



Unaudited Financial Statements
for the Period Ended
30 Sep, 2023

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Corporate Information

Mission Statement	Linkage Assurance Plc. is in business to provide first class insurance and other financial services to the African Insurance market. To achieve this, it has deployed exemplary management, best in class information technology infrastructure and well trained and motivated work force as vehicle for achieving the superior returns expected by shareholders.	
Board of Directors		
Chairman	Chief Joshua Bernard Fumudoh	
Other Directors	Mr. Daniel Braie Mr. Okanlawon Adelagun Mr. Bernard Nicolaas Griesel Mrs. Funkazi Koroye-Crooks Mr. Maxwell Ebibai Mrs Valentina Marinho Mr. Pius Otia	
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	Ernst & Young 10th Floor, UBA House 57, Marina Marina, Lagos www.ev.com	
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	O & A Hedge Actuarial Consulting	
RC No.	BN2262019	
FRC Registered No.	FRC/2019/00000012909	

FINANCIAL HIGHLIGHTS	30 Sep 2023	30 Sep 2022	Changes
	₦'000	₦'000	(%)
Comprehensive income statement			
Gross premium written	12,941,723	10,688,969	21
Gross premium income	10,215,265	8,994,298	14
Net premium income	5,066,545	4,820,017	5
Underwriting Profit	609,955	356,236	71
Investment and other income	5,747,040	4,269,769	35
Profit before taxation	3,649,589	2,194,440	-
Profit after taxation	3,404,862	2,084,496	-
Statement of financial position			
	30 Sep 2023	31 Dec 2022	
Total assets	48,536,178	39,996,868	21
Insurance contract liabilities	15,922,534	12,811,727	24
Key Ratios			
	30 Sep 2023	30 Sep 2022	
	%	%	
Claims ratio	29	27	
Claims ratio (net)	47	35	
Underwriting expenses ratio	30	38	
Fees and Commission income ratio	19	16	
Management expenses ratio	21	23	
Underwriting Profit margin	5	3	

Our Performance

Gross premium written grew by 21% to N12.9billion as at Aug 2023 from N10.7billion recorded in prior year comparative. The Company posted an underwriting profit of N610million on account of growth in premium revenue. PBT stood at N3.6billion as at Sep 2023 against N2.2billion in the prior period.

The investment and other operating income was buoyed by the following.

- * Dividend income of N1.5billion received from Stanbic IBTC Pension Managers Ltd.
- * Sundry income of N333million received from NDIC in respect of share subscription.
- * Foreign exchange gain of N1.7billion

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 unaudited financial statements for the period ended 30 September 2023 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
26 Oct 2023



Emmanuel Otitolaiye
Chief Financial Officer
FRC/2014/ICAN/00000008524
26 Oct 2023

Notes to the financial statements

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 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 8.1 - determining the fair value of unquoted equity instruments on the basis of significant unobservable inputs.

Notes to the financial statements

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.

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.

Notes to the financial statements

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, 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 through 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.

Notes to the financial statements

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 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 in 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.

Notes to the financial statements

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. 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.

Notes to the financial statements

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.

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.

Notes to the financial statements

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.

Notes to the financial statements

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 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.

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.

Notes to the financial statements

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.

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.

Notes to the financial statements

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

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 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.

Notes to the financial statements

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 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.

Notes to the financial statements

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.

(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.

Notes to the financial statements

(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.

Notes to the financial statements

(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 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.

Notes to the financial statements

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 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 2022	IAS 39 Classification	IFRS 9 Classification	Carrying Amount 31 December 2022
Cash and cash equivalents	Loans and receivables	Amortized cost	4,236,501
Financial assets at fair value through profit or loss	FVTPL	FVTPL	2,849,315
Available-for-sale financial assets:			
Quoted equities	AFS	FVOCI	-
Unquoted equities	AFS	FVOCI	14,676,000
Unquoted equities- at cost	AFS	FVOCI	64,029
Loans and receivables	Loans and receivables	Amortized cost	249,121
Held-to-Maturity investments	Loans and receivables	Amortized cost	6,452,218
Trade receivables	Loans and receivables	Amortized cost	199,857
Other receivables (less prepayments and other assets)	Loans and receivables	Amortized cost	602,327
Reinsurance assets (less prepaid reinsurance, outstanding claims and IBNR)	Loans and receivables	Amortized cost	3,339,551

Notes to the financial statements

Financial Assets 31 December 2021	IAS 39 Classification	IFRS 9 Classification	Carrying Amount 31 December 2021
Cash and cash equivalents	Loans and receivables	Amortized cost	3,476,697
Financial assets at fair value through profit or loss	FVTPL	FVTPL	5,050,881
Available-for-sale financial assets:			
Quoted equities	AFS	FVOCI	-
Unquoted equities	AFS	FVOCI	17,628,000
Unquoted equities- at cost	AFS	FVOCI	64,029
Loans and receivables	Loans and receivables	Amortized cost	141,658
Held-to-Maturity investments	Loans and receivables	Amortized cost	3,690,194
Trade receivables	Loans and receivables	Amortized cost	81,468
Other receivables (less prepayments and other assets)	Loans and receivables	Amortized cost	129,090
Reinsurance assets (less prepaid reinsurance, outstanding claims and IBNR)	Loans and receivables	Amortized cost	3,006,069

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.

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).

Notes to the financial statements

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 its total liabilities as at 31 December 2015. See the assessment below:

LIABILITIES	AS REPORTED (A) 31-Dec-15	Admissible for Predominance Test (B) 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	-
	<u>3,182,842</u>	<u>2,653,423</u>
	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.

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

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 through profit and loss
- b) Equity securities and Investment funds

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

Notes to the financial statements

As at 31 December 2022	Financial assets that meet the SPII criterion		All other financial assets	
Category	Fair value	Fair value change during the reporting period	Fair value	Fair value change during the reporting period
<i>In thousands of Naira</i>				
Cash and cash equivalents	4,236,501	-	-	-
Debt securities				
Held-to-maturity	6,452,218	-	-	-
Loans and receivables	249,121	-	-	-
Trade and other receivables	802,184	-	-	-
Statutory deposits	700,000	-	-	-
Subtotal	12,440,024	-	-	-
Equity securities - FVOCI	-	-	16,918,367	(2,923,271)
Financial instruments - FVTPL	-	-	2,849,315	(182,281)
Total	12,440,024	-	19,767,682	(3,105,552)

* 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.

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 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 Policy during the quarter under review.

Shareholding Structure/Free Float Status				
Description	30-Sep-23		31-Dec-22	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	14,000,000,000	100%	14,000,000,000	100%
Substantial Shareholdings (5% and above)				
Bayelsa State Ministry of Finance Incorporated	7,480,787,548	53.43%	7,480,787,548	53.43%
Stanbic IBTC Nominees	1,858,165,841	13.27%	1,858,165,841	13.27%
Apel Asset Limited-Nominee	709,459,330	5.07%	709,459,330	5.07%
Total Substantial Shareholdings	10,048,412,719	71.77%	10,048,412,719	71.77%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
Chief Joshua B. Fumudoh				
Mr. Daniel Braie				
Mr. Okanlawon Adelagun				
Mr. Bernard Nicolaas Griesel				
Mrs. Funkazi Koroye-Crooks				
Mr. Maxwell Ebibai				
Mrs Valentina Marinho				
Mr. Pius Otia				
Total Directors' Shareholdings				
Other Influential Shareholdings				
Free Float in Units and Percentage	3,951,587,281	28.23%	3,951,587,281	28.23%
Free Float in Value	₦ 1,975,793,640.50		₦ 1,975,793,640.50	
(A) Linkage Assurance Plc with a free float percentage of 28.23%.as at 30 Sept 2023, is compliant with The Exchange's free float requirements for companies listed on the Main Board.				
(B) Linkage Assurance Plc with a free float value of N1,975,793,640.50 as at 31 December 2022, is compliant with The Exchange's free float requirements for companies listed on the Main Board.				

**Statement of financial position
As at 30 Sep 2023**

*Linkage Assurance Plc
Unaudited Financial Statements
for the period ended 30 September 2023*

In thousands of Naira

Assets	Note	30 Sep 2023	31 Dec 2022	Changes %
Cash and cash equivalents	7	3,526,233	4,236,501	(17)
Financial assets	8	32,981,439	26,469,021	25
Trade receivables	9	1,548,041	199,857	675
Reinsurance assets	10	6,205,856	5,281,166	18
Deferred acquisition cost	11	852,893	543,059	57
Other receivables and prepayments	12	690,516	779,997	(11)
Right-of-use assets	12a	15,568	21,744	(28)
Investment property	13	160,000	160,000	-
Intangible assets	14	48,467	20,844	133
Property and equipment	15	1,807,165	1,584,679	14
Statutory deposit	16	700,000	700,000	-
Total assets		48,536,178	39,996,868	21
Liabilities				
Insurance contract liabilities	17	15,922,534	12,811,727	24
Trade payables	19	2,640,588	1,140,673	131
Other payables	20	1,314,998	1,001,996	31
Defined benefit obligations	22	109,330	84,321	30
Income tax liabilities	23	313,227	157,845	98
Total liabilities		20,300,677	15,196,562	34
Equity				
Authorized share capital	25	15,000,000	7,000,000	-
Issued and fully paid share capital	25.1	7,000,000	7,000,000	-
Share premium	26	560,294	560,294	-
Contingency reserve	27	4,076,970	3,395,997	20
Retained earnings	28	1,260,103	(1,463,786)	-
Assets revaluation reserve	29	828,773	828,773	-
Re-measurement reserve	30.2	55,639	55,639	-
Fair value reserve	30.1	14,453,722	14,423,389	-
Total equity		28,235,501	24,800,306	14
Total liabilities and equity		48,536,178	39,996,868	21

The financial statements were approved on 26 October 2023 and signed on behalf of the Board of Directors



Chief Joshua B. Fumudoh
Chairman
FRC/2018/IODN/00000017911



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



Emmanuel Otitolaie
Chief Financial Officer
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 period ending 30 Sep 2023**

<i>In thousands of Naira</i>	Note	9 months to 30 Sept 2023	9 months to 30 Sept 2022	3 months to 30 Sept 2023	3 months to 30 Sept 2022
Gross premium written	31	12,941,723	10,688,969	3,639,160	2,385,779
Unearned premium	32	(2,726,458)	(1,694,671)	304,845	738,015
Gross premium income	32	10,215,265	8,994,298	3,944,005	3,123,794
Reinsurance expenses	33	(5,148,720)	(4,174,281)	(2,075,265)	(1,402,807)
Net premium income		5,066,545	4,820,017	1,868,740	1,720,987
Fees and commission income	34	1,003,335	653,052	388,322	237,287
Net underwriting income		6,069,880	5,473,069	2,257,062	1,958,274
Net claims expenses	35	(2,382,278)	(1,687,307)	(807,384)	(586,026)
Underwriting expenses	36	(3,077,648)	(3,429,526)	(1,216,329)	(1,247,295)
Underwriting Profit		609,955	356,236	233,349	124,952
Investment income	37	3,261,415	4,261,653	655,784	1,975,806
Impairment reversal on loans and receivables	38	11,929	-	7,952	-
Net fair value gains/loss on financial assets at fair value through profit or loss	38	415,163	(248,328)	4,756	(249,108)
Other operating income	39	2,070,462	256,444	706,416	59,202
Management expenses	41	(2,719,335)	(2,431,565)	(1,076,832)	(1,181,789)
Profit before taxation		3,649,589	2,194,440	531,425	729,063
Income taxes	23.1	(244,727)	(109,944)	(84,592)	(36,675)
Profit after taxation		3,404,862	2,084,496	446,833	692,388
Other comprehensive income net of tax					
Items that will be reclassified subsequently to profit or loss:					
Net fair value gain/(loss) on available-for-sale financial assets	42	30,333	(11,571)	(15,682)	(35,398)
Total other comprehensive income/loss, net of tax		30,333	(11,571)	(15,682)	(35,398)
Items that will not be reclassified subsequently to profit or loss		-	-	-	-
Other comprehensive income/(loss), net of taxes		30,333	(11,571)	(15,682)	(35,398)
Total comprehensive income for the year		3,435,195	2,072,925	431,151	656,990
Basic and diluted earnings per share (kobo)	43	24.3	14.9	3.2	4.9

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 period ending 30 Sep 2023**

<i>In thousands of naira</i>	Share capital	Share premium	Contingency Reserve	Asset revaluation reserve	Re-measurement reserve	Fair value reserve	Retained earnings	Total
At 1 January 2023	7,000,000	560,294	3,395,997	828,773	55,639	14,423,389	(1,463,786)	24,800,305
Comprehensive income								
(Loss)/Profit for the year	-	-	-	-	-	-	3,404,862	3,404,862
Other comprehensive income:								
Net fair value changes on AFS financial assets	-	-	-	-	-	30,333	-	30,333
Total comprehensive income	-	-	-	-	-	30,333	3,404,862	3,435,195
Transfer from share premium	-	-	-	-	-	-	(680,973)	(680,973)
Transfer to contingency reserve	-	-	680,973	-	-	-	-	680,973
Transfer from retained earnings	-	-	680,973	-	-	-	(680,973)	-
At 30 Sep 2023	7,000,000	560,294	4,076,970	828,773	55,639	14,453,722	1,260,104	28,235,502

Statement of changes in equity for the year ended 31 December 2022

<i>In thousands of naira</i>	Share capital	Share premium	Contingency Reserve	Asset revaluation reserve	Re-measurement reserve	Fair value reserve	Retained earnings	Total
At 1 January 2022	7,000,000	560,294	2,882,618	828,773	5,040	17,346,660	(3,517,298)	25,106,086
Comprehensive income								
Profit for the year	-	-	-	-	-	-	2,566,891	2,566,891
Other comprehensive income:								
Remeasurement of defined benefit obligation	-	-	-	-	50,599	-	-	50,599
Net fair value changes on AFS financial assets	-	-	-	-	-	(2,923,271)	-	(2,923,271)
Total comprehensive income	7,000,000	560,294	2,882,618	828,773	55,639	14,423,389	(950,407)	24,800,304
Transfer from share premium	-	-	-	-	-	-	-	-
Transfer from retained earnings	-	-	513,379	-	-	-	-	513,379
Transfer to contingency reserve	-	-	-	-	-	-	(513,379)	(513,379)
	-	-	513,379	-	-	-	(513,379)	-
At 31 December 2022	7,000,000	560,294	3,395,997	828,773	55,639	14,423,389	(1,463,786)	24,800,305

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

**Statement of cash flows
for the period ending 30 Sep 2023**

	Note	30 Sep 2023 ₦'000	31 Dec 2022 ₦'000
Cash flows from operating activities			
Premiums received from policy holders	44(b)	11,568,611	12,800,946
Premiums received in advance	19.1	24,928	21,707
Deposit without details	20.2(a)	47,740	23,800
Reinsurance payments	44(d)	(4,781,456)	(5,742,392)
Claims paid	35	(3,452,429)	(3,086,234)
Reinsurance claim recoveries	44(c)	1,324,395	1,155,073
Salvage recovery	44(c)	68,072	121,099
Commission paid	44(e)	(3,216,570)	(4,062,040)
Maintenance expenses paid	41	-	(1,025,715)
Commission received	44(f)	1,189,839	1,161,261
Cash payment to and on behalf of employees	44(l)	(1,115,264)	(978,622)
Other operating cash payments	44(a)	(807,866)	(2,012,939)
Corporate tax paid	23	(62,248)	(31,703)
Net cash used in operating activities		787,752	(1,655,758)
 Cash flows from Investing activities			
Purchase of properties and equipment	44(i)	(402,355)	(334,346)
Purchase of intangible assets	14	(31,713)	(21,253)
Proceeds from sale of property and equipment	44(j)	12,220	30,341
Purchase of investment securities	44(h)	(6,559,188)	(5,875,109)
Proceeds from sale of investment securities	44(h)	358,094	3,733,139
Proceeds from redemption - HTM	8.6	122,925	86,053
Loan repayments	44(h)	18,023	89,554
Addition to deposit in escrow account with CBN			(200,000)
Dividend received	37	1,649,843	3,315,152
Rental income received	39	3,500	6,800
Interest received	44(g)	1,611,572	1,391,271
Net cash from investing activities		(3,217,077)	2,221,602
 Financing activities			
		-	-
Net (decrease) / increase in cash and cash equivalents		(2,429,325)	565,844
Cash and cash equivalents at the beginning of the period		4,236,501	3,476,697
Impact of exchange difference on cash held		1,719,057	193,961
Cash and cash equivalents at end of the period	7	3,526,234	4,236,501

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

Notes to the 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:

- Fire
- Accident
- Motor
- Marine
- Aviation
- Bond
- Engineering
- Oil & Gas

The following is an analysis of the Company's revenue and result by reportable segment for the period ending 30 Sep 2023

Income:	Fire N'000	Accident N'000	Motor N'000	Marine N'000	Aviation N'000	Bond N'000	Engineering N'000	Oil & Gas N'000	Agric N'000	Total N'000
Gross premium written	2,492,559	1,255,997	3,473,997	835,358	475,262	13,490	753,308	3,624,549	17,203	12,941,723
Net change in unearned premium	(364,528)	(198,615)	(881,834)	(183,431)	(77,021)	(7,934)	(234,647)	(828,742)	50,294	(2,726,458)
	2,128,031	1,057,382	2,592,163	651,927	398,241	5,556	518,661	2,795,807	67,497	10,215,265
Reinsurance Expenses	(1,496,400)	(630,580)	(181,001)	(482,159)	(371,206)	(3,742)	(525,023)	(2,410,782)	(6,347)	(6,107,240)
Movement in Prepaid-Reinsurance Cost	152,144	130,039	(36,384)	78,522	47,978	1,504	152,535	477,267	(45,085)	958,520
Re-insurance cost	(1,344,256)	(500,541)	(217,385)	(403,637)	(323,228)	(2,238)	(372,488)	(1,933,515)	(51,432)	(5,148,720)
Net premium income	783,775	556,841	2,374,778	248,290	75,013	3,318	146,173	862,292	16,065	5,066,545
Commission received	418,406	161,665	36,153	128,724	1,853	681	91,203	152,129	12,521	1,003,335
Net underwriting Income	1,202,181	718,506	2,410,931	377,014	76,866	3,999	237,376	1,014,421	28,586	6,069,881
Expenses:										
Gross Claims incurred	(970,057)	(748,893)	(803,945)	(549,824)	(176,304)	(218)	(213,862)	(300,791)	(4,810)	(3,768,704)
Recovery on Claims incurred	581,252	381,244	148,117	349,745	474	-	494	(78,090)	3,192	1,386,428
Net claims incurred	(388,805)	(367,649)	(655,828)	(200,079)	(175,830)	(218)	(213,368)	(378,876)	(1,618)	(2,382,271)
Acquisition cost	(403,285)	(232,995)	(394,285)	(218,785)	(79,884)	(1,179)	(102,061)	(587,221)	(12,361)	(2,032,056)
Maintenance expenses	(201,380)	(101,475)	(280,672)	(67,491)	(38,398)	(1,090)	(60,862)	(292,836)	(1,390)	(1,045,592)
	(993,470)	(702,119)	(1,330,785)	(486,355)	(294,112)	(2,487)	(376,291)	(1,258,933)	(15,369)	(5,459,919)
Segment underwriting profit/(loss)	208,711	16,387	1,080,146	(109,341)	(217,246)	1,512	(138,915)	(244,512)	13,217	609,962

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.

The revenue of marine & aviation segment does not meet the quantitative thresholds and therefore does not qualified as a reporting segment. The segments is accordingly reported as 'Others'.

30 Sep 2022

Income:	Fire N'000	Accident N'000	Motor N'000	Marine N'000	Aviation N'000	Bond N'000	Engineering N'000	Oil & Gas N'000	Agric N'000	Total N'000
Gross premium written	2,022,408	1,163,752	1,924,717	784,982	423,142	21,037	524,176	3,716,595	108,160	10,688,969
Net change in unearned premium	(227,854)	(231,192)	(250,927)	(115,389)	(14,279)	(548)	(117,536)	(657,155)	(79,792)	(1,694,672)
	1,794,554	932,560	1,673,790	669,593	408,863	20,489	406,640	3,059,440	28,368	8,994,297
Reinsurance Expenses	(1,481,321)	(620,906)	(75,857)	(297,711)	(305,780)	(10,011)	(264,881)	(2,067,644)	(19,275)	(5,143,386)
Movement in Prepaid-Reinsurance Cost	131,045	125,877	84	54,781	48,672	239	94,826	507,756	5,825	969,105
Re-insurance cost	(1,350,276)	(495,029)	(75,773)	(242,930)	(257,108)	(9,772)	(170,055)	(1,559,888)	(13,450)	(4,174,281)
Net premium income	444,278	437,531	1,598,017	426,663	151,755	10,717	236,585	1,499,552	14,918	4,820,016
Commission Received	308,305	155,598	918	93,105	291	3,054	42,997	45,234	3,550	653,052
Net underwriting Income	752,583	593,129	1,598,935	519,768	152,046	13,771	279,582	1,544,786	18,468	5,473,068
Expenses:										
Gross Claims incurred	(107,364)	(833,110)	(695,450)	(664,376)	(75,476)	(9,089)	(233,177)	(261,902)	(10,496,000)	(2,890,440)
Recovery on Claims incurred	(2,252)	603,312	94,959	389,429	1,251	-	107,262	6,625	2,549,000	1,203,135
Net claims incurred	(109,616)	(229,798)	(600,491)	(274,947)	(74,225)	(9,089)	(125,915)	(255,277)	(7,947)	(1,687,305)
Acquisition cost	(326,320)	(228,206)	(257,808)	(190,297)	(81,126)	(3,496)	(79,391)	(693,593)	(4,532)	(1,864,769)
Maintenance expenses	(296,060)	(170,362)	(281,759)	(114,913)	(61,944)	(3,080)	(76,734)	(544,072)	(15,834)	(1,564,757)
	(731,996)	(628,366)	(1,140,058)	(580,157)	(217,295)	(15,665)	(282,040)	(1,492,942)	(28,313)	(5,116,831)
Segment underwriting profit/(loss)	20,587	(35,237)	458,877	(60,389)	(65,249)	(1,894)	(2,458)	51,844	(9,845)	356,237

Notes to the financial statements

6 Capital and Risk Management

6.1 Capital Management – Objectives, Policies and Approaches.

The objective of our 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 our shareholders and guarantees adequate protection of our policyholders.

Our 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.

Our 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 and processes to its capital structure during the period.

Analysis of shareholders funds		
<i>In thousand of Naira</i>		
	30 Sep 2023	31 Dec 2022
Total assets	48,536,178	39,996,868
Less: Total liabilities	20,300,677	15,196,562
Shareholders funds as at year end	28,235,501	24,800,306
Adjustment for non-capital items	901,360	563,903
Available capital resources	27,334,141	24,236,403
Changes in available capital	13%	14%

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 N26,543,674,000 (2021: N24,636,392,000) amounting to a decrease over the comparative period.

The Minimum Capital Requirement

The statutory minimum capital requirement for Non-life business is ₦3billion.

<i>In thousands of naira</i>		
	30 Sep 2023	31 Dec 2022
Total shareholders' funds	28,235,501	24,800,306
Regulatory required capital	3,000,000	3,000,000
Excess over minimum capital	25,235,501	21,800,306
Capitalisation rate	941%	827%

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.

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.

Notes to the financial statements

The Company's solvency margin is as follows:

<i>In thousands of naira</i>	30 Sep 2023	31 Dec 2022
Assets		
Cash and cash equivalents	3,526,233	4,236,501
Financial assets	16,839,547	10,926,214
Trade receivables	1,548,041	199,857
Other receivables and prepayment	199,224	110,756
Reinsurance assets	6,183,377	5,162,826
Deferred acquisition cost	852,893	543,059
Property and equipment	1,613,900	1,388,687
Intangible Assets	48,467	-
Investment Property	160,000	160,000
Statutory deposit	700,000	700,000
Total admissible assets	31,671,682	23,427,900
Liabilities		
Insurance contract liabilities	15,922,534	12,811,727
Trade payables	2,640,588	1,140,673
Other payables	1,314,998	1,001,996
Defined benefit obligations	109,330	84,321
Income tax liabilities	313,227	157,845
Total admissible liabilities	20,300,677	15,196,562
Excess of total admissible assets over admissible liabilities (solvency margin)	11,371,005	8,231,338
Higher of (a) and (b):		
Gross premium income	10,215,265	12,506,551
Less: Reinsurance expense	(5,148,720)	(5,428,863)
Net premium	5,066,545	7,077,688
(a) 15% of net premium	759,982	1,061,653
(b) 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	8,371,005	5,231,338
Solvency margin ratio	379%	274%

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 tail 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.

(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.

Notes to the financial statements

Our 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	30 Sep 2023			30 Sep 2022		
	Gross premium	Reinsurance	Net	Gross premium	Reinsurance	Net
<i>In thousands of naira</i>						
Fire	2,492,559	(1,344,256)	1,148,303	2,022,408	(1,350,276)	672,132
Accident	1,255,997	(500,541)	755,456	1,163,752	(495,029)	668,723
Motor	3,473,997	(217,385)	3,256,612	1,924,717	(75,773)	1,848,944
Marine	835,358	(403,637)	431,721	784,982	(242,930)	542,052
Aviation	475,262	(323,228)	152,034	423,142	(257,108)	166,034
Bond	13,490	(2,238)	11,252	21,037	(9,772)	11,265
Engineering	753,308	(372,488)	380,820	524,176	(170,055)	354,121
Oil & Gas	3,624,549	(1,933,515)	1,691,034	3,716,595	(1,559,888)	2,156,707
Agric	17,203	(51,432)	(34,229)	-	-	-
	12,941,723	(5,148,720)	7,793,003	10,580,809	(4,160,831)	6,419,978

(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.

(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	30 Sep 2023			31 December 2022		
	Gross outstanding claims	Reinsurance recoveries	Net liabilities	Gross outstanding claims	Reinsurance recoveries	Net liabilities
<i>In thousands of naira</i>						
Motor	751,048	126,663	624,386	636,744	34,431	602,313
Fire	3,412,997	1,894,481	1,518,516	3,257,965	1,903,813	1,354,152
General accident	1,820,818	861,641	959,177	1,667,188	882,710	784,478
Engineering	332,442	126,425	206,018	317,468	177,928	139,540
Marine	1,377,527	566,038	811,490	1,118,401	432,956	685,444
Bond	2,884	-	2,884	2,668	-	2,668
Aviation	270,792	30,184	240,608	188,609	30,184	158,426
Oil & Gas	1,980,346	268,217	1,712,129	2,370,977	346,383	2,024,594
Agric	7,666	4,037	3,629	12,155	7,251	2,659
	9,956,522	3,877,685	6,078,837	9,572,175	3,815,657	5,754,274

Notes to the financial statements

7 Cash and cash equivalents

Cash and cash equivalents comprise:	30 Sep 2023	31 Dec 2022
	N'000	N'000
Cash in hand	1,454	1,097
Balances with banks & other financial institutions (see (b) below)	<u>3,598,043</u>	<u>4,308,670</u>
	3,599,497	4,309,767
Allowance for impairment (see (a) below)	<u>(73,265)</u>	<u>(73,266)</u>
Cash and bank balance as at year end	<u>3,526,233</u>	<u>4,236,501</u>

(a) 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.

(b) Allowance for impairment

Balance as at the beginning of the year	73,266	127,421
Reversal (see (i) below)	-	(11,843)
Write off (see (ii) below)	-	(42,313)
Balance as at the end of the year (see (c) below for details)	<u>73,266</u>	<u>73,266</u>

(i) This relates to recovery on placement with Resort Savings & Loans Ltd that was previously impaired.

(ii) This relates to short term investments in Moribund banks – Assurance bank, Peak Merchant Bank, Mani bank, Central Point Merchant Bank, Triumph Bank and Deap Capital Management & Trust Ltd that were previously impaired but now written-off the books completely.

(c) Amount relates to short term investments with Resort Savings and Loans N63.3million (2021: N75.1million), Triumph Bank N nil (2021: N20.1 million), Profound Finance and Investment Ltd N9.5 million (2021: N9.5million), Assurance Bank N nil (N9.3million), Center Point Merchant Bank N nil (2021: N7.4million), Capital Trust Investment & Asset Ltd N0.5million (2021: N nil million) and Others N nil (2021: N6million) 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 unquoted equity at cost.

	30 Sep 2023	31 Dec 2022
	N'000	N'000
Fair value through profit or loss (note 8.1)	3,653,370	2,849,315
Available-for-sale (note 8.2)	17,562,233	16,918,367
Loans and receivables (note 8.5)	331,167	249,121
Held to maturity (note 8.6)	<u>11,434,669</u>	<u>6,452,218</u>
	<u>32,981,439</u>	<u>26,469,021</u>

Financial instrument classification

	30 Sep 2023				Total
	Fair Value through Profit or Loss	Available for Sale	Loans and Receivables	Held to Maturity	
<i>In thousands of Naira</i>					
- Listed	3,653,370	2,807,205	-	810,410	7,270,985
- Unlisted	-	14,755,027	-	10,624,259	25,379,286
- Other financial assets	-	-	331,167	-	331,167
	<u>3,653,370</u>	<u>17,562,232</u>	<u>331,167</u>	<u>11,434,669</u>	<u>32,981,438</u>
Within one year	3,653,370	-	331,167	11,434,669	15,419,206
More than one year	-	17,562,232	-	-	17,562,232
	<u>3,653,370</u>	<u>17,562,232</u>	<u>331,167</u>	<u>11,434,669</u>	<u>32,981,438</u>

Financial instrument classification

	31 Dec 2022				Total
	Fair Value through Profit or Loss	Available for Sale	Loans and Receivables	Held to Maturity	
<i>In thousands of Naira</i>					
- Listed	2,849,316	2,178,336	-	810,410	5,838,062
- Unlisted	-	17,692,029	-	5,641,807	23,333,836
- Other financial assets	-	-	233,745	-	233,745
	<u>2,849,316</u>	<u>19,870,365</u>	<u>233,745</u>	<u>6,452,217</u>	<u>29,405,643</u>
Within one year	2,849,316	-	233,745	6,452,217	9,535,278
More than one year	-	19,870,365	-	-	19,870,365
	<u>2,849,316</u>	<u>19,870,365</u>	<u>233,745</u>	<u>6,452,217</u>	<u>29,405,643</u>

8.1 Fair value through profit or loss

The movement in the investment at fair value through profit or loss is as follows:

<i>In thousands of Naira</i>	30 Sep 2023	31 Dec 2022
Balance as at the beginning of the year	2,849,315	5,050,881
Addition during the year	746,986	1,713,854
Disposal during the year	<u>(358,094)</u>	<u>(3,733,139)</u>
	3,238,207	3,031,596
Fair value gain/(loss)	415,163	(182,281)
Balance as at the end of the year	<u>3,653,370</u>	<u>2,849,315</u>

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.

Notes to the financial statements

8.2 Available for sale

Available for sale financial assets comprise:

<i>In thousands of Naira</i>	30 Sep 2023	31 DEC 2022
Unquoted equities - at FVTOCI (see (a) below)	14,690,998	14,676,000
Equity mutual funds	1,420,341	1,375,560
Bonds at FVTOCI	1,386,864	802,778
Unquoted equities - at cost	64,029	64,029
	17,562,232	16,918,367

Reconciliation of carrying amount

<i>In thousands of naira</i>	30 Sep 2023	31 DEC 2022
Balance as at the beginning of the year	16,918,365	18,701,618
Additions during the year	643,868	1,140,018
Fair value gain/(loss)	-	(2,923,271)
Balance as at the end of the period	17,562,233	16,918,365

- (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.

Summary of Significant Assumptions

Description	30 Sep 2023	31 DEC 2022
Growth in gross income (GI)	16	16
Operating expenses / Gross income %	32	32
Depreciation and	2	2
Effective tax rate (Tax / Profit)	32	32
Capital expenditure / Gross income % over the next 5	28, 2, 2, 2, 2	28, 2, 2, 2, 2
Perpetual growth rate %	5.2	5.2
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	31.16	31.16
Risk-free rate %	14	14
Market risk premium %	17.16	17.16
Beta	1	1
Weighted average cost of	31.16	31.16
Equity value of Stanbic IBTC	177.293	177.293
Illiquidity discount %	20	20
Value of Linkage Assurance	N14.676 billion	N14.676 billion

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).

Sensitivity Analysis

At 30 Sep 2023

		Equity Value (N million)							
		Terminal growth rate of FCF							
		3.20%	3.70%	4.20%	4.70%	5.20%	6.20%	6.70%	0.072
W A C C	29.16%	162,615	164,197	165,843	167,556	169,341	173,144	175,172	177293
	29.66%	159,418	160,921	162,482	164,106	165,796	169,393	171,308	173309
	30.16%	156,345	157,772	159,254	160,794	162,396	165,801	167,612	169503
	30.66%	153,386	154,743	156,151	157,614	159,133	162,360	164,074	165861
	31.16%	150,537	151,828	153,167	154,556	155,999	159,059	160,682	162373
	31.66%	147,791	149,020	150,294	151,615	152,987	155,890	157,429	159031
	32.16%	145,144	146,315	147,528	148,785	150,088	152,846	154,307	155826
	32.16%	142,589	143,705	144,861	146,058	147,299	149,920	151,307	152748
	33.16%	140,122	141,187	142,289	143,430	144,611	147,105	148,423	149792

At 31 December 2022

		Equity Value (N million)							
		Terminal growth rate of FCF							
		3.20%	3.70%	4.20%	4.70%	5.20%	6.20%	6.70%	0.072
W A C C	29.16%	162,615	164,197	165,843	167,556	169,341	173,144	175,172	177293
	29.66%	159,418	160,921	162,482	164,106	165,796	169,393	171,308	173309
	30.16%	156,345	157,772	159,254	160,794	162,396	165,801	167,612	169503
	30.66%	153,386	154,743	156,151	157,614	159,133	162,360	164,074	165861
	31.16%	150,537	151,828	153,167	154,556	155,999	159,059	160,682	162373
	31.66%	147,791	149,020	150,294	151,615	152,987	155,890	157,429	159031
	32.16%	145,144	146,315	147,528	148,785	150,088	152,846	154,307	155826
	32.16%	142,589	143,705	144,861	146,058	147,299	149,920	151,307	152748
	33.16%	140,122	141,187	142,289	143,430	144,611	147,105	148,423	149792

Notes to the financial statements

8.5 Loans and receivables at Sep 2023

<i>In thousands of Naira</i>	Gross Amount N'000	Impairment N'000	Carrying Amount N'000
Due from third parties (see note a below)	151,070	(56,186)	94,884
Loan to staff	212,346	-	212,346
Loan to policy holders	13,655	(13,655)	-
Ex-staff loans	59,446	(35,509)	23,937
	436,517	(105,350)	331,167

Loans and receivables at Dec. 2022

<i>In thousands of Naira</i>	Gross Amount N'000	Impairment N'000	Carrying Amount N'000
Due from third parties (see note a below)	113,227	(68,115)	45,112
Loan to staff	187,663	-	187,663
Loan to policy holders	13,655	(13,655)	-
Ex-staff loans	51,855	(35,509)	16,346
	366,400	(117,279)	249,121

(a) Breakdown of Due from third parties

Name of third parties	30 Sep 2023 N'000	31 DEC 2022 N'000
<i>In thousand of Naira</i>		
Lease Fin. - Olumegbon	297	297
Tsf Fin. - Lease Fin.	927	927
Pine Hill Leasing	44,885	18,903
Lease-Glc Resources	4,374	4,374
Konikolo Trust Fund	49,087	49,087
Sunfair Comm. Prod. Ltd	1,500	1,500
Aquila Leasing Ltd.	-	20,414
Credite Capital Finance and Invest	50,000	-
Stanbic IBTC Bank Plc- CP	-	17,725
Total	151,070	113,227

(b) Impairment allowance

<i>In thousands of Naira</i>	30 Sep 2023	31 DEC 2022
Balance at the beginning of the year	(117,279)	(141,138)
Movement during the period	11,929	23,859
Balance at the end of the year	(105,350)	(117,279)

Loans and receivables are measured at amortised cost using the effective interest rate. The effective interest rate for the purpose of staff loan valuation is the applicable market lending rates at the time of avaiement. The impairment allowance of N105.4 million consists of N56.2 million impairment on due from third parties, N13.65 million on Loans to policy holders and N35.51million on ex-staff loans.

8.6 Held to maturity

<i>In thousands of Naira</i>	30 Sep 2023	31 DEC 2022
Balance at the beginning of the year	6,452,218	3,701,386
Redemption/Repayment during the year	(122,925)	(86,053)
	6,329,293	3,615,333
Additions during the period	5,105,376	2,848,077
	11,434,669	6,463,410
Impairment loss	-	(11,192)
Balance at the end of the year	11,434,669	6,452,218

Notes to the financial statements

9 Trade receivables

In thousands of Naira

Due from broker

30 Sep 2023	31 DEC 2022
1,548,041	199,857
1,548,041	199,857

9.1 Analysis of debtors in days

In thousands of Naira

Within 30 days

30 Sep 2023	31 DEC 2022
1,548,041	199,857
1,548,041	199,857

10 Reinsurance assets

In thousands of Naira

Prepaid reinsurance (note 10(a))

Reinsurance recoverable on outstanding claims (note 10(b))

Due from Reinsurers (see note (i) below)

Reinsurance projection on IBNR (note 10(c))

30 Sep 2023	31 DEC 2022	Changes during the year
2,305,692	1,347,171	958,521
3,401,581	3,339,551	62,030
22,479	118,340	(95,861)
476,104	476,104	-
6,205,856	5,281,166	924,690

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

(a) Movement in prepaid reinsurance costs

In thousands of Naira

Balance at the beginning of the year

Additions during the year

Reinsurance expense in the year (see note 33.1)

Balance at the end of the year

30 Sep 2023	31 DEC 2022
1,347,172	801,100
6,107,242	5,974,935
(5,148,720)	(5,428,863)
2,305,694	1,347,172

(b) Movement in reinsurance recoverable on outstanding claims

In thousands of Naira

Balance at the beginning of the year

Recoveries during the year (see note 17.1(a))

Balance at the end of the year

30 Sep 2023	31 DEC 2022
3,339,551	3,006,069
62,030	333,482
3,401,581	3,339,551

(c) Movement in reinsurance recoverable on IBNR projection

In thousands of Naira

Balance at the beginning of the year

Changes during the year (see note 17.1(c))

Balance at the end of the year

30 Sep 2023	31 DEC 2022
476,104	769,917
-	(29,383)
476,104	476,104

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

Motor

Fire

General accident

Engineering

Marine

Bond

Aviation

Agric

Oil & Gas

30 Sep 2023	31 DEC 2022
23,265	923
671,581	468,528
269,892	153,924
312,830	126,993
199,875	104,888
2,768	1,311
79,175	104
6,180	51,493
740,125	273,738
2,305,692	1,181,902

Notes to the financial statements

11 Deferred acquisition cost

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

<i>In thousands of Naira</i>	30 Sep 2023	31 DEC 2022
Motor	201,728	121,771
Fire	170,985	131,273
Accident	85,758	54,116
Engineering	77,996	41,807
Marine	63,216	35,810
Bond	1,822	441
Aviation	22,875	10,843
Oil & Gas	227,785	136,989
Agric	727	10,009
	<u>852,893</u>	<u>543,059</u>

11.2 Movement in the deferred acquisition costs

<i>In thousands of Naira</i>	30 Sep 2023	31 DEC 2022
Balance at the beginning of the year	543,059	432,828
Increase during the year (see note 36.1)	309,834	110,231
Balance at the end of the year	<u>852,893</u>	<u>543,059</u>

12 Other receivables and prepayments

<i>In thousands of Naira</i>	30 Sep 2023	31 DEC 2022
Prepayments (see (a) below)	357,974	177,670
Other receivables (see (b) below)	335,144	604,929
	<u>693,118</u>	<u>782,599</u>
Allowance for impairment	(2,602)	(2,602)
	<u>690,516</u>	<u>779,997</u>

(a) Prepayments

<i>In thousands of Naira</i>	30 Sep 2023	31 DEC 2022
Prepaid staff benefits (see (i) below)	199,224	110,756
Deposits with stock broker (see (ii) below)	2,602	2,602
Prepaid rent	15,247	10,207
Other prepaid expenses (see (iii) below)	140,901	54,105
	<u>357,974</u>	<u>177,670</u>

This represents amounts prepaid to staff of the Company with respect to rent advance (N40million), furniture grant (N2million), staff fleet premium advance (N2 million), housing grant (N25million) and car loan encashment (N130million).

(i) This represents deposits with stock brokers.

(ii) This includes expenses incurred by the Company whose payments were made in advance but services have not been fully rendered within specific period intervals.

(iii) This includes expenses incurred by the Company whose payments were made in advance but services have not been fully rendered within specific period intervals.

(b) Other receivables

<i>In thousands of Naira</i>	30 Sep 2023	31 DEC 2022
Withholding tax recoverable	205,871	141,443
Sundry receivables (see (i) below)	129,273	463,486
	<u>335,144</u>	<u>604,929</u>
Allowance for impairment (see (ii) below)	(2,602)	(2,602)
	<u>332,542</u>	<u>602,327</u>

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

(ii) The impairment allowance of N2.6 million represents impairment on deposits with stock brokers.

Notes to the financial statements

Movement in allowance for impairment

In thousands of Naira

	30 Sep 2023	31 DEC 2022
Balance at the beginning of the year	2,602	6,211
Reversal*	-	(3,609)
Balance at the end of the year	2,602	2,602

* This relates to long outstanding prepaid benefits that were previously impaired but now written-off the books completely.

12a Right-of-use assets

	30 Sep 2023	31 DEC 2022
Cost	N'000	N'000
Balance at the beginning of the year	35,387	31,527
Addition during the year	-	3,860
Balance at the end of the year	35,387	35,387
Accumulated Amortisation		
Balance at the beginning of the year	13,642	6,305
Charge for the year	6,176	7,337
Balance at the end of the year	19,818	13,642
Carrying amount		
Balance at the end of the year	15,568	21,744

13 Investment properties

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

	Carrying amount as at 1 January 2022	Additions	Disposals	Reclassification	Fair value gain/(loss)	Carrying amount as at 31 Dec 2022
S/N Location of asset	N'000	N'000	N'000	N'000	N'000	N'000
1 No. 9C Shekinah Green Estate, Apo District, Abuja.	78,750	-	-	-	1,250	80,000
2 No. 11C Shekinah Green Estate, Apo District, Abuja.	78,750	-	-	-	1,250	80,000
	157,500	-	-	-	2,500	160,000

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

(b) Reconciliation of carrying amount

In thousands of Naira

	30 Sep 2023	31 DEC 2022
Balance at the beginning of the year	160,000	157,500
Fair value gain/(loss)	-	2,500
Balance at the end of the year	160,000	160,000

(c) Measurement of fair values

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

<i>In thousands of Naira</i>	30 Sep 2023	31 DEC 2022
Level 1	-	-
Level 2	-	-
Level 3	160,000	160,000
	160,000	160,000

Notes to the financial statements

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 neighbourhood in recent time. References were made to prices of land and comparable properties in the neighbourhood. The data obtained were analysed 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

	30 Sep 2023	31 DEC 2022
Cost		
Balance at the beginning of the year	88,400	114,906
Addition during the year	31,713	21,253
Disposal during the year	-	(47,759)
Balance at the end of the year	120,112	88,400
Accumulated Amortisation		
Balance at the beginning of the year	67,556	78,040
Charge for the year	4,089	7,427
Disposal during the year	-	(17,910)
Balance at the end of the year	71,645	67,556
Net Book Value		
Balance at the end of the year	48,467	20,844

Notes to the financial statements

15 Property and equipment
30 Sept 2023

<i>In thousands of Naira</i>	Land	Buildings	Motor Vehicles	Office furniture & fittings	Office Machinery & Equipment	Building (Work in progress)	Total
Cost/valuation							
At 1 January 2023	847,420	287,818	1,023,951	165,404	305,892	85,861	2,716,345
Additions	-	804	247,250	831	21,678	131,792	402,355
Disposal	-	-	(26,700)	-	(15,031)	-	(41,731)
30 Sep 2023	847,420	288,622	1,244,501	166,235	312,539	217,653	3,076,968
Accumulated depreciation							
At 1 January 2023	-	99,246	671,610	150,732	210,080	-	1,131,667
Charge for the year	-	3,530	141,002	4,963	30,373	-	179,868
Disposal	-	-	(26,700)	-	(15,031)	-	(41,731)
30 Sep 2023	-	102,776	785,911	155,694	225,422	-	1,269,803
Carrying amount							
30 Sep 2023	847,420	185,846	458,589	10,540	87,117	217,653	1,807,165
At 31 December 2022	847,420	188,572	352,341	14,674	95,811	85,861	1,584,678

Property and equipment
At 31 December 2022

<i>In thousands of Naira</i>	Land	Buildings	Motor Vehicles	Office furniture & fittings	Office Machinery & Equipment	Building (Work in progress)	Total
Cost/valuation							
At 1 January 2022	847,420	287,817	853,951	156,217	237,680	85,861	2,468,945
Additions	-	-	253,202	9,417	71,727	-	334,346
Disposal	-	-	(83,202)	(230)	(3,515)	-	(86,947)
Revaluation loss	-	-	-	-	-	-	-
Revaluation gain	-	-	-	-	-	-	-
At 31 December 2022	847,420	287,817	1,023,951	165,404	305,892	85,861	2,716,345
Accumulated depreciation							
At 1 January 2022	-	94,542	588,285	144,218	174,723	-	1,001,768
Charge for the year	-	4,704	165,701	6,743	38,311	-	215,459
Disposal	-	-	(82,377)	(230)	(2,953)	-	(85,560)
At 31 December 2022	-	99,246	671,609	150,731	210,080	-	1,131,667
Carrying amount							
At 31 December 2022	847,420	188,571	352,341	14,674	95,812	85,861	1,584,679
At 31 December 2021	847,420	193,276	265,665	12,000	62,957	85,861	1,467,178

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

<i>In thousands of Naira</i>	30 Sep 2023			31 December 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Land	-	-	847,420	-	-	847,420
Building	-	-	185,846	-	-	188,572
Building (work in progress)	-	-	217,653	-	-	85,861
	-	-	1,250,919	-	-	1,121,853

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 (FRC/2012/NIESV/0000000363). The Company revalues its land and buildings every three years as stated in its accounting policy.

- There were no capitalized borrowing costs related to the acquisition of property and equipment during the year
- 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.
- The Company had no capital commitments as at the reporting date (December 2022: nil)
- There was no item of property and equipment that has been pledged as security for borrowings as at the period ended 30 Sept 2022 (December 2022: nil)
- An impairment assessment was conducted and no impairment indicator was identified.

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 Registry
Land in Yenagoa	30-Apr-12	Letter of allocation by Bayelsa State Government	Central business district Swali, Yenagoa, Bayelsa State	55,000	The company had applied to register the allocation letter with the Bayelsa State Lands Registry
Linkage Millennium Tower, 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	

Notes to the financial statements

16 Statutory deposit		30 Sep 2023	31 DEC 2022
		₦'000	₦'000
Statutory deposit with CBN		700,000	700,000

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 N200 million was made by the Company to the Central Bank of Nigeria on 23 June 2022 to increase its statutory deposit from N500 million to N700 million.

17 Insurance contract liabilities		30 Sep 2023	31 DEC 2022
		₦'000	₦'000
Provision for claims reported by policyholders (note 17.1(a))		6,886,402	6,732,055
Provision for IBNR (note 17.1(c))		3,070,119	2,840,118
Outstanding claims provision		9,956,521	9,572,173
Provision for unearned premium (note 17.2)		5,966,013	3,239,554
Total insurance contract liabilities		15,922,534	12,811,727

17.1 Analysis of claims reserve based on nature

	30 Sep 2023			31 DEC 2022		
	Gross claims	Reinsurance	Net	Gross claims	Reinsurance	Net
<i>In thousands of Naira</i>						
Reported claims (see (a) below)	6,886,402	3,401,581	3,484,821	6,732,056	3,339,551	3,392,505
IBNR (see (c) below)	3,070,119	476,104	2,594,015	2,840,119	476,103	2,191,506
	9,956,521	3,877,685	6,078,836	9,572,175	3,815,654	5,844,011

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

	30 Sep 2023			31 DEC 2022		
	Reported claims	Reinsurance	Net	Reported claims	Reinsurance	Net
<i>In thousands of Naira</i>						
Balance at the beginning of the year	6,732,056	3,339,551	3,392,505	6,107,518	3,006,069	3,101,449
Movement during the year	154,346	62,030	92,316	624,538	333,482	291,056
Balance at the end of the year	6,886,402	3,401,581	3,484,821	6,732,056	3,339,551	3,392,505

Analysis of outstanding claims per class of business:

	30 Sep 2023			31 DEC 2022		
	Gross Outstanding claims	Reinsurance recoveries	Net	Gross Outstanding claims	Reinsurance recoveries	Net
<i>(b) In thousands of Naira</i>						
Motor	453,208	119,491	333,717	361,217	27,258	333,959
Fire	2,299,004	1,741,400	557,603	2,227,427	1,750,732	476,695
General accident	1,582,371	840,111	742,260	1,446,604	861,179	585,424
Engineering	268,123	124,134	143,988	257,967	175,637	82,330
Marine	1,028,132	550,100	478,032	795,180	417,018	378,162
Bond	-	-	-	-	-	-
Aviation	186,228	-	186,228	110,380	-	110,380
Oil & Gas	1,064,831	23,243	1,041,589	1,524,049	101,409	1,422,639
Agric	4,507	3,103	1,404	9,233	6,317	2,916
	6,886,402	3,401,581	3,484,821	6,732,056	3,339,551	3,392,504

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

	30 Sep 2023			31 DEC 2022		
	IBNR claims	Reinsurance	Net	IBNR claims	Reinsurance	Net
<i>In thousands of Naira</i>						
At the beginning of the year	2,840,118	476,104	2,364,014	2,761,423	769,917	1,991,506
Movement during the year	230,001	-	230,001	78,695	(293,813)	200,000
At the end of the year	3,070,119	476,104	2,594,015	2,840,118	476,104	2,191,506

Analysis of IBNR claims per class of business:

	30 Sep 2023			31 DEC 2022		
	IBNR claims	Reinsurance recoveries	Net	IBNR claims	Reinsurance recoveries	Net
<i>In thousands of Naira</i>						
Motor	297,840	7,173	290,667	275,527	7,173	328,019
Fire	1,113,993	153,081	960,913	1,030,538	153,081	1,293,464
General accident	238,447	21,530	216,917	220,584	21,530	152,405
Engineering	64,320	2,291	62,029	59,501	2,291	44,308
Marine	349,396	15,938	333,458	323,220	15,938	73,299
Bond	2,884	-	2,884	2,668	-	2,585
Aviation	84,565	30,184	54,381	78,230	30,184	49,129
Agric	3,159	934	2,226	2,923	934	1,134
Oil & Gas	915,514	244,974	670,541	846,928	244,974	247,162
	3,070,119	476,103	2,594,016	2,840,118	476,103	2,191,506

Notes to the financial statements

17.2 Breakdown of unearned premium per class of business:

	30 Sep 2023			31 DEC 2022		
	Unearned Premium	Prepaid Reinsurance	Net	Unearned Premium	Prepaid Reinsurance	Net
<i>In thousands of Naira</i>						
Motor	1,859,120	23,265	1,835,855	977,286	59,649	917,637
Fire	1,149,641	671,581	478,060	785,111	519,436	265,675
General accident	528,773	269,892	258,881	330,158	139,852	190,306
Engineering	457,915	312,830	145,085	223,267	160,295	62,972
Marine	366,584	199,875	166,709	183,153	121,354	61,799
Bond	10,344	2,768	7,576	2,409	1,265	1,144
Aviation	125,844	79,175	46,668	48,822	31,197	17,625
Oil & Gas	1,457,900	740,125	717,774	629,158	262,859	366,299
Agric	9,895	6,180	3,714	60,188	51,265	8,923
	5,966,013	2,305,692	3,660,321	3,239,553	1,347,171	1,892,382

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

	30 Sep 2023			31 DEC 2022		
	Unexpired Risk reserve	Reinsurance	Net	Unexpired Risk reserve	Reinsurance	Net
<i>In thousands of Naira</i>						
Balance at the beginning of the year	3,239,553	1,347,171	1,965,215	2,766,315	801,100	1,965,215
Premium written in the year	12,941,723	6,107,242	6,834,481	12,979,789	5,974,934	7,004,854
Premium earned during the year	(10,215,265)	(5,148,720)	(5,066,545)	(12,506,551)	(5,428,863)	(7,077,688)
Balance at the end of the year	5,966,011	2,305,693	3,733,151	3,239,553	1,347,171	1,892,382

	30 Sep 2023			31 DEC 2022		
	Unexpired Risk reserve	Reinsurance	Net	Unexpired Risk reserve	Reinsurance	Net
<i>In thousands of Naira</i>						
Unexpired risk reserve	3,239,553	1,347,171	1,965,215	2,766,315	801,100	1,965,215
Additional unexpired risk reserve	2,726,458	958,520	1,767,938	473,238	546,071	(72,833)
Balance at the end of the year	5,966,011	2,305,691	3,733,153	3,239,553	1,347,171	1,892,382

18 Hypothecation

	30 Sep 2023			31 DEC 2022		
	Insurance fund	Shareholders fund	Total	Insurance fund	Shareholders fund	Total
<i>In thousands of Naira</i>						
Assets						
Cash and cash equivalents	3,176,233	350,000.00	3,526,233	3,909,506	350,000	4,259,506
Financial assets	13,261,354	19,720,085	32,981,439	7,876,875	21,528,768	29,405,643
Reinsurance assets	6,205,856	-	6,205,856	5,409,711	-	5,409,711
Deferred acquisition cost	-	852,893	852,893	-	540,732	540,732
Other receivables and prepayments	-	690,516	690,516	-	764,993	764,993
Investment properties	-	160,000	160,000	-	160,000	160,000
Intangible assets	-	48,467	48,467	-	20,749	20,749
Property and equipment	-	1,807,165	1,807,165	-	1,584,678	1,584,678
Statutory deposit	-	700,000	700,000	-	700,000	700,000
Total assets	22,643,443	24,329,126	46,972,569	17,196,093	25,649,920	42,846,012
Liabilities						
Insurance contract liabilities	15,922,534	-	15,922,534	13,233,898	-	13,233,898
Trade payables	-	2,640,588	2,640,588	-	1,140,673	1,140,673
Other payables	-	1,314,998	1,314,998	-	933,436	933,436
Defined benefit obligations	-	109,330	109,330	-	122,066	122,066
Income tax liabilities	-	313,227	313,227	-	151,123	151,123
Total liabilities	15,922,534	4,378,143	20,300,677	13,233,898	2,347,298	15,581,196
GAP	6,720,909	19,950,983	26,671,892	3,962,195	23,302,622	27,264,815

Notes to the financial statements

19	Trade payables	30 Sep 2023	31 DEC 2022
		₦'000	₦'000
	Insurance payables (note 19.1)	2,640,588	1,140,673
		2,640,588	1,140,673
19.1	Insurance payables	30 Sep 2023	31 DEC 2022
		₦'000	₦'000
	Commission payables to brokers	434,304	264,463
	Premium received in advance	24,928	21,707
	Due to re-insurers (see 'a' below)	2,039,852	714,068
	Other payables to agents and brokers (see 'b' below)	141,504	140,435
		2,640,588	1,140,673
	Movement in insurance payables	30 Sep 2023	31 DEC 2022
		₦'000	₦'000
	Balance at the beginning of the year	1,140,673	765,141
	Addition in the year	1,499,915	375,532
	Balance at the end of the year	2,640,588	1,140,673
	(a) This is a payable to reinsurance companies as at 30 Sep 2023		
	(b) This represents business acquisition costs payable to agents and brokers as at 30 September 2023		
20	Other payables	30 Sep 2023	31 DEC 2022
		₦'000	₦'000
	Due to Auditors	12,844	4,613
	NAICOM levy	129,417	129,797
	Expenses payable (see note 20.1)	262,199	148,948
	Deferred commission revenue (see (a) below)	446,251	259,747
	Other payables (see note 20.2a)	121,287	115,891
		971,998	658,996
	Provision for litigation (see note 20.2b)	343,000	343,000
		1,314,998	1,001,996
	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:		
		30 Sep 2023	31 DEC 2022
		₦'000	₦'000
	Deferred commission income as at 1 January	259,747	159,844
	Fees and commission received during the year	1,311,754	1,161,239
	Fees and commission earned during the year (see note 34.2)	(1,125,250)	(1,061,336)
	Deferred commission income at the end of the period	446,251	259,747
20.1	Expenses payable	30 Sep 2023	31 DEC 2022
		₦'000	₦'000
	Expenses accrued (see (i) below)	262,199	148,997
		262,199	148,997
	(i) This represents expenses incurred during the year by the Company but for which bills/invoices have not been received from vendors as at 30 September 2023.		
20.2	Other liabilities	30 Sep 2023	31 DEC 2022
(a)	Other payables	₦'000	₦'000
	National Housing Fund (NHF)	1,025	1,025
	Pension for Life agents/Company	604	604
	Deposit without details (see (c) below)	47,740	23,801
	Withholding Tax Payables	771	1,130
	Sundry payables	78,466	89,333
		121,287	115,893

Notes to the financial statements

(b) Provisions	30 Sep 2023	31 DEC 2022
	N'000	N'000
Provision for litigation (see (i) below)	343,000	343,000

(i) Included in provision for litigation is additional provision of N243 million which represents estimated outflow from a judgment delivered against the Company in 2021 financial 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. The total estimated liability as at Sep 2023 is N343million (2022: N343million). The case is currently being appealed at the Court of Appeal.

22 Defined benefit obligations

	Defined benefit liability		Fair value of plan assets		Defined benefit liability / (asset)	
	30 Sep 2023	31 Dec 2022	30 Sep 2023	31 DEC 2022	30 Sep 2023	31 DEC 2022
	N'000	N'000	N'000	N'000	N'000	N'000
At the beginning of the year	186,753	189,430	(102,432)	(99,770)	84,321	89,660
Current service cost	-	31,564	-	-	-	31,564
Past service cost	-	-	-	-	-	-
Interest cost (income)	-	29,213	-	(15,516)	-	13,697
Contribution by employer	31,500	-	-	-	31,500	-
Benefits paid by the employer	(6,977)	(29,211)	485	29,211	(6,492)	-
Actuarial (gain)/loss on liability arising from:						
- Assumptions	-	(10,281)	-	(16,356)	-	(26,637)
- Experience	-	(23,962)	-	-	-	(23,962)
At the end of the year	211,276	186,753	(101,947)	(102,431)	109,330	84,321

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 O&A Hedge Actuarial Consulting with FRC number FRC/2019/00000012909. The valuation report was signed by Layemo B. Abraham with FRC number FRC/2016/NAS/00000015764.

23 Income tax liabilities

In thousands of Naira

	30 Sep 2023	31 DEC 2022
At the beginning of the period	157,845	60,257
Charge for the year (note 23.1)	244,727	129,291
Back duty assessment	(27,097)	-
Payment during the period	(62,248)	(31,703)
At the end of the period	313,227	157,845

23.1 Tax charge

In thousands of Naira

	30 Sep 2023	31 DEC 2022
Income tax (CIT)	244,727	76,196
Minimum tax expense	-	25,548
Tertiary education tax	-	27,411
NITDA Levy	-	137
Police Trust Fund levy	-	-
	244,727	129,291
Back duty assessment		
Tax expense/(credit)	244,727	129,291

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.

Notes to the financial statements

	<u>30 Sep 2023</u>	<u>31 DEC 2022</u>
	₦'000	₦'000
25 Share capital		
Authorized - ordinary shares of 50k each (30,000,000,000 units)	<u>15,000,000</u>	<u>15,000,000</u>
25.1 Issued and fully paid	<u>30 Sep 2023</u>	<u>31 DEC 2022</u>
	₦'000	₦'000
Authorised - ordinary shares of 50k each (14,000,000,000 units)	<u>7,000,000</u>	<u>7,000,000</u>
At the beginning of the year	7,000,000	7,000,000
Additions	-	-
Recognition of share fractions	-	-
At the end of the period	<u>7,000,000</u>	<u>7,000,000</u>
26 Share premium	<u>30 Sep 2023</u>	<u>31 DEC 2022</u>
	₦'000	₦'000
At the end of the period	<u>560,294</u>	<u>560,294</u>
27 Contingency reserve	<u>30 Sep 2023</u>	<u>31 DEC 2022</u>
	₦'000	₦'000
At the beginning of the year	3,395,997	2,882,618
Transfer from retained earnings (see Note 28)	680,973	513,379
At the end of the period	<u>4,076,970</u>	<u>3,395,997</u>
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.		
28 Retained earnings	<u>30 Sep 2023</u>	<u>31 DEC 2022</u>
	₦'000	₦'000
At the beginning of the year	(1,463,786)	(3,517,298)
Profit for the year	3,404,862	2,566,891
Transfer to contingency reserve (see Note 27)	(680,973)	(513,379)
At the end of the period	<u>1,260,103</u>	<u>(1,463,786)</u>
29 Assets revaluation reserve	<u>30 Sep 2023</u>	<u>31 DEC 2022</u>
	₦'000	₦'000
At the beginning of the year	828,773	828,773
At the end of the period	<u>828,773</u>	<u>828,773</u>
The asset revaluation reserves comprises cumulative net revaluation change on revalued Property and Equipment. The last revaluation of land and buildings was done in 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	<u>30 Sep 2023</u>	<u>31 DEC 2022</u>
	₦'000	₦'000
Balance as at January 1	14,423,389	17,346,660
Fair value gain/ (loss) during the year	30,333	(2,923,271)
Balance as at the end of the period	<u>14,453,722</u>	<u>14,423,389</u>
30.2 Re-measurement reserve	<u>30 Sep 2023</u>	<u>31 DEC 2022</u>
	₦'000	₦'000
Balance as at January 1	55,639	5,040
Defined benefits actuarial gain	-	50,599
Balance as at the end of the period	<u>55,639</u>	<u>55,639</u>

Notes to the financial statements

31 Gross premium written

	30 Sep 2023	30 Sep 2022
	₦'000	₦'000
Direct premium (note 31.1)	12,678,321	10,472,115
Inward premium (note 31.1)	263,402	216,854
	12,941,723	10,688,969

31.1 Breakdown of gross premium written per business class is as follows:

	Direct premium	Inward premium	Total
30 Sep 2023	₦'000	₦'000	₦'000
Fire	2,433,281	59,278	2,492,559
Accident	1,233,601	22,396	1,255,997
Motor	3,418,882	55,115	3,473,997
Marine	719,534	115,824	835,358
Aviation	475,262	-	475,262
Bond	13,490	-	13,490
Engineering	742,768	10,540	753,308
Oil & Gas	3,624,300	249	3,624,549
Agric	17,203	-	17,203
	12,678,321	263,402	12,941,723

	Direct premium	Inward premium	Total
30 Sep 2022	₦'000	₦'000	₦'000
Fire	1,987,965	34,443	2,022,408
Accident	1,140,655	23,097	1,163,752
Motor	1,856,132	68,585	1,924,717
Marine	710,790	74,192	784,982
Aviation	420,209	2,933	423,142
Bond	21,037	-	21,037
Engineering	512,028	12,148	524,176
Oil & Gas	3,716,595	-	3,716,595
Agric	106,704	1,456	108,160
	10,472,115	216,854	10,688,969

32 Gross premium income

	30 Sep 2023	30 Sep 2022
	₦'000	₦'000
Gross premium written (note 31)	12,941,723	10,688,969
Changes in reserve for unexpired risks (note 17.2)	(2,726,458)	(1,694,671)
	10,215,265	8,994,298

Notes to the financial statements

33 Reinsurance expenses

5,148,720 4,174,281

33.1 Premium ceded to reinsurance:

	30 Sep 2023	30 Sep 2022
	₦'000	₦'000
Reinsurance premium (Treaty)	5,494,976	4,576,034
Facultative outwards	612,264	567,352
Total reinsurance cost	6,107,240	5,143,386
Increase/(Decrease) in prepaid reinsurance	(958,520)	(969,105)
	5,148,720	4,174,281

33.2 Breakdown of premium ceded to reinsurer per business class is as follows:

	30 Sep 2023	30 Sep 2022
	₦'000	₦'000
Fire	1,344,256	1,350,276
Accident	500,541	495,029
Motor	217,385	75,773
Marine	403,637	242,930
Aviation	323,228	257,108
Bond	2,238	9,772
Engineering	372,488	170,055
Oil & Gas	1,933,515	1,559,888
Agric	51,432	13,450
	5,148,720	4,174,281

34 Fees and commission income

1,003,335 653,052

34.1 Breakdown of fees and commission income per business class is as follows:

	30 Sep 2023	30 Sep 2022
	₦'000	₦'000
Fire	418,406	308,305
Accident	161,665	155,598
Motor	36,153	918
Marine	128,724	93,105
Aviation	1,853	291
Bond	681	3,054
Engineering	91,203	42,997
Agric	12,521	3,550
Oil & Gas	152,129	45,234
	1,003,335	653,052

34.2 Breakdown of fees and commission income is as follows:

	30 Sep 2023	30 Sep 2022
	₦'000	₦'000
Lead underwriting commission	11,403	15,400
Reinsurance commission (Note 20(a))	1,125,250	742,922
Profit Comm. & Comm. Adjustment	53,185	31,122
Changes in deferred commission revenue	(186,503)	(136,393)
	1,003,335	653,051

Notes to the financial statements

35 Net claims expenses	30 Sep 2023	30 Sep 2022
	₹'000	₹'000
Gross claims paid	3,452,429	2,073,473
Movement in IBNR reserve (see note 17.1(c))	230,001	100,000
Movement in reserve for outstanding claims	154,346	809,568
Gross claims incurred	3,836,776	2,983,041
Salvage recovery	(68,072)	(92,601)
Claims recovered and recoverable from reinsurers (see (a) below)	(1,386,425)	(1,203,133)
	2,382,278	1,687,307
a) Analysis of claims recovered and recoverable from reinsurers	30 Sep 2023	30 Sep 2022
	₹'000	₹'000
Reinsurance claims recoveries (see note 44c)	1,324,395	754,199
Change in re-insurance recoverable (see note 10b)	62,030	448,934
	1,386,425	1,203,133
36 Underwriting expenses	30 Sep 2023	30 Sep 2022
	₹'000	₹'000
Acquisition expenses (note 36.1)	3,077,648	2,884,503
Maintenance expenses (note 36.2)	-	545,023
	3,077,648	3,429,526
36.1 Analysis of acquisition expenses	30 Sep 2023	30 Sep 2022
	₹'000	₹'000
Commission expense	2,045,052	1,834,563
Business acquisition cost	1,342,428	1,342,889
Movement in deferred acquisition cost (see note 11.2)	(309,832)	(292,949)
	3,077,648	2,884,503
36.2 Analysis of maintenance expenses	30 Sep 2023	30 Sep 2022
	₹'000	₹'000
Staff costs (see note 41)	-	291,650
Directors' emoluments (see note 41)	-	30,712
Retirement benefit cost (see note 41)	-	51,665
Other operating expenses (note 41)	-	170,996
	-	545,023
<p>Prior to 2023, 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. This practice is no longer in application.</p>		
37 Investment income	30 Sep 2023	30 Sep 2022
	₹'000	₹'000
Dividend income	1,649,843	3,305,281
Interest income	1,611,572	956,372
Investment income per statement of profit or loss and OCI	3,261,415	4,261,653
Investment income for hypothecation	3,261,415	4,261,653

Notes to the financial statements

37.1 Hypothecation of investment income	30 Sep 2023	30 Sep 2022
	N'000	N'000
Investment income that relate to policyholders (note 37.2)	298,007	175,863
Investment income that relate to shareholders (note 37.3)	2,963,408	4,085,790
	3,261,415	4,261,653
37.2 Investment income that relate to policy holders	30 Sep 2023	30 Sep 2022
	N'000	N'000
Income from money market	298,007	175,863
	298,007	175,863
37.3 Investment income that relate to shareholders	30 Sep 2023	30 Sep 2022
	N'000	N'000
Dividend income	1,649,843	3,305,281
Income from money market	133,488	11,378
Income from bonds	554,014	456,726
Other investment income	626,063	312,405
	2,963,408	4,085,790
This represent income from investment and commercial papers.The investment income was buoyed by the dividend income of		
(a) N1.5billion received from Stanbic IBTC Pension Managers Ltd.		
38 Net impairment loss on financial assets	30 Sep 2023	30 Sep 2022
	N'000	N'000
Decrease in impairment provisions on loans and receivables	11,929	-
	11,929	-
38 Net fair value gains/(loss) on financial assets at fair value through profit or loss	30 Sep 2023	30 Sep 2022
	N'000	N'000
Fair value change on FVTPL securities	415,163	(248,328)
39 Other operating (loss)/income (net)	30 Sep 2023	30 Sep 2022
	N'000	N'000
Sundry income	335,685	3,919
Gain on sale of property & equipment	12,220	29,538
Exchange gains	1,719,057	216,687
Rental income	3,500	6,300
	2,070,462	256,444

Notes to the financial statements

41 Maintenance and management expenses

Maintenance and management expenses comprise:

In thousands of Naira

	30 Sep 2023		30 Sep 2022	
	Maintenance Expenses	Management Expenses	Maintenance Expenses	Management Expenses
Staff cost		676,017	291,650	437,474
Director emoluments		135,570	30,712	46,069
Pension contribution		24,489	10,297	15,445
Retirement benefits		57,070	41,368	62,053
Outsourcing cost		186,759	57,024	85,537
Advertising & publicity		19,431	5,968	8,952
Marketing expenses		25,906	9,974	14,960
Medical		35,359	14,585	21,878
Staff training & development		141,881	40,094	60,142
Corporate Expense		51,976	43,350	-
AGM expenses	-	28,984	-	9,000
Bank charges	-	34,032	-	32,841
Depreciation & amortisation	-	183,957	-	163,704
Amortisation on ROU		6,176	-	
Diesel and fuel	-	103,954	-	67,536
Entertainment	-	3,930	-	1,155
Fines & penalties	-	7,250	-	-
Industrial training fund	-	(7,789)		6,196
Insurance expenses	-	26,535	-	17,438
Insurance supervision fee	-	148,987	-	135,638
Legal and secretarial expenses	-	62,854	-	8,658
Retail agents expenses	-	26,992	-	21,208
Lighting & heating	-	8,686	-	9,203
Maintenance expense	-	76,700	-	134,767
Newspapers & periodicals	-	1,291	-	2,252
Postage and telephone	-	21,774	-	20,943
Consultancy expenses	-	179,017	-	87,444
Rent & rate	-	22,681	-	43,254
Stationaries	-	13,020	-	15,966
Subscriptions, contributions & donations	-	19,237	-	17,850
Transport and business travels	-	8,460	-	11,933
Withholding tax & VAT	-	121,746	-	113,308
Audit fee	-	11,893	-	12,250
Rebranding expenses	-	163,086	-	196,873
Asset derecognition	-	-	-	1,194
Others	-	91,424	-	548,445
Total	-	2,719,335	545,024	2,431,565

Notes to the financial statements

42 Net fair value (loss)/gain on available-for-sale financial assets

	30 Sep 2023	30 Sep 2022
	N'000	N'000
Fair value gain / (loss) in available-for-sale investments - unquoted equities	30,333	(11,571)
	30,333	(11,571)

43 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:

	30 Sep 2023	30 Sep 2022
Profit attributable to ordinary shareholders (N'000)	3,404,862	2,084,496
Weighted average number of ordinary shares	14,000,000	14,000,000
Basic and diluted earnings per share (Kobo)	24.3	14.9

44 Cashflow reconciliation

a) Other operating cash payments

In thousands of Naira

	30 Sep 2023	31 Dec 2022
	N'000	N'000
Management expenses (less staff expenses)	(1,604,071)	(1,738,359)
Adjustment for items not involving movement of cash:		
Changes in unearned premium	(2,726,458)	(473,238)
Depreciation and amortisation expense	183,957	222,886
Amortisation on ROU	6,176	7,337
Impairment gain	11,929	39,311
Exchange gain/loss	1,719,057	(300,281)
Sundry loss/(income)	335,685	(5,013)
Loss/(Profit) on sale of PPE	12,220	(28,954)
Asset derecognition	-	1,194
Current service cost	-	18,938
Net interest cost	-	13,697
Operating cash flows before movements in working capital	(2,061,505)	(2,242,482)
Changes in trade payables	1,499,915	414,279
Changes in trade payables (Provision for Litigation)	-	(3,000)
Changes in defined benefit obligation	25,009	
Changes in company income tax liabilities	155,382	
Other sundry (payable)/receivable	14,850	82,850
Changes in Other receivables and prepayment	(1,138,867)	(471,563)
Changes in outstanding claims	384,348	-
Changes in other payables	313,002	206,977
	(807,866)	(2,012,939)

b) Premium received from policy holders

In thousands of Naira

	30 Sep 2023	31 Dec 2022
	N'000	N'000
Trade receivable at 1 January	199,857	81,468
Gross premium written during the year	12,941,723	12,979,789
Trade receivable at end of the period	(1,548,041)	(199,857)
Premium received in advance	(24,928)	(60,454)
	11,568,611	12,800,946

Notes to the financial statements

c) Recovery and recoverable from reinsurers

In thousands of Naira

Reinsurance claims recoveries (note 35(a))

Salvage recovery (note 35)

30 Sep 2023	31 Dec 2022
₦'000	₦'000
1,324,395	1,155,073
68,072	121,099
1,392,467	1,276,172

d) Reinsurance premium paid

In thousands of Naira

Reinsurance premium cost (note 33.1)

Facultative outwards (note 33.1)

Due to reinsurers as at end of the period

Movement in treaty premium surplus

30 Sep 2023	31 Dec 2022
₦'000	₦'000
5,494,976	5,100,153
612,264	874,782
(2,039,852)	(714,068)
714,068	481,525
4,781,456	5,742,392

e) Commission paid

In thousands of Naira

Commission payable to brokers at 1 January

Commission cost (Note 36.1)

Business acquisition cost (Note 36.1)

Commission payable to brokers at 31 December

Other payables to agents and brokers

30 Sep 2023	31 Dec 2022
₦'000	₦'000
264,463	139,177
2,045,052	2,200,289
1,342,428	2,043,487
(434,304)	(264,463)
(1,069)	(56,450)
3,216,570	4,062,040

f) Commission received

In thousands of Naira

Deferred commission revenue at 1 January

Deferred commission revenue at current period

Movement

Commission income earned during the year

Lead underwriting commission

Commission income received during the year

30 Sep 2023	31 Dec 2022
₦'000	₦'000
(259,747)	(159,844)
446,251	446,251
186,504	99,903
991,932	637,651
11,403	19,111
1,189,839	1,161,261

g) Interest received

In thousands of Naira

Interest income earned during the year

Interest received during the year

30 Sep 2023	31 Dec 2022
₦'000	₦'000
1,611,572	1,391,271
1,611,572	1,391,271

h) Movement in financial assets

30 Sep 2023

In thousands of Naira

Addition

Disposals/redemption

Loan repayment

Fair value gain

	Fair value through P/L	Available for sale	Loans & receivables	Held to maturity	Total Movement
	746,986	643,868	62,959	5,105,376	6,559,189
	(358,094)	-	-	(122,925)	(481,019)
	-	-	(18,023)	-	(18,023)
	415,163	-	-	-	415,163
	804,055	643,868	44,936	4,982,451	6,475,310

Notes to the financial statements

Movement in financial assets

31 Dec 2022

<i>In thousands of Naira</i>	Fair value through profit or loss	Available for sale	Loans & receivables	Held to maturity	Total Movement
Addition	1,713,854	1,140,020	173,158	2,848,077	5,875,109
Disposals/redemption	(3,733,139)	-	-	(86,053)	(3,819,192)
Loan repayment	-	-	(89,554)	-	(89,554)
Impairment	-	-	23,859	-	23,859
Fair value (loss)/gain	(182,281)	(2,923,271)	-	-	(3,105,552)
	(2,201,566)	(1,783,251)	107,463	2,762,024	(1,115,330)

i) Purchase of property and equipment

In thousands of Naira

Addition for the year per movement schedule

Cash flow on addition to property and equipment

30 Sep 2023	31 Dec 2022
₦'000	₦'000
402,355	334,346
402,355	334,346

j) Sale of property and equipment

In thousands of Naira

Costs of assets disposed

Accumulated depreciation on assets disposed

Proceeds on sale of disposed asset

Profit/(Loss) on disposal

30 Sep 2023	31 Dec 2022
₦'000	₦'000
41,731	74,647
(41,731)	(73,260)
(12,220)	(30,341)
(12,220)	(28,954)

l) Cash payment to and on behalf of employees (excluding maintenance expenses)

In thousands of Naira

Staff cost

Director emolument

Pension contribution

Retirement benefits

Contract staff cost

Medical

30 Sep 2023	31 Dec 2022
₦'000	₦'000
676,017	662,724
135,570	67,690
24,489	20,335
57,070	71,221
186,759	128,182
35,359	28,469
1,115,264	978,622

45 Cash and cash equivalents

Cash in hand

Balances with banks & other financial institutions

30 Sep 2023	31 Dec 2022
₦'000	₦'000
1,454	1,097
3,524,779	4,258,410
3,526,233	4,259,507

46 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 favourable than those with third parties. Details of transactions between Linkage Assurance Plc and related parties are disclosed below:

46.1 Sale of insurance contracts

During the period, the Company did not enter into any contract with related parties.

Notes to the financial Statements

47 Contravention

There were no contraventions during the year (2021:Nil)

48 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.

49 Events after the reporting period

There were no major events after the reporting period that require adjustments or disclosure in the financial statements.

50 Commitments

The Company had no capital commitments at the reporting date.

Other National Disclosures

Statement of Value Added
For the year ending

	30 Sep 2023		31 December 2022	
	₦'000	%	₦'000	%
Net premium	5,066,545	111	5,428,543	(174)
Investment income	3,261,415	72	2,293,357	(73)
Other income	3,073,797	67	1,138,291	(36)
Claims incurred, commissions paid and operating expenses (local)	(6,841,669)	(150)	(11,986,112)	383
Value added	4,560,088	100	(3,125,921)	100
Distribution:				
Employees and directors (staff cost)	726,542	16	975,940	(31)
Government (taxes)	244,727	5	31,941	(1)
Asset replacement (depreciation)	183,957	4	191,682	(6)
Contingency reserve	680,973	15	-	1
Expansion (retained on the business)	2,723,889	60	(4,325,483)	138
	4,560,088	100	(3,125,921)	100

Other National Disclosures
Revenue Account
For the year ending

30 Sep 2023

<i>In thousands of naira</i>	Fire	Accident	Motor	Marine	Aviation	Bond	Engineering	Oil & Gas	Agric	Total
Direct received premium	2,433,281	1,233,601	3,418,882	719,534	475,262	13,490	742,768	3,624,300	17,203	12,678,321
Inward premium	59,278	22,396	55,115	115,824	-	-	10,540	249	-	263,402
Gross premium written	2,492,559	1,255,997	3,473,997	835,358	475,262	13,490	753,308	3,624,549	17,203	12,941,723
Changes in reserve for unexpired risk	(364,528)	(198,615)	(881,834)	(183,431)	(77,021)	(7,934)	(234,647)	(828,742)	50,294	(2,726,458)
Gross premium earned	2,128,031	1,057,382	2,592,163	651,927	398,241	5,556	518,661	2,795,807	67,497	10,215,265
Reinsurance Expenses	(1,496,400)	(630,580)	(181,001)	(482,159)	(371,206)	(3,742)	(525,023)	(2,410,782)	(6,347)	(6,107,240)
Movement in Prepaid-Reinsurance Cost	152,144	130,039	(36,384)	78,522	47,978	1,504	152,535	477,267	(45,085)	958,520
Re-insurance cost	(1,344,256)	(500,541)	(217,385)	(403,637)	(323,228)	(2,238)	(372,488)	(1,933,515)	(51,432)	(5,148,720)
Net earned premium	783,775	556,841	2,374,778	248,290	75,013	3,318	146,173	862,292	16,065	5,066,545
Commissions received	418,406	161,665	36,153	128,724	1,853	681	91,203	152,129	12,521	1,003,335
Total underwriting income	1,202,181	718,506	2,410,931	377,014	76,866	3,999	237,376	1,014,421	28,586	6,069,880
Underwriting expenses										
Gross Claims incurred	(970,057)	(748,893)	(803,945)	(549,824)	(176,304)	(218)	(213,862)	(300,791)	(4,810)	(3,768,704)
Recovery on Claims incurred	581,252	381,244	148,117	349,745	474	-	494	(78,085)	3,192	1,386,433
Net Claims Expenses	(388,805)	(367,649)	(655,828)	(200,079)	(175,830)	(218)	(213,368)	(378,871)	(1,618)	(2,382,271)
Maintenance expenses	(201,380)	(101,475)	(280,672)	(67,491)	(38,398)	(1,090)	(60,862)	(292,836)	(1,390)	(1,045,592)
Acquisition expenses (Note 36)	(403,285)	(232,995)	(394,285)	(218,785)	(79,884)	(1,179)	(102,061)	(587,221)	(12,361)	(2,032,056)
Underwriting (Loss)/Profit	208,711	16,387	1,080,146	(109,341)	(217,246)	1,512	(138,915)	(244,507)	13,217	609,955

30 Sep 2022

<i>In thousands of naira</i>	Fire	Accident	Motor	Marine	Aviation	Bond	Engineering	Oil & Gas	Agric	Total
Direct received premium	1,987,965	1,140,655	1,856,132	710,790	420,209	21,037	512,028	3,716,595	106,704	10,472,115
Inward premium	34,443	23,097	68,585	74,192	2,933	-	12,148	-	1,456	216,854
Gross premium written	2,022,408	1,163,752	1,924,717	784,982	423,142	21,037	524,176	3,716,595	108,160	10,688,969
Changes in reserve for unexpired risk	(227,854)	(231,192)	(250,927)	(115,389)	(14,279)	(548)	(117,536)	(657,155)	(79,792)	(1,694,673)
Gross premium earned	1,794,554	932,560	1,673,790	669,593	408,863	20,489	406,640	3,059,440	28,368	8,994,296
Reinsurance expenses (Note 33)	(1,350,276)	(495,029)	(75,773)	(242,930)	(257,108)	(9,772)	(170,055)	(1,559,888)	(13,450)	(4,174,281)
Net earned premium	444,278	437,531	1,598,017	426,663	151,755	10,717	236,585	1,499,552	14,918	4,820,015
Commissions received	308,305	155,598	918	93,105	291	3,054	42,997	45,234	3,550	653,052
Total underwriting income	752,583	593,129	1,598,935	519,768	152,046	13,771	279,582	1,544,786	18,468	5,473,068
Underwriting expenses										
Claims expenses (Note 35)	(109,616)	(229,798)	(600,491)	(274,947)	(74,225)	(9,089)	(125,915)	(255,277)	(7,947)	(1,687,305)
Maintenance expenses	(296,060)	(170,362)	(281,759)	(114,913)	(61,944)	(3,080)	(76,734)	(544,072)	(15,834)	(1,564,757)
Acquisition expenses (Note 36)	(326,320)	(228,206)	(257,808)	(190,297)	(81,126)	(3,496)	(79,391)	(693,593)	(4,532)	(1,864,769)
Underwriting profit	20,587	(35,237)	458,877	(60,389)	(65,249)	(1,894)	(2,458)	51,844	(9,844)	356,238

Financial Summary

	30 Sep 2023 ₦'000	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Statement of financial position					
Assets					
Cash and cash equivalents	3,526,233	4,236,501	3,476,699	3,592,711	1,609,222
Financial assets	32,981,439	26,469,021	27,584,351	25,144,141	23,398,173
Trade receivables	1,548,041	199,857	81,468	63,974	65,898
Reinsurance assets	6,205,856	5,281,166	4,639,643	2,445,920	1,121,787
Deferred acquisition cost	852,893	543,059	432,828	328,812	262,550
Other receivables and prepayments	690,516	779,997	333,655	501,131	408,303
Investment property	160,000	160,000	157,500	150,000	150,000
Intangible assets	48,467	20,844	36,866	1,199	7,319
Property and equipment	1,807,165	1,584,679	1,467,178	1,349,516	1,381,180
Statutory deposit	700,000	700,000	500,000	300,000	300,000
Total assets	48,520,610	39,975,124	38,710,188	33,877,404	28,704,432
Liabilities					
Insurance contract liabilities	15,922,534	12,811,727	11,635,256	5,728,661	4,652,881
Trade payables	2,640,588	1,140,673	765,141	704,169	363,724
Provision and other payables	1,314,998	1,001,996	1,053,785	922,984	460,618
Finance lease obligations	-	-	-	219	61,923
Retirement benefit obligations	109,330	84,321	89,659	62,981	49,846
Income tax liabilities	313,227	157,845	60,257	82,565	75,390
Total liabilities	20,300,677	15,196,562	13,604,098	7,501,579	5,664,382
Capital and reserves					
Issued and paid-up share capital	7,000,000	7,000,000	7,000,000	5,000,000	3,999,999
Share premium	560,294	560,294	560,294	729,044	729,044
Contingency reserve	4,076,970	3,395,997	2,882,618	2,547,773	2,068,770
Retained earnings	1,260,103	(1,463,786)	(3,517,298)	3,308,185	2,392,175
Assets revaluation reserve	828,773	828,773	828,773	828,773	752,083
Re-measurement reserve	55,639	55,639	5,040	13,244	18,431
Fair value reserve	14,453,722	14,423,389	17,346,660	13,948,807	13,079,548
Total equity	28,235,501	24,800,306	25,106,087	26,375,825	23,040,050
Total liabilities and equity	48,536,178	39,996,868	38,710,184	33,877,404	28,704,432
Statement of profit or loss					
Gross premium written	12,941,723	12,979,789	11,161,499	8,331,841	6,518,964
Net premium income	5,066,545	6,611,555	5,428,543	4,450,402	3,713,380
Underwriting results	609,955	218,195	(2,584,189)	825,589	409,240
(Loss)/profit before taxation	3,649,589	2,452,716	(3,878,914)	2,436,069	1,338,726
Taxation	(244,727)	(122,857)	(111,724)	(19,882)	(31,633)
(Loss)/profit after taxation	3,404,862	2,329,859	(3,990,638)	2,516,187	1,307,093
Transfer to contingency reserve	680,973	465,972	334,845	479,002	290,431
Dividend	-	-	(500,000)	-	-
Transfer to revenue reserve	2,723,889	2,329,859	(3,825,483)	2,037,185	1,016,662
Basic earnings per share (kobo)	24.3	16.6	(28.5)	24.0	18.2