildings	Motor Vehicles	Furniture and fittings	Computer hardware and office equipment	Building (Work in progress)	Total
Cost/valuation							
At 1 January 2020	757,200	291,392	629,511	145,751	330,428	105,136	2,259,418
Additions	-	920	-	8,173	48,684	-	57,777
Disposal	-	-	(47,800)	-	(2,875)	-	(50,675)
Revaluation loss	-	(4,495)	-	-	-	(19,275)	(23,770)
Revaluation gain	90,220	-	-	-	-	-	90,220
At 31 December 2020	847,420	287,817	581,711	153,924	376,237	85,861	2,332,970
Accumulated depreciation							
At 1 January 2020	-	82,083	388,009	133,171	274,975	-	878,238
Charge for the year	-	7,754	107,603	7,401	27,776	-	150,534
Disposal	-	-	(43,425)	-	(1,893)	-	(45,318)
At 31 December 2020	-	89,837	452,187	140,572	300,858	-	983,454
Net book value							
At 31 December 2020	847,420	197,980	129,524	13,352	75,379	85,861	1,349,516
At 31 December 2019	757,200	209,309	241,502	12,580	55,453	105,136	1,381,180

At 31 December 2019

In thousands of Naira	Land	Buildings	Motor Vehicles	Furniture and fittings	Computer hardware and office equipment	Building (Work in progress)	Total
Cost/valuation							
At 1 January 2019	757,200	290,564	567,862	139,037	311,719	105,136	2,171,518
Additions	-	828	194,500	6,714	19,617	-	221,659
Disposal	-	-	(132,851)	-	(908)	-	(133,759)
At 31 December 2019	757,200	291,392	629,511	145,751	330,428	105,136	2,259,418
Accumulated depreciation							
At 1 January 2019	-	74,384	422,393	125,067	246,660	-	868,504
Charge for the year	-	7,699	98,467	8,104	28,807	-	143,077
Disposal	-	-	(132,851)	-	(492)	-	(133,343)
At 31 December 2019	-	82,083	388,009	133,171	274,975	-	878,238
Net book value							
At 31 December 2019	757,200	209,309	241,502	12,580	55,453	105,136	1,381,180
At 31 December 2018	757,200	216,180	145,469	13,970	65,059	105,136	1,303,014

The fair value hierarchy of the property and equipment according to IFRS 13 is shown below:

Class of PPE	31 December 2020			31 December 2019		
In thousands of Naira	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Land	-	-	847,420	-	-	757,200
Building	-	-	197,980	-	-	209,309
Building (work in progress)	-	-	85,861	-	-	105,136
	-	-	**1,131,261**	**-**	**-**	**1,071,645**

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In December 2020, the Company's land and buildings were revalued. The Company engaged the services of an independent valuer, Andy Bassey & Associate Estate Surveyors & Valuers with firm FRC number FRC/2012/00000000487. The valuation report was signed by Andem Bassey (FNIVS, RSV) with FRC number FRC/2012/NIESV/00000000363. The Company revalues its land and buildings every three years as stated in its accounting policy.

As at year end, land and building are the Company's category of assets that are carried at valuation. See note 15(g) below for the value of land and building at historical cost

(a) There were no capitalized borrowing costs related to the acquisition of property and equipment during the year (2019: nil)

(b) In the opinion of the directors, the market value of the Company's property and equipment is not less than the value shown in the financial statements as at year end.

(c) The Company had no capital commitments as at the reporting date (2019: nil)

(d) There was no item of property and equipment that has been pledged as security for borrowings as at the year ended 31 December 2020 (31 December 2019: nil)(e)An impairment assessment was conducted and no impairment indicator was identified.

(f) The Company revalued the items of property and equipment in current year.

Below table shows the details of the property and equipment carried at revalued amount:

Name of property	Date of acquisition	Title document	Location	Carrying amount	Steps taken for perfection of document
Land and Building In Lekki express way	20-Nov-05	Deed of Assignment	Plot 20, Block 94, Lekki express way	769,681	Lagos State Governor Consent obtained on 26/09/2016
Land and Building at Ilupeju	12-Mar-02	Deed of Assignment	11A, Coker road, ilupeju, Lagos State	98,100	The company had applied to register the deed of assignment with the Lagos State Lands
Land in Yenagoa	30-Apr-12	Letter of allocation by Bayelsa State	Central business district Swali, Yenagoa,	55,000	The company had applied to register the allocation letter with the Bayelsa State Lands Registry
Land in Port Harcourt	26-Sep-03	Deed of Assignment	Amadi layout along Port Harcourt/ Aba Express road	208,480	The company had applied to register the deed of assignment with the Rivers State Ministry of Lands
				1,131,261	

(g) ***Land and building: historical costs***

The Company has adopted the carrying value of land and buildings as at 1 January 2012 as the deemed cost of the assets. This represents the cost of the assets when the Company first adopted IFRS.

If land and building were stated on the historical cost basis, the carrying amounts as at 31 December 2020 would be as follows:

	Land ₦'000	Buildings ₦'000
Cost	266,348	79,144
Accumulated depreciation	-	(10,030)
Net Book Value	266,348	69,114

16 Statutory deposit

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Statutory deposit with CBN	300,000	300,000

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The statutory deposit represents the Company's deposit with the Central Bank of Nigeria in compliance with the Insurance Act of Nigeria. The amount is not available for the day-to-day funding operations of the Company. It is therefore regarded as restricted cash. Subsequent to year end, a deposit of ₦200 million was made by the Company to the Central Bank of Nigeria on 7 January 2021 to increase its statutory deposit from ₦300 million to ₦500 million.

17 Insurance contract liabilities

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Provision for claims reported by policyholders (note 17.1(a))	2,774,646	2,267,862
Provision for IBNR (note 17.1(c))	894,791	704,646
Outstanding claims provision	3,669,437	2,972,508
Provision for unearned premium (note 17.2)	2,053,447	1,680,373
Additional unexpired risk reserve (note 17.3)	5,777	-
Total insurance contract liabilities	**5,728,661**	**4,652,881**

17.1 Analysis of claims reserve based on nature

	31 December 2020			31 December 2019		
In thousands of Naira	Gross claims	Reinsurance	Net	Gross claims	Reinsurance	Net
Reported claims (see (a) below)	2,774,646	(1,239,009)	1,535,637	2,267,862	(429,637)	1,838,225
IBNR (see (c) below)	894,791	(144,014)	750,777	704,646	(150,873)	553,773
	3,669,437	**(1,383,023)**	**2,286,414**	**2,972,508**	**(580,510)**	**2,391,998**

(a) The movement in claims reported by policy holders is shown below:

	31 December 2020			31 December 2019		
In thousands of Naira	Reported claims	Reinsurance	Net	Reported claims	Reinsurance	Net
Balance at the beginning of the year	2,267,862	(429,637)	1,838,225	2,382,164	(212,969)	2,169,195
Movement during the year	506,784	(809,372)	(302,588)	(114,302)	(216,668)	(330,970)
Balance at the end of the year	**2,774,646**	**(1,239,009)**	**1,535,637**	**2,267,862**	**(429,637)**	**1,838,225**

Analysis of outstanding claims per class of business:

	31 December 2020			31 December 2020		
In thousands of Naira	Gross Outstanding claims	Reinsurance	Net	Gross Outstanding claims	Reinsurance	Net
Motor	200,482	(27,423)	173,059	165,739	(24,635)	141,104
Fire	703,609	(502,694)	200,915	234,389	(175,624)	58,765
General accident	654,828	(383,100)	271,728	375,859	(152,567)	223,292
Engineering	346,789	(285,978)	60,811	104,843	(62,163)	42,680
Marine	69,706	(22,705)	47,001	58,782	(14,648)	44,134
Bond	73,315	-	73,315	73,315	-	73,315
Aviation	31,835	(5,000)	26,835	71,652	-	71,652
Oil & Gas	694,082	(12,108)	681,974	1,183,283	-	1,183,283
	2,774,646	**(1,239,009)**	**1,535,637**	**2,267,862**	**(429,637)**	**1,838,225**

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(b) Age analysis of outstanding claims at the end of the year is shown below:

Days outstanding	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
0 - 90 days	1,259,250	586,096
91 - 180 days	243,261	153,844
181 - 270 days	130,443	96,322
271 - 365 days	144,823	159,689
Over 365 days	996,869	1,271,911
Total	**2,774,646**	**2,267,862**

Below are further breakdown of the outstanding claims and the reasons for their existence:

Outstanding claims days	Amount ₦'000	Remarks
0 - 90 days	1,259,250	Claim reported but incomplete documentation
91 - 180 days	243,261	Claim reported but incomplete documentation
181 - 270 days	130,443	Claim reported but incomplete documentation
271 - 365 days	144,247	Claim reported but incomplete documentation
271 - 365 days	576	Claim repudiated
Over 365 days	1,632	Adjusters fee payable
Over 365 days	36,695	Awaiting adjusters final adjustment
Over 365 days	790,017	Claim reported but incomplete documentation
Over 365 days	8,725	Claim reported but no documentation
Over 365 days	85,388	Claim reported but being adjusted
Over 365 days	73,315	Litigation awarded
Over 365 days	1,097	Insured instructed has advices reopening
	2,774,646	

(c) The movement in Incurred But Not Reported (IBNR) reserves is shown below:

	31 December 2020			31 December 2019		
In thousands of Naira	IBNR claims	Reinsurance	Net	IBNR claims	Reinsurance	Net
At the beginning of the year	704,646	150,873	553,773	419,061	(47,225)	466,286
Movement during the year	190,145	(6,859)	197,004	285,585	(103,648)	389,233
At the end of the year	**894,791**	**144,014**	**750,777**	**704,646**	**(150,873)**	**855,519**

Analysis of IBNR claims per class of business:

	31 December 2020			31 December 2019		
In thousands of Naira	IBNR claims	Reinsurance recoveries	Net	IBNR claims	Reinsurance recoveries	Net
Motor	152,908	(9,812)	143,096	89,639	(20,060)	69,579
Fire	131,469	(67,695)	63,774	125,908	(52,633)	73,275
General accident	99,077	(31,659)	67,418	94,350	(29,406)	64,944
Engineering	62,377	(26,741)	35,636	57,863	(17,111)	40,752
Marine	28,169	(6,856)	21,313	55,261	(23,808)	31,453
Bond	7,015	(33)	6,982	-	-	
Aviation	21,821	-	21,821	-	-	
Oil & Gas	391,955	(1,218)	390,737	281,625	(7,855)	273,770
	894,791	**(144,014)**	**750,777**	**704,646**	**(150,873)**	**553,773**

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The Liability Adequacy Test (LAT) was carried out by EY Nigeria, a firm of certified actuaries with FRC number FRC/2012/00000000339. The valuation report was signed by O.O Okpaise with FRC number FRC/2012/NAS/00000000738 The claims reserve was calculated using the Discounted Basic Chain Ladder method. Assumptions used in the valuation are as follows:

	31 Dec 2020	31 Dec 2019
Projected inflation rate (assume rate will remain unchanged into the future)	-	12%
Current short-term yield	7%	19%
Discount rate	7%	14%

* Run off period of five years.
* Policies are written uniformly throughout the year for each class of business.
* Future claims follow a regression pattern from the historical data. Hence payment patterns will be broadly similar in each accident
* An implicit assumption of the chain ladder is that weighted past average inflation will remain unchanged into the future.

17.2 Breakdown of unearned premium per class of business:

	31 December 2020			31 December 2019		
In thousands of Naira	Unearned Premium Reserve	Prepaid Reinsurance	Net	Unearned Premium Reserve	Prepaid Reinsurance	Net
Motor	553,956	(196)	553,760	423,931	-	423,931
Fire	343,766	(234,787)	108,979	271,645	144,259	127,386
General accident	206,504	(114,235)	92,269	194,831	87,722	107,109
Engineering	169,395	(87,567)	81,828	77,758	58,596	19,163
Marine	211,240	(136,557)	74,683	106,341	49,925	56,415
Bond	1,155	(624)	531	3,046	762	2,284
Aviation	77,882	(27,192)	50,690	92,584	81,116	11,468
Oil & Gas	489,549	(251,565)	237,984	510,237	193,266	316,971
	2,053,447	**(852,723)**	**1,200,724**	**1,680,373**	**(615,645)**	**1,064,728**

(a) The movement in the unearned premium reserves is shown below:

	31 December 2020			31 December 2019		
In thousands of Naira	Unearned Premium Reserve	Prepaid Reinsurance	Net	Unearned Premium Reserve	Prepaid Reinsurance	Net
Balance at the beginning of the year	1,680,373	615,645	1,064,728	1,488,029	357,810	1,130,219
Premium written in the year	8,331,841	3,739,666	4,592,175	6,518,964	2,871,075	3,647,889
Premium earned during the year	(7,958,767)	(3,502,588)	(4,456,179)	(6,326,620)	(2,613,240)	(3,713,380)
Balance at the end of the year	**2,053,447**	**852,723**	**1,200,724**	**1,680,373**	**615,645**	**1,064,728**

	31 December 2020			31 December 2019		
In thousands of Naira	Unearned Premium Reserve	Prepaid Reinsurance	Net	Unearned Premium Reserve	Prepaid Reinsurance	Net
Unexpired risk reserve	1,680,373	615,645	1,064,728	1,488,029	357,810	1,130,219
Additional unexpired risk reserve from actuarial valuation	373,074	237,078	135,996	192,344	257,835	(65,491)
Balance at the end of the year	**2,053,447**	**852,723**	**1,200,724**	**1,680,373**	**615,645**	**1,064,728**

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17.3 Breakdown of additional unexpired risk reserve per class of business:

	31 Dec 2020 ₦'000	31 Dec 2019
Fire	3,409	-
General accident	2,368	-
	5,777	**-**

(a) The movement in the unexpired risk reserves is shown below:

	31 Dec 2020 ₦'000	31 Dec 2019
Balance at the beginning of the year	-	-
Movement during the year	5,777	-
Balance at the end of the year	**5,777**	**-**

18 Hypothecation

The Company is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long-term, the Company's investment proceeds will not be sufficient to fund the obligations arising from its insurance contracts and investment portfolio. In response to this risk, the Company's assets and liabilities are allocated between Insurance fund and Shareholders funds as follows;

	31-Dec-20			31-Dec-19		
In thousands of Naira	Insurance fund	Shareholders fund	Total	Insurance fund	Shareholders fund	Total
Assets						
Cash and cash equivalents	3,242,711	350,000	3,592,711	1,259,222	350,000	1,609,222
Financial assets	1,509,466	23,634,675	25,144,141	5,188,148	18,210,025	23,398,173
Reinsurance assets	2,445,920	-	2,445,920	1,121,787	-	1,121,787
Deferred acquisition cost	-	328,812	328,812	-	262,550	262,550
Other receivables and prepayments	-	501,131	501,131	-	408,303	408,303
Investment properties	-	150,000	150,000	-	150,000	150,000
Intangible assets	-	1,199	1,199	-	7,319	7,319
Property and equipment	-	1,349,516	1,349,516	-	1,381,180	1,381,180
Statutory deposit	-	300,000	300,000	-	300,000	300,000
Total assets	7,198,097	26,615,333	33,813,430	7,569,157	21,069,377	28,638,534
Liabilities						
Insurance contract liabilities	5,728,661	-	5,728,661	4,652,881	-	4,652,881
Trade payables	-	704,169	704,169	-	363,724	363,724
Other payables	-	819,984	819,984	-	460,618	460,618
Finance lease obligations	-	219	219	-	61,923	61,923
Defined benefit obligations	-	62,981	62,981	-	49,846	49,846
Income tax liabilities	-	82,565	82,565	-	75,390	75,390
Deferred tax liabilities	-	-	-	-	-	
Total liabilities	5,728,661	1,669,918	7,398,579	4,652,881	1,011,501	5,664,382
GAP	1,469,436	24,945,414	26,414,851	2,916,276	20,057,876	22,974,152

(i) Asset allocation was done in accordance with NAICOM guidelines to meet the minimum requirement of Section 26(1)(c) of the Insurance Act 2003 for hypothecation of investments representing the insurance funds

Notes to the financial statements

For The Year Ended 31 December 2020

19 Trade payables

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Insurance payables (note 19.1)	704,169	363,724
	704,169	**363,724**

19.1 Insurance payables

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Commission payables to brokers	96,037	63,749
Premium received in advance	2,936	2,868
Due to re-insurers	504,926	223,235
Other payables to agents and brokers	100,270	73,872
	704,169	**363,724**

Movement in insurance payables

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Balance at the beginning of the year	363,724	144,234
Increase in the year	340,445	219,490
Balance at the end of the year	**704,169**	**363,724**

20 Other payables

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Due to Auditors	25,000	25,000
NAICOM levy	83,318	65,190
Expenses payable (see note 20.1)	296,506	66,165
Deferred commission revenue (see (a) below)	175,234	108,373
Other payables (see note 20.2a)	239,926	192,890
Provision (see note 20.2b)	103,000	3,000
	922,984	**460,618**

(a) Deferred commission revenue represents the acquisition commission income received in advance on insurance contract policies ceded to reinsurers and co-insurers with maturity beyond the reporting period. The movement during the year is shown below:

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Deferred commission income as at 1 January	108,373	74,399
Fees and commission received during the year (see note 34.2)	656,162	588,129
Fees and commission earned during the year	(589,301)	(554,155)
Deferred commission income as at 31 December	175,234	108,373

20.1 Expense payable

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Expenses accrued (see (i) below)	296,506	66,165
	296,506	**66,165**

(i) This represents expenses incurred during the year by the Company but for which bills/invoices have not been received from vendors as at 31 December 2020.

Notes to the financial statements

For The Year Ended 31 December 2020

20.2 Other liabilities

(a) Other payables

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Travel insurance	975	2,517
National Housing Fund (NHF)	1,025	1,022
Pension for Life agents/Company	603	555
Deposit without details (see (c) below)	217,086	182,228
Sundry payables	20,237	6,568
	239,926	**192,890**

(b) Provisions

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Provision for litigation (see (i) below)	103,000	3,000
	103,000	**3,000**

(i) Included in provision for litigation is a provision of N100 million which represents estimated outflow from a judgment delivered against the Company during the year. The case is being handled by Hybrid Solicitors with FRC number FRC/2021/00000013862; and solicitor's response was duly signed by Adepate Demilade with FRC number FRC/2021/002/00000022694.

Movement in provisions	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Balance at the beginning of the year	3,000	-
Increase in the year	100,000	3,000
Balance at the end of the year	**103,000**	**3,000**

(c) These are receipts for which the purpose have not been identified as at reporting date.

21 Lease liabilities

The Company leased six motor vehicles under finance lease in 2018 and 2019. The average lease term is 3 years. The Company has the option to purchase the motor vehicles for a nominal amount at the end of the lease term. The Company's obligation under finance leases are secured by the lessor's title to the leased assets.

The interest rate underlying the obligation under finance lease is fixed at 23% per annum in line with the terms of the lease contract.

	Future minimum lease payments		Interest		Present value of future minimum lease payments	
	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Not later than one year	-	39,916	219	8,422	219	31,494
Later than one year but not later than five years	-	34,197	-	3,768	-	30,429
	-	**74,113**	**219**	**12,190**	**219**	**61,923**

22 Defined benefit obligations

	Defined benefit liability		Fair value of plan assets		Defined benefit liability / (asset)	
	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
At the beginning of the year	141,078	104,048	(91,232)	(81,143)	49,846	22,905
Current service cost	29,573	22,790	-	-	29,573	22,790
Past service cost	-	-	-	-	-	-
Interest cost (income)	18,413	15,623	(15,683)	(10,089)	2,730	5,534
Contribution by employer	-	-	-	-	-	-
Benefits paid by the employer	(32,691)	(6,713)	-	-	(32,691)	(6,713)
Actuarial (gain)/loss on liability arising from:						
- Assumptions	20,667	17,742	8,336	-	29,003	17,742
- Experience	(15,480)	(12,412)	-	-	(15,480)	(12,412)
At the end of the year	**161,560**	**141,078**	**(98,579)**	(91,232)	**62,981**	**49,846**

The Company operates a defined benefit plan for qualifying employees on services rendered. With effect from 1 January 2014, employees who have served at least 5 years are entitled to a gratuity on a defined benefit scale which is graduated. The new benefit formula applies to benefit accruing from services rendered in the prior and future years. The Company commenced funding of plan in 2017.

Actuarial valuation of the defined benefit obligation was carried out by EY Nigeria, a firm of certified actuaries with FRC number FRC/2012/00000000339. The valuation report was signed by O.O Okpaise with FRC number FRC/2012/NAS/00000000738.

The valuation of defined benegit obligations was carried out using the Projected Unit Credit (PCU) method to establish value of the accrued liabilities. The principal assumptions used for the purpose of the actuarial valuations were as follows.

	31 Dec 2020 %	31 Dec 2019 %
Long term discount rate (p.a.)	7.5%	13.5%
Average pay increase (p.a.)	8.0%	12.0%
Average rate of inflation (p.a.)	11.0%	11.0%

The sensitivity of defined employee benefits (gratuity) liability to changes in the principal assumptions

31 December 2020	Change in assumption		Impact on overall liability	
Discount rate	-1.00%	+1.00%	176,163	148,875
Future salary increases	-1.00%	+1.00%	148,129	176,761
Mortality experience	-1 year	+1 year	161,359	161,784

31 December 2019	Change in assumption		Impact on overall liability	
Discount rate	-1.00%	+1.00%	151,683	131,688
Future salary increases	-1.00%	+1.00%	130,901	152,409
Mortality experience	-1 year	+1 year	140,835	141,347

23 Current tax liabilities

In thousands of Naira	31 Dec 2020	31 Dec 2019
At the beginning of the period	75,390	203,979
Payment during the year	(133,882)	(173,542)
Back duty assessment	95,687	-
Charge for the year (note 23.1)	45,370	44,953
At the end of the period	**82,565**	**75,390**

23.1 Major components of the tax expense

In thousands of Naira	31 Dec 2020	31 Dec 2019
Minimum tax expense	19,882	31,633
Income tax expense		
NITDA Levy	25,361	13,255
Police Trust Fund levy	127	65
Current income tax	25,488	13,320
Reversal of deductible temporary difference (note 24)	-	(158,381)
Back duty assessment	95,687	-
Tax expense/(credit)	121,175	(145,061)
Net tax	**141,057**	**(113,428)**

Notes to the financial statements

For The Year Ended 31 December 2020

23.2 Reconciliation of tax charge

The income tax expense for the year can be reconciled to the accounting profit as follows;

	31 Dec 2020		31 Dec 2019	
	Rate	₦'000	Rate	₦'000
Profit before tax		2,536,069		1,338,726
Information technology levy		25,361		13,255
		2,561,430		1,351,981
Expected income tax expense at statutory rate	30%	768,429	30%	405,594
Information technology levy	1%	25,361	1%	13,255
Tertiary education tax	2%	50,721	2%	26,775
Non-deductible expenses	14%	345,938	15%	196,318
Tax exempt income	-42%	(1,069,401)	-59%	(787,068)
Police Trust Fund levy	0%	127	0%	65
	5%	**121,175**	**-11%**	**(145,061)**

24 Deferred taxation

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

The Company did not have net deferred tax assets/(liabilities) that were recognized during the year. Information relating the unrecognized deferred tax assets for the year is shown in Note 24(a) and (b). The 2019 comparative are shown below.

31 Dec 2020

In thousands of Naira	Balance at 1 January	Recognized in OCI	Recognized in P or L	Deferred tax assets / (Liabilities)
Property and equipment	-	-	-	-
Unrealized exchange gain	-	-	-	-
	-	-	-	-

31 Dec 2019

In thousands of Naira	Balance at 1 January	Recognized in OCI	Recognized in P or L	Deferred tax assets /(Liabilities)
Property and equipment	(121,439)	-	121,439	-
Unrealized exchange gain	(36,942)	-	36,942	-
	(158,381)	-	158,381	-

(a) Unrecognized deferred tax assets

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

	31 Dec 2020		31 Dec 2019	
In thousand of Naira	Gross Amount	Tax effect	Gross Amount	Tax effect
Tax losses (see 'b' below)	752,543	240,814	749,624	239,880
	752,543	**240,814**	**749,624**	**239,880**

(b) Tax losses carried forward

Tax losses for which no deferred tax asset was recognized expire as follows.

In thousand of Naira	31 Dec 2020	31 Dec 2019
Never expire	752,543	749,624

25 Share capital

	31 Dec 2020	31 Dec 2019
Authorized - ordinary shares of 50k each (30,000,000,000 units)	**15,000,000**	**15,000,000**

Issued and fully paid	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
At the beginning of the year	3,999,999	3,999,999
Addition (see (a) below)	1,000,000	-
Recognition of share fractions (see (b) below)	1	-
At the end of the year	**5,000,000**	**3,999,999**

(a) The addition to issued and fully paid-up share capital represents the value of bonus shares allocated to existing shareholders duringthe year. The bonus issue is one ordinary shares for every four existing shares. The bonus issue was made from retainined earnings.

(b) This represents the recognition of fractions in the number of shares carried over from previous years.

26 Share premium

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
At the end of the year	**729,044**	**729,044**

27 Contingency reserve

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
At the beginning of the year	2,068,770	1,778,339
Transfer from retained earnings (see Note 28)	479,002	290,431
At the end of the year	**2,547,773**	**2,068,770**

Contingency reserve for general insurance business is calculated in accordance with section 21(2) and 22(1)(b) of the Insurance Act of Nigeria, as the higher of 3% of gross premiums and 20% of net profit for the year. For the year ended 2020, the transfer to contingency reserves was determined based on 20% of net profit for the year (2019: 20% of net profit).

28 Retained earnings

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
At the beginning of the year	2,392,175	1,230,452
Bonus share issue	(1,000,000)	-
Profit for the year	2,395,012	1,452,154
Transfer to contingency reserve (see Note 27)	(479,002)	(290,431)
At the end of the year	**3,308,185**	**2,392,175**

29 Assets revaluation reserve

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
At the beginning of the year	752,083	752,083
Revaluation gain/(loss) on property and equipment	76,690	-
At the end of the year	**828,773**	**752,083**

The asset revaluation reserves comprises cumulative net revaluation change on revalued Property and Equipment. The Company revalued its land and buildings as at 31 December 2020.

30 Other reserves

Other reserves include fair value and re-measurement reserves. The fair value reserve comprises the cumulative net change in the fair value of the Company's available-for-sale investments while the re-measurement reserve comprises the actuarial gains and losses on defined benefits post employment plan. These are presented below:

30.1 Fair value reserve

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Balance as at 31 December	**13,948,807**	**13,079,548**

Movement in Fair value reserve	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Balance as at January 1	13,079,548	9,406,809
Fair value gain during the year	869,259	3,672,739
Balance as at December 31	**13,948,807**	**13,079,548**

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For The Year Ended 31 December 2020

30.2 Re-measurement reserve

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Balance as at 31 December	18,431	23,761
Defined benefits actuarial (loss)/gain	(5,187)	(5,330)
	13,244	**18,431**

31 Gross premium written

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Direct premium (note 31.1)	8,033,575	6,323,635
Inward premium (note 31.1)	298,266	195,329
	8,331,841	**6,518,964**

31.1 Breakdown of gross premium written per business class is as follows:

31 December 2020	Direct premium ₦'000	Inward premium ₦'000	Total ₦'000
Motor	1,522,097	81,231	1,603,328
Fire	1,253,081	32,257	1,285,338
General accident	847,328	20,180	867,508
Engineering	509,955	3,133	513,088
Marine	592,927	89,466	682,393
Bond	5,553	-	5,553
Aviation	505,561	18,305	523,866
Oil & Gas	2,797,073	53,694	2,850,767
	8,033,575	**298,266**	**8,331,841**

31 December 2019	Direct premium ₦'000	Inward premium ₦'000	Total ₦'000
Motor	1,072,448	63,613	1,136,061
Fire	881,397	34,585	915,982
General accident	718,673	16,801	735,474
Engineering	259,109	3,503	262,612
Marine	443,642	26,871	470,513
Bond	17,098	-	17,098
Aviation	421,684	14,432	436,116
Oil & Gas	2,509,584	35,524	2,545,108
	6,323,635	**195,329**	**6,518,964**

32 Gross premium income

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Gross premium written (note 31)	8,331,841	6,518,964
Changes in reserve for unexpired risks (note 17.2(a))	(378,851)	(192,344)
	7,952,990	**6,326,620**

33 Reinsurance expenses

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
	3,502,588	**2,613,240**

Notes to the financial statements
For The Year Ended 31 December 2020

33.1 Premium ceded to reinsurance:

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Reinsurance premium cost	3,121,391	2,592,312
Facultative outwards	618,275	278,763
Total reinsurance cost (see (a) below)	3,739,666	2,871,075
Decrease in prepaid reinsurance	(237,078)	(257,835)
	3,502,588	**2,613,240**
(a) Local and foreign reinsurance ceded during the year		
Reinsurance premium paid local	1,789,012	279,697
Reinsurance premium paid foreign	1,950,654	2,591,378
	3,739,666	**2,871,075**

33.2 Breakdown of premium expenses by business class is as follows:

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Motor	4,619	21,566
Fire	788,132	500,570
General accident	478,968	343,204
Engineering	227,927	174,804
Marine	279,283	171,613
Bond	3,315	7,547
Aviation	361,581	288,357
Oil & Gas	1,358,762	1,105,579
	3,502,588	**2,613,240**

34 Fees and commission income

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
	625,656	**555,634**

34.1 Breakdown of fees and commission income per business class is as follows:

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Motor	839	1,582
Fire	249,020	156,388
General accident	141,310	114,989
Engineering	97,850	52,354
Marine	85,050	54,853
Bond	967	2,029
Aviation	1,974	205
Oil & Gas	48,646	173,234
	625,656	**555,634**

34.2 Breakdown of fees and commission income is as follows:

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Lead underwriting commission	36,355	1,479
Reinsurance commission (Note 20(a))	656,163	588,129
Changes in deferred commission revenue	(66,862)	(33,974)
	625,656	**555,634**

Notes to the financial statements

For The Year Ended 31 December 2020

35 Net claims expenses

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Gross claims paid	2,404,455	2,436,577
Movement in IBNR reserve (see note 17.1(c))	190,145	285,585
Movement in reserve for outstanding claims	506,784	(114,302)
Gross claims incurred	**3,101,384**	**2,607,860**
Salvage recovery	(22,678)	(50,384)
Claims recovered and recoverable from reinsurers (see (a) below)	(1,710,772)	(909,573)
	1,367,934	**1,647,903**

a) Analysis of claims recovered and recoverable from reinsurers

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Reinsurance claims recoveries (see note 45c)	908,259	589,257
Change in re-insurance recoverable (see note 10)	809,372	216,668
Change in recoverable in IBNR (see note 10)	(6,859)	103,648
	1,710,772	**909,573**

36 Underwriting expenses

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Acquisition expenses (note 36.1)	1,608,622	1,328,969
Maintenance expenses (note 36.2)	1,273,913	882,902
	2,882,535	**2,211,871**

36.1 Analysis of acquisition expenses

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Commission cost during the year	1,383,219	1,095,745
Business acquisition cost	291,665	236,676
Movement in deferred acquisition cost (note 11.2)	(66,262)	(3,452)
	1,608,622	**1,328,969**

36.2 Analysis of maintenance expenses

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Staff costs (see note 41)	441,186	327,052
Directors' emoluments (see note 41)	37,946	42,398
Retirement benefit cost (see note 41)	37,673	35,016
Other operating expenses (note 41)	757,107	478,436
	1,273,913	**882,902**

The above expenses represent part of the entity's operating expenses that were allocated to operations. Non-specific operating expense of the entity are allocated between operational and administrative expenses in the ratio 40:60 respectively. Other operating expenses are expenses incurred relating to the Company's core business excluding staff costs, directors' emoluments and retirement benefit costs.

37 Investment income

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Dividend income (see (a) below)	906,959	785,629
Interest income (see (b) below)	1,104,856	1,451,953
Investment income per statement of profit or loss and OCI	**2,011,815**	**2,237,582**
Revaluation (loss)/gain on investment properties (see note 13b)	-	6,000
Investment income for hypothecation	**2,011,815**	**2,243,582**

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(a) Breakdown of Dividend income

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Stanbic IBTC Pension Manager Limited	721,176	762,353
Stanbic IBTC Holdings Plc	1,076	1,121
Zenith Bank Plc	105,416	1,245
Guaranty Trust Bank Plc	48,373	6,491
Dangote Cement Plc	5,169	6,856
Dangote Sugar Plc	1,439	-
Access Bank Plc	889	342
Stanbic IBTC Asset Management Limited	-	1,815
MTN Nigeria Communications Plc	11,507	3,865
Nestle Nigeria Plc	825	207
Seplat Petroleum Development Company Plc	-	489
Nigerian Breweries Plc	4,991	33
United Bank for Africa Plc	5,719	-
Presco Plc	-	454
May & Baker	19	-
Okomu Oil Palm Plc	350	350
Flour Mills Nigeria Plc	10	8
	906,959	**785,629**

(b) Breakdown of Interest income

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Interests from placement with Banks and financial institutions	168,817	174,404
Interests from Treasury bills	90,895	946,268
Interest income from FGN Bonds	576,640	220,598
Interest income from State Bonds	56,139	19,265
Interest income from Corporate Bonds	131,919	78,438
Interest income from FGN Promissory notes	32,094	-
Interest income from commercial papers	-	12,980
Interest income from Corporate investment notes	48,352	-
	1,104,856	**1,451,953**

37.1 Hypothecation of investment income

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Investment income that relate to policyholders (note 37.2)	168,817	174,404
Investment income that relate to shareholders (note 37.3)	1,842,998	2,585,946
	2,011,815	**2,760,350**

37.2 Investment income that relate to policy holders

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Income from money market	168,817	174,404
	168,817	**174,404**

37.3 Investment income that relate to shareholders

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Dividend income	906,959	785,629
Income from money market	90,895	946,268
Income from bonds	764,698	318,301
Other investment income	80446	12,980
Revaluation (loss)/gain on investment properties	-	6,000
	1,842,998	**2,585,946**

Notes to the financial statements

For The Year Ended 31 December 2020

38 Net impairment loss on financial assets

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Impairment loss on financial instruments	4,389	74,025
Impairment loss on sundry receivables	7,828	-
Impairment loss on loans and receivables	72,678	25,261
	84,895	**99,286**

39 Net fair value gains/(loss) on financial assets at fair value through profit or loss

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Fair value change on FVTPL securities ((see (a) below)	1,819,593	516,768

(a) Breakdown of Fair value changes on FVTPL securities	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Fair value gain/loss on FGN Bonds	1,274,637	244,508
Fair value gain/loss on State Bonds	81,136	4,172
Fair value gain/loss on Corporate Bonds	16,900	78,643
Fair value gain/(loss) on Equity investments	356,226	(90,589)
Fair value gain on Fund managers	90,694	280,034
	1,819,593	**516,768**

40 Other operating income/(loss) (net)

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Sundry income	29,884	11,883
(Loss)/profit on sale of property & equipment	(4,204)	5,275
Foreign exchange gains/(loss)	33,859	(1,774)
Rental income	4,500	11,000
	64,039	**26,384**

41 Fair value changes on property and equipment

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Revaluation loss on property and equipment (see (i) below)	(10,240)	-

(i) The amount represents the excess of revaluation loss on items property and equipment recognized in statement of profit or loss and other comprehensive income. The Company had revaluation loss of N23.77 million on some items of property and equipment during the year, out of which, N13.53 million was used to reverse a previous revaluation gain recognized in asset revaluation reserve.

Linkage Assurance Plc

42 Operating expenses

Maintenance and management expenses comprise:

In thousands of Naira	31 Dec 2020 Maintenance Expenses	31 Dec 2020 Management Expenses	31 Dec 2019 Maintenance Expenses	31 Dec 2019 Management Expenses
Staff costs	441,186	661,779	327,052	490,578
Director emoluments	37,946	56,920	42,398	63,598
Pension contribution	13,371	20,056	12,804	19,207
Retirement benefits	24,302	36,454	22,211	33,317
Outsourced staff costs	57,939	86,908	54,099	81,148
Advertising & publicity	5,854	8,780	6,243	9,364
Marketing expenses	11,173	16,759	10,388	15,581
Medical expenses	19,044	28,566	14,706	22,058
Staff training & development	11,945	17,917	50,804	76,207
Corporate expenses	651,152	-	342,197	-
AGM expenses	-	15,000	-	28,249
Bank charges	-	38,766	-	31,766
Computer consumables	-	110	-	457
Depreciation & amortization	-	156,655	-	150,035
Diesel and fuel expenses	-	53,526	-	59,067
Entertainment expenses	-	1,376	-	2,060
Fines & penalties	-	-	-	7,250
Industrial training fund	-	4,874	-	8,824
Insurance expenses	-	19,646	-	32,956
Insurance supervision fee	-	104,135	-	92,514
Legal and secretarial expenses	-	151,842	-	38,287
Lighting & heating	-	6,896	-	7,445
Maintenance expenses	-	133,806	-	110,620
Newspapers & periodicals	-	872	-	871
Postage and telephone	-	19,816	-	14,359
Consultancy expenses	-	160,008	-	78,467
Rent & rates	-	40,388	-	41,608
Stationeries	-	12,178	-	18,252
Subscription, contributions & donations	-	14,771	-	40,813
Transport and business travels	-	10,588	-	19,805
Withholding tax & VAT	-	84,550	-	41,827
Audit fees	-	25,000	-	25,000
Lease expense (see note(i) below)	-	9,503	-	19,978
Other expenses	-	91,387	-	76,394
Total	**1,273,913**	**2,089,832**	**882,902**	**1,757,962**

(i) Lease expense shown above represents the interest expense on the lease along with other lease related expenses.

(ii) The increase in corporate expenses relates to corporate donations and expenses incurred for business growth.

Notes to the financial statements

For The Year Ended 31 December 2020

42.1 The average number of persons employed by the Company during the period was as follows:

	31 Dec 2020 Number	31 Dec 2019 Number
Managing Director	1	1
Executive Director	1	1
Management	28	12
Non-Management	144	166
	174	**180**

The number of employees of the Company, other than directors, who received emoluments in the following ranges (excluding pension contributions) were:

	31 Dec 2020 Number	31 Dec 2019 Number
Less than N300,000	2	3
N300,001 - N2,000,000	15	26
N2,000,001 - N2,800,000	61	55
N2,800,001 - N3,500,000	10	6
N3,500,001 - N4,000,000	24	29
N4,000,001 - N5,500,000	22	21
N5,500,001 - N6,500,000	10	13
N6,500,001 - N7,800,000	16	13
N7,800,001 - N9,000,000	6	5
N9,000,001 and above	8	9
	174	**180**

42.2 Directors' emoluments

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Non-executive directors	89,093	98,098
Executive directors	62,964	60,326
	152,057	**158,424**

Amount disclosed for non-executives above includes amount paid to chairman as follows; 31 December 2020: N6.24 million; 31 December 2019: N6.27 million.

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Highest paid director	**34,811**	**26,430**

The fees and other emoluments (excluding pension contributions) fell within the following ranges:

	Number	Number
Less than N5,000,000	4	6
N5,000,001 - N25,000,000	8	6
Above N25,000,000	2	2
	14	**14**

42.3 Employee benefits expenses

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Short-term benefits	1,150,574	854,395
Post-employment benefits	33,427	32,011
	1,184,001	**886,406**

Short-term benefits include salaries and wages, medical expenses and others. Post-employment benefits include pension contributions on behalf of employees to the pension funds administrators and gratuity paid.

Notes to the financial statements
For The Year Ended 31 December 2020

43 Net fair value (loss)/gain on available-for-sale financial assets

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Fair value gain / (loss) in available-for-sale investments - quoted equities	-	(2,261)
Fair value gain / (loss) in available-for-sale investments - unquoted equities	869,259	3,675,000
	869,259	**3,672,739**

44 Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the net profit/(loss) for the year attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding at the reporting date. The following reflects the income and share data used in the basic and diluted earnings per share computations:

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Profit attributable to ordinary shareholders	**2,395,012**	**1,452,154**
Weighted average number of ordinary shares	**10,000,000**	**10,000,000**
Basic and diluted earnings/(loss) per share (kobo)	**24.0**	**14.5**

(i) The basic earnings per share for the year ended 31 December 2019 has been calculated using the new share capital of 10 billion ordinary shares. This is as a result of the bonus shares issued in 2020. The bonus shares issued is without consideration, hence, it is treated as if it had occurred before the beginning of 2019, the earliest period.

45 Cashflow reconciliation

a) Other operating cash payments

In thousands of Naira	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Management expenses (less staff expenses)	(1,199,149)	(1,048,056)
Adjustment for items not involving movement of cash:		
Changes in unearned premium	(378,851)	(192,344)
Depreciation and amortization expense	156,655	150,035
Impairment loss	84,895	74,025
Exchange gain	(35,483)	-
Sundry income	(29,884)	(11,883)
Loss/(profit) on sale of PPE	4,204	(118)
Operating cash flows before movements in working capital	**(1,397,613)**	**(1,028,341)**
Increase/(decrease) in trade payables	340,445	(219,489)
Increase/(decrease) in trade payables	103,000	-
Changes in insurance contract liabilities	696,929	171,283
Other sundry (payable)/receivable	(36,264)	201,769
Increase in other receivables and prepayment	(92,828)	(121,202)
Changes in outstanding claims	(696,929)	(171,283)
Increase in other payables	142,280	71,841
	(940,980)	**(1,095,422)**

b) Premium received from policy holders

In thousands of Naira	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Trade receivable at 1 January	65,898	32,090
Gross premium written during the year	8,331,841	6,518,964
Trade receivable at 31 December	(63,974)	(65,898)
Premium received in advance	(2,868)	(39,506)
	8,330,897	**6,445,650**

Notes to the financial statements
For The Year Ended 31 December 2020

c) Recovery and recoverable from reinsurers

In thousands of Naira	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Reinsurance claims recoveries (see note 35 (a))	908,259	589,257
Salvage recovery (note 36)	22,678	50,384
Total reinsurance recoveries	**930,937**	**639,641**

d) Reinsurance premium paid

In thousands of Naira	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Reinsurance premium payable at 1 January	-	-
Reinsurance premium cost (note 33.1)	3,121,391	2,592,312
Facultative outwards (note 33.1)	618,275	278,763
Due to reinsurers as at 31 December	(504,926)	(223,235)
Movement in treaty premium surplus	253,697	-
	3,488,437	**2,647,840**

e) Commission paid

In thousands of Naira	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Commission payable to brokers at 1 January	63,749	37,908
Commission cost (Note 36.1)	1,383,219	1,095,745
Business acquisition cost prepaid 1 January (Note 12b)	647	-
Business acquisition cost (Note 36.1)	291,665	236,676
Business acquisition cost prepaid 31 December (Note 12b)	(272)	(647)
Commission payable to brokers at 31 December	(96,037)	(63,749)
	1,642,971	**1,305,933**

f) Commission received

In thousands of Naira	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Deferred commission revenue at 1 January	(108,373)	(74,399)
Deferred commission revenue at 31 December	175,234	108,373
Movement	66,861	33,974
Commission income earned during the year	589,301	554,155
Lead underwriting commission	36,355	1,479
Commission income received during the year	**692,517**	**589,608**

g) Interest received

In thousands of Naira	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Net receivable during the year	(245,875)	-
Interest income earned during the year	1,104,856	1,451,953
Interest received during the year	**858,981**	**1,451,953**

h) Movement in financial assets

In thousands of Naira	Fair value through profit or loss	Available for sale	Loans & receivables	Held to maturity	Total Movement
Exchange (loss)/gain	(15,200)	-	-	5,606	(9,594)
Addition	4,679,599	550,000	116,635	1,509,466	6,855,700
Disposals/redempetion	(2,293,652)	-	-	(5,251,890)	(7,545,542)
Loan repayment	-	-	(244,106)	-	(244,106)
Impairment	-	-	(72,678)	-	(72,678)
Fair value element	1,819,593	869,259	-	-	2,688,852
	4,190,340	**1,419,259**	**(200,149)**	**(3,736,818)**	**1,672,632**

Notes to the financial statements
For The Year Ended 31 December 2020

i) Purchase of property and equipment

In thousands of Naira	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Addition for the year per movement schedule	57,777	221,659
Leased property and equipment (see (k) below)	-	(72,000)
Cash flow on addition to property and equipment	**57,777**	**149,659**

j) Sale of property and equipment

In thousands of Naira	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Costs of assets disposed (Note 15)	50,675	133,759
Accumulated depreciation on assets disposed (Note 15)	(45,318)	(133,343)
Proceeds on sale of disposed asset	(1,153)	(5,691)
Loss on disposal	**4,204**	**(5,275)**

k) Finance lease obligation

In thousands of Naira	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Balance at the beginning of the year	61,923	56,037
Additions	-	72,000
Payments made during the year	(61,704)	(66,114)
Balance at the end of the year (see note 21)	219	61,923

l) Cash payment to and on behalf of employees (excluding maintenance expenses)

In thousands of Naira	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Staff cost	661,779	490,578
Director emolument	56,920	63,598
Pension contribution	20,056	19,207
Retirement benefits	36,454	33,317
Contract staff cost	86,908	81,148
Medical	28,566	22,058
	890,683	**709,906**

46 Cash and cash equivalents

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Cash in hand	642	541
Balances with banks & other financial institutions	3,592,069	1,608,681
	3,592,711	**1,609,222**

47 Related party disclosures

Transactions are entered into by the Company during the year with related parties. Unless specifically disclosed, these transactions occurred under terms that are no less favorable than those with third parties. Details of transactions between Linkage Assurance Plc and related parties are disclosed below:

47.1 Compensation of key management personnel

Key management personnel refers to those persons having authority and responsibility for planning, directing and controlling the activities of Linkage Assurance Plc. It comprises both executive and non-executive directors. The remuneration of directors and other members of key management personnel during the year was as follows:

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Short-term benefits	152,057	158,424
	152,057	**158,424**

Notes to the financial statements
For The Year Ended 31 December 2020

47.2 Sale of insurance contracts
During the year, the Company did not enter into any contract with related parties.

47.3 Other related party transactions
Linkage Assurance Plc is represented on the Board of IBTC Pension Manager by a member of the key management personnel. IBTC Pension Managers is one of the Pension Funds Administrators (PFAs) to some of the Company's staff.

48 Contravention
There were no contraventions during the year (2019: N7.25 million).

49 Events after the reporting period
Subsequent to the reporting period, a bonus share issue of one share for every four shares held by existing shareholders amounting to N2 billion (of 4 billion ordinary share at 50k per share) was proposed for approval by the shareholders. The Board also approved the payment of cash dividend of N500 million (N0.05 per share) which is subject to ratification by the shareholders. The bonus share and cash dividend are issued from the Company's retained earnings.

50 Contingencies

50.1 Contingent liabilities
The Company is involved in pending litigations with claims of N47.4million (31 December 2019: N146.3million). Based on legal advice, the directors are of the opinion that no liability will eventuate therefrom.

51 Commitments
The Company had no capital commitments at the reporting date.

Other National Disclosure

Statement of Value Added

	31 December 2020 ₦'000	%	31 December 2019 ₦'000	%
Net premium	4,450,402	119	3,713,380	149
Investment income	2,011,815	54	2,237,582	90
Other income	689,695	18	582,018	23
Claims incurred, commissions paid and operating expenses (local)	(3,416,245)	(91)	(4,044,385)	(163)
Value added	**3,735,667**	**100**	**2,488,595**	**100**
Distribution:				
Employees and directors (staff cost)	1,184,001	32	886,406	36
Government (taxes)	-		-	0
Asset replacement (depreciation)	156,654	4	150,035	6
Contingency reserve	479,002	13	290,431	12
Expansion (retained on the business)	1,916,010	51	1,161,723	47
	3,735,667	**100**	**2,488,595**	**100**

Linkage Assurance Plc

Financial Summary

	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000	31 Dec 2018 ₦'000	31 Dec 2017 ₦'000	31 Dec 2016 ₦'000
Statement of financial position					
Assets					
Cash and cash equivalents	3,592,711	1,609,222	1,205,124	1,843,757	2,843,284
Financial assets	25,144,141	23,398,173	19,057,336	18,659,073	14,829,344
Trade receivables	63,974	65,898	32,090	13,741	18,637
Reinsurance assets	2,445,920	1,121,787	543,636	558,813	784,347
Deferred acquisition cost	328,812	262,550	259,098	176,274	189,626
Deferred tax assets	-	-	-	-	-
Other receivables and prepayments	501,131	408,303	287,101	238,777	139,769
Investment property	150,000	150,000	144,000	135,000	92,000
Intangible assets	1,199	7,319	14,109	26,445	24,101
Property and equipment	1,349,516	1,381,180	1,303,014	1,356,278	1,111,339
Statutory deposit	300,000	300,000	300,000	300,000	300,000
	33,877,404	**28,704,432**	**23,145,508**	**23,308,157**	**20,332,447**
Liabilities					
Insurance contract liabilities	5,728,661	4,652,881	4,289,254	2,443,857	2,860,449
Trade payables	704,169	363,724	144,234	107,346	43,749
Finance lease obligations	819,984	460,618	350,231	307,547	-
Provision and other payables	219	61,923	56,037	88,222	264,261
Retirement benefit obligations	62,981	49,846	22,905	30,471	68,948
Income tax liabilities	82,565	75,390	203,979	177,941	337,109
Deferred tax liabilities	-	-	158,381	199,942	224,639
Total liabilities	**7,398,579**	**5,664,382**	**5,225,021**	**3,355,327**	**3,799,155**
Capital and reserves					
Issued and paid-up share capital	5,000,000	3,999,999	3,999,999	3,999,999	3,999,999
Share premium	729,044	729,044	729,044	729,044	729,044
Contingency reserve	2,547,773	2,068,770	1,778,339	1,616,603	1,038,349
Retained earnings	3,308,185	2,392,175	1,230,452	2,082,306	(230,708)
Assets revaluation reserve	828,773	752,083	752,083	752,083	733,656
Re-measurement reserve	13,244	18,431	23,761	4,484	42,368
Fair value reserve	13,948,807	13,079,548	9,406,809	10,768,313	10,220,584
Total equity	**26,375,825**	**23,040,050**	**17,920,487**	**19,952,832**	**16,533,292**
Total liabilities and equity	**33,774,404**	**28,704,432**	**23,145,508**	**23,308,159**	**20,332,447**
Statement of profit or loss					
Net premium income	4,450,402	3,713,380	3,477,836	2,840,378	2,835,885
Underwriting results	825,589	409,240	(772,480)	456,861	701,864
Profit/(loss) before taxation	2,536,069	1,338,726	134,703	2,996,101	942,682
Taxation	(19,882)	(31,633)	-	(70,560)	(398,118)
Profit/(loss) after taxation	2,516,187	1,307,093	134,703	2,925,541	544,564
Transfer to contingency reserve	479,002	290,431	161,736	578,254	120,962
Dividend	-	-	(400,000)	-	-
Transfer to revenue reserve	2,037,185	1,016,662	372,967	2,347,287	423,602
Basic earnings per share (kobo)	24.0	18.2	(3.6)	36.1	6.8

Revenue Account

31 December 2020

In thousands of naira	Fire	Accident	Motor	Marine	Aviation	Bond	Engineering	Oil & Gas	Total
Direct receipted premium	1,253,081	847,328	1,522,097	592,927	505,561	5,553	509,955	2,797,073	8,033,575
Inward premium	32,257	20,180	81,231	89,466	18,305	-	3,133	53,694	298,266
Gross premium written	**1,285,338**	**867,508**	**1,603,328**	**682,393**	**523,866**	**5,553**	**513,088**	**2,850,767**	**8,331,841**
Changes in reserve for unexpired risk	(75,530)	(14,041)	(130,026)	(104,899)	14,702	1,891	(91,637)	20,689	(378,851)
Gross premium earned	**1,209,808**	**853,467**	**1,473,302**	**577,494**	**538,568**	**7,444**	**421,451**	**2,871,456**	**7,952,990**
Reinsurance expenses (Note 33)	788,132	478,968	4,619	279,283	361,581	3,315	227,927	1,358,762	3,502,588
Net earned premium	**421,676**	**374,498**	**1,468,683**	**298,210**	**176,987**	**4,129**	**193,523**	**1,512,694**	**4,450,402**
Commissions received	249,020	141,310	839	85,050	1,974	967	97,850	48,646	625,656
Total underwriting income	**670,696**	**515,808**	**1,469,523**	**383,261**	**178,961**	**5,096**	**291,373**	**1,561,340**	**5,076,058**
Underwriting expenses									
Claims expenses (Note 35)	(318,387)	(164,589)	(470,092)	(58,815)	(93,519)	(577)	(101,548)	(160,406)	(1,367,934)
Acquisition expenses (Note 36)	(242,028)	(201,507)	(209,203)	(157,133)	(87,376)	(1,383)	(70,963)	(639,030)	(1,608,622)
Maintenance cost	(196,524)	(132,639)	(245,144)	(104,336)	(80,098)	(849)	(78,450)	(435,874)	(1,273,913)
Underwriting profit	**(86,244)**	**17,073**	**545,083**	**62,977**	**(82,030)**	**2,287**	**40,412**	**326,030**	**825,589**

31 December 2019

In thousands of naira	Fire	Accident	Motor	Marine	Aviation	Bond	Engineering	Oil & Gas	Total
Direct receipted premium	881,397	718,673	1,072,448	443,642	421,684	17,098	259,109	2,509,584	6,323,635
Inward premium	34,585	16,801	63,613	26,871	14,432	-	3,503	35,524	195,329
Gross premium written	**915,982**	**735,474**	**1,136,061**	**470,513**	**436,116**	**17,098**	**262,612**	**2,545,108**	**6,518,964**
Changes in reserve for unexpired risk	(62,198)	3,227	50,319	1,388	(92,584)	3,875	(27,091)	(69,280)	(192,344)
Gross premium earned	**853,784**	**738,701**	**1,186,380**	**471,901**	**343,532**	**20,973**	**235,521**	**2,475,828**	**6,326,620**
Reinsurance expenses (Note 33)	500,571	343,204	21,566	171,613	288,356	7,547	174,805	1,105,578	2,613,240
Net earned premium	**353,213**	**395,497**	**1,164,814**	**300,288**	**55,176**	**13,426**	**60,716**	**1,370,250**	**3,713,380**
Commissions received	156,388	114,989	1,582	54,853	205	2,029	52,354	173,234	555,634
Total underwriting income	**509,601**	**510,486**	**1,166,396**	**355,141**	**55,381**	**15,455**	**113,070**	**1,543,484**	**4,269,014**
Underwriting expenses									
Claims expenses (Note 35)	(238,081)	(277,141)	(371,052)	(33,158)	(6,079)	(65,566)	61,150	(717,976)	(1,647,903)
Acquisition expenses (Note 36)	(182,473)	(166,142)	(203,477)	(137,093)	(49,515)	(2,933)	(55,756)	(531,581)	(1,328,969)
Maintenance cost	(124,057)	(99,610)	(153,863)	(63,279)	(59,511)	(2,301)	(35,583)	(344,699)	(882,902)
Underwriting profit	**(35,010)**	**(32,406)**	**438,004**	**121,610**	**(59,724)**	**(55,345)**	**82,882**	**(50,772)**	**409,240**

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E-Dividend Mandate Form

In view of the robust developments in the financial sector, Linkage Assurance Plc. is pleased to introduce our e-dividend module to you. This is to facilitate the payment of your dividend through direct credit to your bank account irrespective of the type of account, current / saving. It makes dividend payment faster and safer. We advise that you take advantage of this service by supplying the information as required below and return same to us accordingly.

Please ensure you state the actual name used in purchasing the shares and the signature(s) you signed at that time and fill in BOLD prints.

Thank you.

Basil Aharanwa
Registar
Centurion Registrars
33C Cameron Road,
Ikoyi
Lagos.

Please, take this as authority to credit my/our under-mentioned account with any dividend payment(s) due on my/our shareholding particulars of which are stated below from the date hereof:
Shareholders' name

Shareholders` name...

(Surname) (Other names)

Shareholders account no(s)..

CSCS investor account no...

CSCS clearing house no...

Name of stock brokers..

Mobile phone no(s)..

Fax number...E-mail address................................

Bank name...Branch................................

Bank account number..Type of account.......................

Dated this...

Day of........................20................

....	....	....
Authorized signatory/ bank stamp	Authorized signatory /bank stamp	Shareholder signature(s)

Your completed forms should be returned to Centurion Registrars Limited or any of the Linkage Assurance Plc. branches nearest to you. Please note that it is very important that you clearly state your bank name, bank account number, E-mail address and mobile phone numbers to ensure proper processing of your mandate.
For more information, contact Ifeyinwa (+234 704 535 5922) or E-mail: info@linkageassurance.com
Centurion Registrars Limited 33C Cameron Road, Ikoyi, Lagos.

Affix N50.00
Poster Stamp
Here

Registrar
Centurion Registrars
33C Cameron Road,
Ikoyi
Lagos.

Proxy Form

NOTICE IS HEREBY GIVEN that the **27th Annual General Meeting of LINKAGE ASSURANCE PLC** will hold on Thursday, 20th May 2021 at, AGIP RECITAL HALL FOYER, MUSON CENTRE 8/9 Marina, Onikan, Lagos by 10:00 am to transact the following business:

I/We……………………………………………………………………………………

……………………………………………………………………………………………

…………………….. being a member/members of the above named Company Hereby appoint* ……………………………………………………………………… or failing him the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, 20th May, 2021.

Dated this ……………………………..day of ………………………….2021

Signature of Shareholder…………………………………………………………………

Name of Shareholder…………………………………………………………………

PROXY

A member of the Company entitled to attend and vote at the Annual General Meeting can appoint a proxy to attend and vote instead of him/her.
In view of the current Covid-19 pandemic, the directives to minimize social contacts by restricting the number of persons at public gatherings and in accordance with the Corporate Affairs Commission's Guidelines on Holding of Annual General Meetings (AGM) of Public Companies by taking advantage of Section 254 of the Companies and Allied Matters Act (CAMA) using Proxies, all members are hereby advised that attendance for the meeting shall be by PROXY ONLY.

A proxy need not be a member of the Company. Consequently, members are required to appoint a proxy of their choice from the list of the proposed proxies to represent them at the meeting: a) **Chief Joshua B. Fumudoh (Chairman), Mr. Daniel Braie (MD/CEO) and Mr. Moses Omorogbe (Company Secretary).**

A proxy form is enclosed in the Annual Report. For the instrument of proxy to be valid, it must be completed, duly stamped for the purposes of this meeting. The Company has made arrangements at its cost for the stamping of the duly completed proxy forms which must be deposited at the office of the Registrar, Centurion Registrars, 33C, Cameron Road, Ikoyi, Lagos or services@centurionregistrars.com or the Registered Office of the Company, Linkage Plaza, Plot 20, Block 94, Providence Street, Off Adewunmi Adebimpe Lekki Phase 1, Lagos not less than forty-eight hours before the time of the meeting.

THIS CARD IS TO BE SIGNED AT THE

NUMBER OF SHARES		
RESOLUTIONS	**FOR**	**AGAINST**
1. To receive and consider the Audited Financial Statements for the year ended 31 December 2020 together with the Reports of the Directors, Auditors, Audit Committee, and the Board Appraisal Report.		
2. To declare Dividend.		
3. To elect the following Directors retiring by Rotation:		
i. Mr. Tamunoye Alazigha ii. Mr. Olakunle Agbebi iii. Mrs. Obafunke Alade-Adeyefa iv. Mrs. Imo Oyewole		
4. To ratify the appointment of Ernst & Young as External Auditors of the Company. 5. To authorize the Directors to fix the remuneration of the Auditors. 6. Disclosure of the remuneration of Managers of the Company. 7. To elect members of the Statutory Audit Committee.		
Special Business To consider and if thought fit to pass the following Ordinary Resolutions: 1. That the remuneration of the Directors of the Company for the year ending December 31, 2021 be and is hereby fixed at N10m only. 2. That in accordance with the recommendation of the Directors, the sum of N2,000,000,000.00 (Two Billion Naira) of the Company's Retained Earning be and hereby capitalized for bonus issue and the said N2,000,000,000.00 (Two Billion Naira) divided into 4,000,000,000 ordinary shares of 50k each, be appropriated to the members whose names appear in the Register of members at the close of business on the of 28th April, 2021, in the proportion of two (2) share for every five (5) shares registered in such members' name on that date, subject to the approval of the appropriate regulatory authorities, the shares so distributed being treated for all purposes as capital and not income, ranking pari passu with the existing shares issued pursuant to this resolution.		
Please indicate with "X" in the appropriate box how you wish your vote to be cast on the resolutions set out above. Unless otherwise instructed, the Proxy will vote or abstain from voting at his/her discretion.		

ADMISSION FORM
Before posting the above form, tear off this part and retain it.

Please admit ……………………………………………………………………………….to the Annual General Meeting of

Linkage Assurance Plc. to be held……………………………………………………………………………………

Name of Shareholder ……………………………………………………………………………………………

Signature of Person attending ……………………………………………………………………………………

Signature of Shareholder ………………………………………………………………………………………

Affix N50.00
Poster Stamp
Here

Registrar
Centurion Registrars
33C Cameron Road,
Ikoyi
Lagos.

Corporate Directory

HEAD OFFICE
Linkage Plaza
Plot 94, Block 20 Providence Street,
Off Adewunmi Adebimpe Street,
Lekki Phase 1, Lekki, Lagos
Tel: 01-8511193-7, 8510568, 8510569,8510590
Email: info@linkageassurance.com

ABA
Address:62, Aba Owerri Road,
Abia State.
Contact Person: Gift Igbo
Tel: 07054492383
Email: aba@linkageassurance.com

ABUJA
Address: 24, Ouagadougou Street,off Mambolo Street,
Wuse Zone 2,Abuja
Contact Person: Adesoye Ayodeji
Tel: 07054492384,08053099120
Email: abuja@linkageassurance.com

AKURE
Address:5th Floor,Right Wing,Bank Of
Industry (BOI) House Akure,Ondo State
Contact Person: Olugbenga Babalola
Tel: 07032041054, 08076691647
Email: akure@linkageassurance.com

BENIN
Address: 56B, Sokponba Road,Off Ring Road
Benin City,Edo State
Contact Person: Stephen Ovonlen
Tel: 07054492385
Email: benin@linkageassurance.com

CALABAR
Address:43, Murtala Muhammed Highway,
Calabar
Contact Person: Victoria Efoli
Tel: 07054492386,08055299945
Email: calabar@linkageassurance.com

ENUGU
Address: Suite C8, Bethel Plaza,Garden
Avenue, Enugu State
Contact Person: Ngozi Obioha Nkemdirim
Tel: 07054492387,08058792180
Email: enugu@linkageassurance.com

IBADAN
Address: Horizon House,2nd Floor,Vitas
Bus Stop, Ring Road, Ibadan, Oyo State.
Contact Person: Awodire Olumuyiwa
Tel: 07051145673,07086586796
Email: ibadan@linkageassurance.com

ILUPEJU-LAGOS
Address: 11A, Coker Road, Ilupeju, Lagos
Contact Person: Olawale Amusan
Tel: 07054492389
Email: ilupeju@linkageassurance.com

KADUNA
Address: Plot 4, Constitution Road,
Kaduna State.
Contact Person: Isibor Fidelis
Tel: 07054492925,08055290064
Email: kaduna@linkageassurance.com

KANO
Address: 48, Bompai Road,Kano
Contact Person: Aminu Isiya - Gaya
Tel: 07054492927,08055300607
Email: kano@linkageassurance.com

PORT-HARCOURT
Address: UAC building, first floor
26 Aba road
Port Harcourt, Rivers State
Contact Person: Damian Umekwe
Tel: 07054492928,08055931080
Email: portharcourt@linkageassurance.com

UYO
Address: 169, Edet Akpan Avenue,
4 Lane by Eni Gardens.
Uyo, Akwa Ibom State
Contact Person: kenedy James
Tel: 07054492950, 08055299973
Email: uyo@linkageassurance.com

WARRI
Address: 110, Effurun/Sapele Road, Warri.
Contact Person: Amechi Ozulu
Tel: 07054492951,08053183952
Email: warri@linkageassurance.com

YENAGOA
Address: 1st floor, Nigerian Content Tower,
Along Ox-Bow lake, Swali.
Yenagoa,Bayelsa State.
Contact Person: Deborah Unagha
Tel: 07054492952,0805309990
Email: yenagoa@linkageassurance.com

Notes