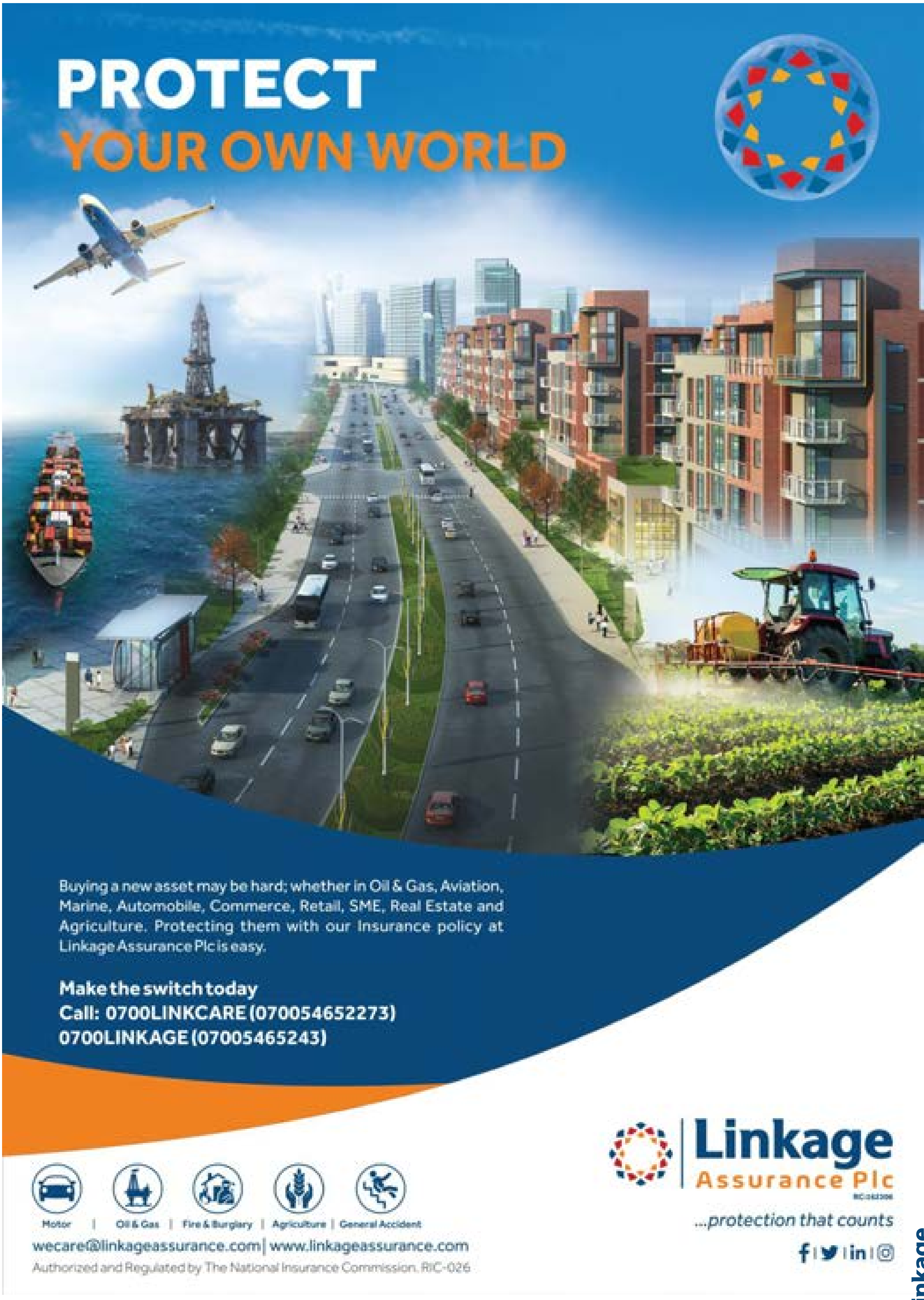
Annual Report & Accounts 2023

Linkage Assurance Plc
RC:162306

DEDICATION TO EXCELLENCE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Authorized and Regulated by The National Insurance Commission. RIC-026

Contents

Overview

About Us

Who we are

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

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

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

Linkage Assurance Plc Affirms The A- Status

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

Our Investment Portfolio

We have developed high competence in investment management having grown our investment portfolio to over ₦35.8 billion as at 31st December 2023. Our increasingly steady participation in fixed income, equity & debt instruments in both capital and money markets has produced returns resulting in appreciable increase in our investment portfolio.

Brand Platform

Vision Statement

To consistently exceed customer expectations.

Mission Statement

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

Our Core Values

E – Excellence

P – Professionalism

I – Integrity

I – Innovation

C – Customer Focus

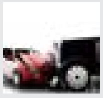
We believe in consistently "Walking the Talk" and keeping promises to all stakeholders through emphasis on honesty, transparency and the highest degree of ethical standards.

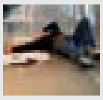
Service Offerings

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

Automobile
Private Motor
Commercial Vehicle
Motor Trade
Motor Cycle

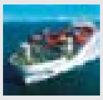
Property
Fire and Allied Perils
Theft/Burglary
Householders
Industrial All Risks(Material Damage)





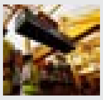
General Accident
Fidelity Guarantee
Money Insurance
Goods In Transit
Group Personal Accident/Personal Accident

Liability Group
Employer's Liability
Personal/Public Liability
General Third Party Liability

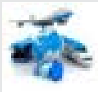


Transportation
Goods in transit
Marine Hull
Marine Cargo

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



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



Aviation
Aviation Cargo
Aviation Hull & Liability
Aviation Passenger Liability

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

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

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

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

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

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 30th Annual General Meeting of LINKAGE ASSURANCE PLC will hold on Wednesday, 31st July 2024 at, AGIP RECITAL HALL, MUSON CENTRE 8/9 Marina, Onikan, Lagos by 10:00 am to transact the following business:

ORDINARY BUSINESS

1. To receive and consider the Audited Financial Statements for the year ended 31 December 2023 together with the Reports of the Directors, Auditors, Audit Committee, and the Board Appraisal Report.

2. To declare Dividend.

3. To re-elect the following Directors retiring by Rotation:

i. Mr. Maxwell Ebibai
ii. Mrs. Funkazi Koroye-Crooks

4. To authorize the Directors to fix the remuneration of the Auditors.
5. Disclosure of the remuneration of Managers of the Company.
6. To elect members of the Statutory Audit Committee.

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

1. That the remuneration of the Directors of the Company for the year ending December 31, 2023, be and is hereby fixed at N20m only.

2. To appoint the Society for Corporate Governance Nigeria as Board Evaluation Consultant.

3. That in accordance with the recommendation of the Directors, the sum of N700,000,000.00 (Seven Hundred Million Naira) of the Company's Retained Earning be and hereby capitalized for bonus issue. The said N700,000,000.00 (Seven Hundred Million Naira) divided into 1,400,000,000 (One Billion Four Hundred Million) ordinary shares of 50k each, be appropriated to the members whose names appear in the Register of members at the close of business on the of 12th of July, 2024, in the proportion of one (1) share for every Ten (10) shares registered in such member's name on that date, subject to the approval of the appropriate regulatory authorities, the shares so distributed being treated for all purposes as capital and not income, ranking pari passu with the existing shares issued pursuant to this resolution.

4. That for the purpose of the Bonus shares, the Share Capital of the Company be and is hereby increased from N7,000,000,000 (Seven Billion Naira) to N7,700,000,000 (Seven Billion Seven Hundred Million Naira) by the creation and addition thereto, of 1,400,000,000 (One Billion Four Hundred Million) Ordinary Shares of 50 kobo each, such new shares to rank pari passu in all respects with the existing Ordinary Shares in the capital of the Company.

5. That Clause 6 of the Memorandum of Association and Article 6 of the Articles of Association of the Company be and are hereby amended to reflect the new share capital of N7,700,000,000 (Seven Billion Seven Hundred Million Naira) divided into 15, 400,000,000 (Fifteen Billion Four Hundred Million) Ordinary shares of 50 kobo each.

6. To consider and if thought fit, pass the following as special resolutions:

That the Articles of Association of the Company be amended by insertion of a new Clause 55 (a) and (b) to read as follows:

a. The Annual General Meeting or any other General Meeting of the Company may hold electronically by means of a tele-conference, videoconference, or other electronic/virtual communication means, which allows all those participating in the meeting to hear and speak to one another. (This is pursuant to provisions of Section 240 (2) of the Companies and Allied Matters Act, 2020, as amended by Section 11 of the Business Facilitation (Miscellaneous Provisions) Act 2022).

b. A member of the Company or Proxy may participate in any general meeting via teleconference, video conference, and any other technological means that allows the participating member to hear and be heard. Any person so participating in person or by proxy shall be deemed to be present in person at the meeting and shall be entitled to vote via any electronic/virtual channel provided by the Company.

PROXY
A member of the Company entitled to attend and vote at the Annual General Meeting can appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company.

A proxy form is enclosed in the Annual Report. For the instrument of proxy to be valid, it must be completed, duly stamped for the purposes of this meeting. Duly completed proxy forms which must be deposited at the

Notice of Annual General Meeting

office of the Registrar, Apel Capital Registrars Ltd, 8, Alhaji Bashorun Street, off Norman Williams Crescent, Ikoyi, Lagos or registrars@apel.com.ng or the Registered Office of the Company, Linkage Plaza, Plot 20, Block 94, Providence Street, Off Adewunmi Adebimpe Lekki Phase 1, Lagos not less than forty-eight hours before the time of the meeting.

(a) CLOSURE OF REGISTER

The Register of members will be closed from 15th of July 2024 to 19th of July 2024 both days inclusive for the purpose of dividend and bonus issue and to update the Register of Members. The qualification date for Bonus and dividend is Friday, 12th July 2024.

UNCLAIMED DIVIDEND

Shareholders are hereby informed that some dividends have remained unclaimed and returned to the Registrar. The list of such unclaimed dividends is available here: https://www.linkageassurance.com/wpcontent/uploads/2024/07/Linkage_Assurance_Plc_Unclaimed-_Dividend_List.pdf. The affected shareholders are advised to contact the Registrars, **Apel Capital Registrars Limited 8, Alhaji Bashorun Street off Norman Williams Crescent South-West Ikoyi Lagos** to resolve any issue they may have with claiming their dividends.

DIVIDEND PAYMENT

If the dividend recommended by the Directors is approved at the meeting, the warrants, or accounts of shareholders with the appropriate e-dividend mandate, will be posted/credited on the 31st of July 2024 to shareholders whose names appear on the register of shareholders at the close of business on the 12th of July 2024.

(b) AUDIT COMMITTEE

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

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

(c) WEBSITE

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

(d) RIGHTS OF SECURITIES' HOLDERS TO ASK QUESTIONS

Securities Holders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such questions must be submitted to the Company not later than seven (7) days to the Meeting.

REGISTERED OFFICE

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

Dated this 24th Day of June 2024

BY ORDER OF THE BOARD

MOSES OMOROGBE
Company Secretary
FRC/2017/NBA/00000017141

Corporate Information

Chairman	Chief Joshua Bernard Fumudoh	Chairman
Other Directors	Mr. Daniel Braie Mr Okanlawon Adelagun Mr. Bernard Nicolaas Griesel Mrs. Funkazi Koroye-Crooks Mr. Maxwell Ebibai Mr. Pius Otia Mrs Valentina Marinho	Managing Director/CEO Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Independent Director
Managing Director	Mr. Daniel Braie	
Company Secretary	Mr. Moses Omorogbe	
Registered Office	Linkage Plaza Plot 20, Block 94, Providence Street Off Adewunmi Adebimpe Street Lekki-Epe Expressway, Lekki, Lagos	
Registrars	Apel Capital Registrars Limited 8, Alhaji Bashorun Crescent Ikoyi, Lagos. www.apel.com.ng	
Auditor	Ernst & Young 10th & 13th Floor, UBA House 57, Marina, Lagos Nigeria. www.ey.com	
Reinsurers	African Reinsurance Corporation, Lagos, Nigeria Continental Reinsurance Plc, Lagos, Nigeria WAICA Reinsurance Corporation Plc, Lagos, Nigeria FBS Reinsurance Limited, Lagos, Nigeria Nigeria Reinsurance Corporation, Lagos, Nigeria Jordans Global Insurance Brokers YOA Reinsurance Brokers Limited MarshFJC International Insurance Brokers Limited Zebra Insurance Brokers	MNK Reinsurance Brokers Limited GRS Reinsurance Brokers Limited Insurance Brokers of Nigeria limited
Principal Bankers	Access Bank Plc Ecobank Nigeria Limited FCMB Limited Fidelity Bank Plc First Bank of Nigeria Limited Guaranty Trust Bank Limited Heritage Bank Limited Sterling Bank Plc Wema Bank Plc	Keystone Bank Limited Polaris Bank Limited Stanbic IBTC Bank Limited Union Bank Plc United Bank for Africa Plc Unity Bank Plc Zenith Bank Plc Providus Bank Abbey Mortgage Bank Plc
Actuary	O & A Hedge Actuarial Consulting	
RC No.	162306	
FRC Registered No.	FRC/2012/0000000000339	

Authorized and regulated by National Insurance Commission RIC - 026

Financial Highlights

Financial performance	31 Dec 2023 N'000	31 Dec 2022 N'000	Changes (%)
Insurance revenue	14,835,202	12,506,552	19
Insurance service expenses	(10,795,403)	(10,772,115)	0
Insurance service result before reinsurance contracts held	4,039,799	1,734,437	122
Insurance service result	261,595	(1,201,436)	133
Investment and other income	9,067,151	5,037,736	80
Net insurance finance (income)/ expense	(347,284)	755,664	146
Profit before taxation	5,463,747	1,874,983	191
Profit after taxation	5,281,594	1,745,691	203
Financial position			
Total assets	52,862,109	38,790,347	(36)
Insurance contract liabilities	15,340,788	13,191,889	(16)

Our Performance

Insurance revenue grew by 19% to N14.8billion as at December 2023 from N12.5billion recorded in prior year. The Company achieved an investment income of N9.0billion against an income of N5.0billion in the prior year. Profit before tax stood at N5.4billion. The major driver is investment income which was buoyed by the dividend income of N3.1billion received from Stanbic IBTC Pension Managers Ltd.

Outlook

As an organization, we shall continue to refine our strategy in line with our strategic focus for the year and theme. Our theme for 2023 is “Consolidation”, and this informs our strategic intent along the four pillars of Business growth, Operational excellence, Financial excellence, and Customer & people. Consequently, during the year the identified strategic focus will guide as compass in our quest to navigate through the highly competitive insurance market to increase our market share in the most profitable sectors and offer excellent customer experience to all our clients.

Product offering & Fintech

As part of our agile strategy, we shall leverage on the technology to improve our products and services especially to our direct and personal clients. This is also part of digital transformation initiatives. Also, having recognized the impact of certain products lines like motor insurance on our portfolio, we are positioned to offer to our clients different options of motor insurance according to their risk exposure(s), willingness and ability to pay.

Brand Development

We shall continue to leverage on the positive impact of our ongoing brand rejuvenation and awareness campaign to the insuring public. This will be reinforced by our customer value propositions.

Corporate Social Responsibility (CSR)

As a corporate socially responsible organization, we shall continue to expand our activities in the bid to give back to the communities where we do business and the society as a whole. During the year 2023, we sponsored the down syndrome foundation of Nigeria, the heroine women foundation, and many others.

Work Life Balance & Manpower Development

Linkage Assurance PLC is committed to ensuring a work-life balance for our employees and reduction in the cost of doing business. As a result of these, we embarked on Work-from-Home. (WFH) which allows us to adopt a hybrid work regime.

Business Review

Chairman's Statement

BUILDING ON MOMENTUM FOR THE FUTURE

Chief Joshua B. Fumudoh
Chairman

Dear distinguished Shareholders, fellow Board members, representatives of the various regulatory authorities here present, members of the Press, ladies and gentlemen. It is with great pleasure; I welcome you all to the 30th Annual General Meeting of Linkage Assurance Plc and to present to you the Annual Report and Accounts for the year ended December 2023 for your perusal.

Global Economic Overview:

The year 2023 unfolded against the backdrop of a dynamic global economy marked by both opportunities and uncertainties. While certain sectors experienced robust growth driven by technological advancements and innovation, geopolitical tensions, trade disputes, and the lingering effects of the COVID-19 pandemic posed significant challenges to global economic stability. Despite these headwinds, Linkage Assurance PLC remained vigilant, leveraging our diversified portfolio and prudent risk management practices to mitigate potential risks and capitalize on emerging opportunities.

The Nigerian Economy in 2023

In Nigeria, the economic landscape in 2023 was characterized by a mix of optimism and apprehension.

The Nigerian economy experienced slowed growth in the period under review. The real GDP growth of 2.4% was the lowest economic growth since Nigeria's full recovery from the COVID-19 pandemic. Mainly driven by supply-side factors such as increase in cost of production; persistently high inflation is one of the prevailing economic themes in Nigeria

Chairman's Statement

THE COMPANY WAS ABLE TO GROW INSURANCE REVENUE BY 19% TO N14.8BILLION AS AT DECEMBER 2023 FROM N12.5BILLION RECORDED IN PRIOR YEAR.

The country witnessed positive developments such as improvements in infrastructure, regulatory reforms, and efforts to diversify the economy beyond oil dependency. However, persistent challenges including inflationary pressures, security concerns, and political uncertainties continued to pose hurdles to sustained economic growth.

The challenging global economic context has put pressure on Nigeria's economy. However, domestic policies play the major role in determining Nigeria's economic performance and resilience to further external shocks. The previous mix of fiscal, monetary, and exchange rate policies, including the naira redesign program, did not deliver the desired improvements in growth, inflation, and economic resilience. The new government has recognized the need to chart a new course and has already made a start on critical reforms, such as the elimination of the petrol subsidy and reforms in the FX market.

Amidst these conditions, Linkage Assurance PLC remained steadfast in our commitment to supporting economic resilience, providing innovative insurance solutions, and contributing to the socio-economic development of Nigeria.

Insurance Industry Landscape

The insurance industry in Nigeria experienced notable transformations in 2023, driven by technological advancements, changing consumer preferences, and regulatory reforms.

These include the implementation of the IFRS 17 accounting standard, which has impacted on the manner of reporting and recognizing items on the performance of the insurance companies in Nigeria.

As a leading player in the insurance sector, Linkage Assurance PLC adapted proactively to these changes, embracing digitalization, enhancing customer engagement, and expanding our product offerings to meet evolvingmarket demands. While competition remained intense, our focus on operational efficiency, risk management, and strategic partnerships enabled us to maintain a competitive edge and deliver sustainable value to our shareholders.

Our Financial Performance

Despite the challenging operating environment, Linkage Assurance PLC achieved commendable results in 2023. Our financial performance remained robust, with strong revenue growth, improved underwriting discipline, and prudent investment management contributing to enhanced profitability.

The company was able to grow the Insurance Revenue to N14.8billion from N12.5billion in 2022, representing a growth rate of 19%. The company also recorded an Insurance Service Result (Underwriting profit) of N261.5million as against N1.2 billion loss in 2022.

This was due to huge claims payments during the period under review and changes in the implementation of IFRS 17. However, the Profit Before Tax (PBT) achieved was N5.4billion as against N1.8billion in 2022 . This represents a growth of 191%.

It is worthy to note that our commitment to customer-centricity, innovation, and operational excellence was reflected in increased market share, strengthened brand reputation, and sustained customer loyalty.

2024 Outlook

Looking ahead, we are cautiously optimistic about the prospects for Linkage Assurance PLC. While uncertainties persist, we remain confident in the resilience of our business model, the dedication of our talented workforce, and the unwavering support of

Chairman's Statement

our stakeholders. As we navigate the opportunities and challenges of the future, we remain committed to our core values of integrity, professionalism, and customer satisfaction, striving to create sustainable value for our shareholders and contribute meaningfully to the prosperity of Nigeria.

Conclusion

As I close, let me extend my sincere appreciation to our shareholders, customers, management & staff, regulators, and business partners for their continued trust, support, and collaboration. Together, we will chart a course of sustainable growth, innovation, and success for Linkage Assurance PLC in the years to come.

Thank you and God bless.

Chief Joshua B. Fumudoh
Chairman

MD/CEO's Statement

POSITIONED FOR GROWTH

Mr. Daniel Braie
Managing Director

Dear Shareholders,
It is my honour to present to you our FY 2023 financial report along with the annual accounts of Linkage Assurance PLC. The year 2023 was marked by a series of unprecedented challenges, including economic uncertainties, regulatory changes, and operational disruptions.

Despite facing unprecedented challenges, Linkage Assurance PLC has demonstrated resilience, adaptability, and strategic foresight in navigating the complexities of the global economy, the Nigerian economy, and the evolving landscape of the insurance industry.

Operating Environment

The year 2023 presented a multitude of challenges that tested our resolve and resilience. Economic volatility, exacerbated by factors such as inflationary pressures, currency fluctuations, and geopolitical tensions, created a challenging operating environment. Regulatory reforms and changes in consumer behavior further added complexity to the business landscape.

Additionally, the lingering effects of the COVID-19 pandemic continued to impact our operations, requiring us to adapt quickly to remote work arrangements, digital customer interactions, and changing market dynamics.

Regulatory Pronouncements and Challenges in the Insurance Industry

The industry has faced numerous regulatory announcements and challenges, particularly impacting Linkage Assurance PLC's financial reporting for the fiscal year 2023. These challenges stem from several key areas:

1. Regulatory Changes by NAICOM: The National Insurance Commission (NAICOM), which regulates the insurance sector in Nigeria, introduced several new mandates that complicated the preparation of accounts for Linkage Assurance PLC. These changes required significant adjustments in compliance and reporting practices.

2. IFRS 17 Implementation: The introduction of the International Financial Reporting Standard 17 (IFRS 17) aimed to unify accounting practices for insurance

MD/CEO's Statement

DESPITE THE CHALLENGING OPERATING ENVIRONMENT, LINKAGE ASSURANCE PLC DELIVERED IMPRESSIVE RESULTS IN 2023. THE COMPANY'S FINANCIAL PERFORMANCE WAS STRONG, CHARACTERIZED BY ROBUST REVENUE GROWTH, IMPROVED UNDERWRITING DISCIPLINE, AND PRUDENT INVESTMENT MANAGEMENT, ALL CONTRIBUTING TO ENHANCED PROFITABILITY.

contracts globally. This transition involved substantial revisions to accounting policies, systems, and processes, particularly in terms of actuarial assumptions, discount rates, and loss recognition methods. The adaptation to IFRS 17 necessitated extensive data analysis, modeling, and technological upgrades, posing considerable challenges regarding resource allocation, time management, and expertise.

3. Risk-Based Underwriting (RBU) Principles: The adoption of RBU principles introduced a new layer of complexity to the financial reporting process. Enhanced governance requirements demanded robust risk management frameworks, internal controls, and governance structures, requiring significant efforts from both management and the board.

4. Data Management and Systems Integration: Complying with IFRS 17 and meeting NAICOM's reporting standards necessitated advanced data management capabilities and seamless integration of various systems. The volume, complexity, and diversity of data sources required meticulous data reconciliation, validation, and aggregation. Implementing data governance frameworks and enhancing data quality controls were critical to ensuring the accuracy and integrity of financial information.

5. Resource Constraints and Talent Acquisition: Transitioning to IFRS 17 and adopting RBU principles required specialized skills in actuarial science, financial modeling, and regulatory compliance. Recruiting qualified personnel with the necessary experience was challenging due to a competitive talent market. These resource constraints, combined with budgetary limitations and the need for extensive training and capacity building, further complicated the transition, necessitating strategic workforce planning and targeted talent acquisition strategies.

6. Governance and Compliance: Enhancing governance structures and risk management frameworks to comply with NAICOM's regulations involved strengthening board oversight and compliance monitoring processes. This required significant investments in technology, training, and fostering a culture of compliance within the organization.

Addressing these multifaceted challenges demanded a coordinated, multidisciplinary approach, involving collaboration across different functional areas, active stakeholder engagement, and strategic partnerships with industry experts and service providers. Despite the complexities and uncertainties of regulatory changes, Linkage Assurance PLC remains dedicated to maintaining the highest standards of financial reporting, governance, and risk management, ensuring transparency, accountability, and compliance with all regulatory requirements.

Our Performance

Despite the challenging operating environment, Linkage Assurance PLC delivered impressive results in 2023. The company's financial performance was strong, characterized by robust revenue growth, improved underwriting discipline, and prudent investment management, all contributing to enhanced profitability.

The Insurance revenue increased to N14.8 billion from N12.5 billion in 2022, reflecting a growth rate of 19%. The Insurance Service Result (underwriting profit) was N261.5 million, down from N1.2 billion (Underwriting loss), primarily due to substantial claims payments during the period and the implementation changes of IFRS 17. Nevertheless, the Profit Before Tax (PBT) reached N5.4 billion, as against N1.8 billion in 2022, which represents 191% growth.

Outlook: Driving & Sustaining Growth in 2024

Linkage Assurance PLC is poised to seize emerging opportunities and drive sustained growth in 2024 and beyond. Our future strategic initiatives include:

- Market Expansion: We will continue exploring market expansion and diversification opportunities, focusing on underserved segments and emerging sectors.
- Digital Transformation: Digital transformation remains a key priority. Leveraging technology to enhance operational efficiency, improve customer engagement, and drive innovation.
- Talent Development: Our success is built on the dedication of our employees, and we are

MD/CEO's Statement

committed to their development and well-being. By fostering a culture of learning, collaboration, and innovation, we empower our employees to drive excellence, adaptability, and resilience in an evolving landscape.

Strategic Focus for 2024

Our commitment to excellence and innovation remains steadfast. We are optimistic about the opportunities ahead and prepared to navigate any challenges that arise. Our strategic focus centers on driving growth, sustaining profitability, and delivering value to our stakeholders.

Driving Growth: In 2024, our growth strategies include

a) Product Innovation: Continuously innovating and developing new insurance products tailored to our customers' evolving needs, we aim to stay ahead of market trends and strengthen our market leadership.

b) Market Penetration: We will intensify efforts to penetrate new market segments and geographical areas, leveraging our distribution channels and strategic partnerships to reach a wider customer base, increase market share, and drive top-line growth while maintaining underwriting discipline and profitability.

c) Customer Engagement: Enhancing customer engagement through personalized service, digital interactions, and proactive risk management solutions will be paramount. By prioritizing customer needs, we will strengthen loyalty and retention.

Sustaining Profitability: Sustaining profitability and creating long-term shareholder value remains a priority. Our strategies include:

a) Operational Efficiency: Optimizing operations and streamlining processes to improve efficiency and reduce costs through automation, digitization, and lean practices, enhancing operational agility and profitability.

b) Risk Management: Enhancing our risk management framework to proactively identify, assess, and mitigate risks. By maintaining a robust risk culture and governance structure, we safeguard our assets and protect shareholder value.

c) Investment Strategy: Adopting a prudent, diversified, and long-term investment strategy, balancing risk and return to optimize our investment portfolio's performance while ensuring capital preservation and liquidity.

Corporate Social Responsibility

We recognize our responsibility to our communities and commit to positive impacts through corporate social responsibility initiatives. In 2024, we will continue supporting education, healthcare, environmental sustainability, and other social causes aligned with our values and priorities.

Conclusion

As we reflect on the achievements and challenges of the past year, it is imperative to acknowledge the dedication and resilience of our employees who have remained steadfast in their commitment to excellence amidst unprecedented circumstances. Their unwavering efforts have been instrumental in driving our success and positioning Linkage Assurance PLC as a trusted partner for our customers and as one of the leaders in the insurance industry.

Looking ahead, we are committed to building on our momentum and seizing new opportunities for growth and innovation. In line with our strategic objectives, we will continue to invest in technology, talent development, and customer engagement to enhance our competitive advantage and deliver sustainable value to our stakeholders.

In closing, I would like to express my gratitude to our shareholders for their continued confidence and support, to our customers for their loyalty and trust, and to our employees for their dedication and hard work. Together, we will navigate the opportunities and challenges of the future with resilience, integrity, and excellence.

Thank you.

Mr. Daniel Braie
Managing Director /CEO


Budget Friendly Insurance
AFFORDABLE • RELIABLE • FAST
Third-Party Insurance just like comprehensive
+
Tailor-made Premiums
+
Cover for Own Damages
Linkage
THIRD-PARTY PLUS INSURANCE
PACKAGE
ON-THE-GO
STAR
DIAMOND
PREMIUM AMOUNT
₦30,000
₦50,000
₦60,000
COVER FOR OWN DAMAGES
₦500,000
₦750,000
₦850,000
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NAICOM/CC/ADV/2023/4869

Report of The Directors

For The Year Ended 31 December 2023

It is the pleasure of the Directors to submit their annual report on the affairs of Linkage Assurance Plc ('the Company') together with the audited financial statements and independent auditor's report for the year ended 31 December 2023.

1 Legal form

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

2 Principal activity

The Company transact all classes of non-life insurance business.

3 Operating results

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

	31 Dec 2023 N'000	31 Dec 2022 N'000
Insurance revenue	14,835,202	12,506,552
Profit before tax expense	5,463,747	1,874,983
Minimum tax	(103,911)	(76,196)
Income tax expense	(78,242)	(53,095)
Profit after tax expense	**5,281,594**	**1,745,691**

4 Proposed dividend

Dividend

Bonus issue

A bonus share issue of 1 share for every 10 shares held by existing shareholders amounting to N700 million (of 1.4 billion ordinary shares at 50k per share) has been proposed for approval by the shareholders. The bonus share is to be issued from the Company's retained earnings.

Cash dividend

The Board of Directors, pursuant to the powers vested in it by the provisions of section 426 of the Companies and Allied Matters Act (CAMA) 2020, proposed a dividend of N0.05 per share (amounting to N700 million) which is to be paid from retained earnings account as at 31 December 2023. This will be presented for ratification by the shareholders at the next Annual General Meeting.

5 Directors

The Directors who served during the year and held office at the date of this report were as follows:

Name	Status	Nationality
* Chief Joshua Bernard Fumudoh	Chairman	
Mr. Daniel Braie	Managing Director	
Mr Okanlawon Adelagun	Executive Director	
***Mr. Olakunle Bomo Agbebi	Non-executive Director	
**Mr. Bernard Nicolaas Griesel	Non-executive Director	South African
*Mrs. Funkazi Koroye-Crooks	Non-executive Director	
*Mr. Maxwell Ebibai	Non-executive Director	
*Mr. Pius Otia	Non-executive Director	
Mrs Valentina Marinho	Independent Director	

****Exited the Board on 22 June, 2023*

*Bayelsa State Ministry of Finance Incorporated (BSMFI) representatives
**Stanbic IBTC Nominees Nigeria Limited's representative

6 Directors interest in shares

The interests of the Directors in the issued share capital of the Company as recorded in the register of members as at 31 December 2023 and as notified by them for the purpose of fulfilling Section 301 of the Companies and Allied Matters Act (CAMA) 2020 are as follows:

Report of the Directors-Continued

	2023 Direct	2023 Indirect	2023 Total	2022 Direct	2022 Indirect	2022 Total
Chief Joshua B. Fumudoh*	-	-	-	-	-	-
	30,132,348	-	30,132,348	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Mr Okanlawon Adelagun	-	-	-	-	-	-
Mrs. Valentina Marinho	-	-	-	-	-	-
Mr. Bernard Nicolaas Griesel	-	1,858,165,841	1,858,165,841	-	1,327,000,000	1,327,000,000
Mr. Daniel Braie	-	-	-	-	-	-
Mrs. Funkazi Koroye-Crooks*	-	-	-	-	-	-
Mr. Maxwell Ebibai*	-	-	-	-	-	-
Mr. Pius Otia	-	-	-	-	-	-

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

7 Contracts

In accordance with Section 303 of the Companies and Allied Matters Act (CAMA) 2020, all contracts with related parties were conducted at arms length. Information relating to related parties transactions are contained in Note 44 to the financial statements.

8 Shareholding

The Company's issued share capital of N7 billion is made up of 14 billion ordinary shares of 50k each which are held by Nigerian individuals and institutional investors. According to the register of members, no shareholder other than the following held more than 5% of the issued share capital of the Company as at 31 December 2023.

Shareholders	Units Held	% of Holdings
Bayelsa State Ministry of Finance Incorporated (BSMFI)	7,480,787,548	53.43%
Stanbic IBTC Nominees Nigeria Limited	1,858,165,841	13.27%
Apel Asset Limited - Nominee	797,021,424	6%

b) Analysis of shareholding structure

i) As at 31 December 2023

Range	No of Holders	% of Holders	Units Held	% Units Held
1 - 10,000	10,581	47.70	50,016,493	0.36
10,001 - 50,000	7,254	32.70	169,437,352	1.21
50,0001 - 100,000	1,950	8.79	141,285,419	1.01
100,001 - 500,000	1,886	8.50	387,744,403	2.77
500,001 - 1,000,000	235	1.06	169,122,836	1.21
1,000,001 - 5,000,000	196	0.88	420,166,875	3.00
5,000,001 - 10,000,000	23	0.10	170,808,672	1.22
10,000,001 - 50,000,000	41	0.18	903,552,760	6.45
50,000,001 - 100,000,000	5	0.02	366,430,709	2.62
100,000,001 - 500,000,000	7	0.03	1,085,459,668	7.75
500,000,001 - 10,000,000,000	3	0.01	10,135,974,813	72.40
Grand Total	**22,181**	**100**	**14,000,000,000**	**100**

i) As at 31 December 2022

Range	No of Holders	% of Holders	Units Held	% Units Held
1 - 10,000	10,581	47.70	50,016,493	0.36
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500,000,001 - 5,000,000,000	3	0.01	10,135,974,813	72.40
Grand Total	**22,181**	**100**	**14,000,000,000**	**100**

Report of the Directors-Continued

SHARE CAPITAL HISTORY	ISSUED & FULLY PAID
1991	2,500,000
1992	7,000,000
1994	10,000,000
1995	11,839,264
1996	20, 039,264
1997	25,575,009
1998	71,266,831
1999	102,466,831
2000	117,466,831
2001	191,311,197
2002	989,996,501
2004	1,319,995,335
2005	2,041,856,785
2007	2,551,396,076
2012	4,000,000,000
2020	5,000,000,000
2021	7,000,000,000

9 Human Resources

i. *Employment of disabled persons*

As a matter of policy, the Company does not discriminate against disabled persons. Full and fair consideration is given to applications for employment received from disabled persons, with due regard to their particular aptitudes and abilities. In the event of any employee becoming disabled in the course of employment, the Company is in a position to arrange appropriate training to ensure the continuous employment of such a person without subjecting him/her to any disadvantage in his/her career development. As at 31 December 2023, the Company had no disabled persons in its employment.

ii. *Employee's development and training*

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

iii. *Health, safety at work and staff welfare*

Health, safety and fire drills are regularly organised to keep employees alert at all times. The Company engages the services of health care providers towards meeting the medical needs of the employees and their immediate families at its expense.
The Company also provides adequate transportation and housing facilities for all levels of employees.

iv. *Gender Composition*

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

Gender Distribution as at December 31, 2023		
Composition of Employees	**Number**	**Percentage**
Female	72	46.75
Male	82	53.25
Total	**154**	**100.00**
Board Composition by Gender		
Female	2	22.22
Male	7	77.78
Total	**9**	**100.00**
Top Management Composition by Gender (Executive Director- CEO)		
Female	0	0.00
Male	2	100.00
Total	**2**	**100.00**
Top Management Composition by Gender (GM- Principal Manager)		
Female	2	20.00
Male	8	80.00
Total	**10**	**100.00**

Report of the Directors-Continued

10 Property and equipment

Changes in property and equipment during the year under review are shown in note 14 to the financial statements. In the opinion of the directors, the market value of the Company's assets is not lower than the value shown in the financial statements.

11. Complaints Management Policy Framework

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

The Policy:

i. Provides an avenue for customer's complaints and dispute resolutions.
ii. Recognizes, promotes and protects the customer's right, including the right to comment and provide feedback on service;
iii. Provide an efficient, fair and accessible framework for resolving customer complaints and monitoring feedback to improve service delivery;
iv. Informs customers on the customer feedback handling processes; and
v Provides staff with information about the customer feedback process.

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

12 Fines and penalties

The Company was fined N7.4 million by NAICOM during the year (2022: Nil).

13 Events after reporting date

There are no significant events after the reporting date which could have had a material effect on the financial affairs of the Company as at 31 December 2023 and on the profit or loss and other comprehensive income for the year ended.

14 Remuneration Policy

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

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

15 Donations

Donations during the year ended 31 December 2023 was nil (2022: N1.5 million). The beneficiaries are as follows:

2022

Description	Organization	Amount (N)
Foundation of Nigeria awareness	Down Syndrome Foundation of Nigeria	1,500,000

16 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 the 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.

BY ORDER OF THE BOARD

Company Secretary
Mr. Moses Omorogbe
FRC/2017/NBA/00000017141

Corporate Governance

Sustainability Report

We subscribe to the global drive entrench sustainable business practices. As part of our own commitment to this global movement, we have tailored our business operations to embed sustainable business practices.

Sustainable business practice is a sine quo non for long-time survival of any business entity. At Linkage Assurance Plc, we acknowledge this truism and have designed our policies, processes, and procedures to ensure enduring sustainability of our business.

Our business operations are being carried out with the consciousness to provide sustainable return, to our employees, shareholders, and other stakeholders. We have developed and entrenched good corporate governance and ethical standards in our day-to day operations.

Corporate Governance

We are continuously refining our processes to ensure they align with both local and international best practice on corporate governance.

Our robust corporate governance framework incorporates both local and international best practice. The Board is conscious of its overall responsibility to entrench good corporate practice and have put in necessary modalities to monitor the implementation of the corporate governance framework.

The corporate governance framework is periodic reviewed and benchmarked against the Codes of Corporate Governance and international best practice. The review is usually carried out reputable external consulting who assess the Company's level of corporate governance practice with best practice.

Business Practices

We are focused on our vision to deliver superior service to our esteemed customers and returns to our shareholders through best business practices. Our business practices are guided by the vision and mission statements.

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

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

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

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

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

Environmental Sustainability

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

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

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

Anti-Corruption

We recognise the danger corruption poses to the long-time survival of business and have put in place necessary anti-corruption policies and processes. We have zero tolerance for corruption in our operations.

We ensure our business operations comply with national and global anti-corruption standards. Our anti-corruption policies and processes are crafted in line with international best practice.

There is a robust corruption reporting process and Whistleblower Policy. Employees and members of the public are encouraged to us our corruption reporting channels to report cases of corruption.

Occupational Health & Safety

We take safety at the work environment and the health of workers. seriously. All our work environments are equipped with necessary facilities that promote safety within the workplace.

Our health insurance package is tailor-made to cater for diverse health needs of our workforce.

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

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

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

Board Evaluation Report

CORPORATE SERVICES LIMITED

24th June 2024

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE OF THE BOARD OF DIRECTORS OF LINKAGE ASSURANCE PLC FOR THE YEAR-ENDED 31st DECEMBER, 2023.

In line with the provisions of **Principle 14.1 of the Nigerian Code of Corporate Governance, 2018 ("NCCG"), Section 4.01 (i) and (ii) of National Insurance Commission (NAICOM) Corporate Governance Guidelines, 2021 (NAICOM Guidelines) and Guideline 9 of the Securities and Exchange Commission (SEC) Corporate Governance Guidelines for Public Companies in Nigeria issued in 2020 ("SCGG"),** DCSL Corporate Services Limited was appointed to undertake an appraisal of the Board of Directors of Linkage Assurance Plc ("Linkage Assurance") for the year-ended 31st December 2023.

The appraisal involved the benchmarking of the performance of the Board against the provisions of the NAICOM Guidelines, SCGG and the NCCG and entailed a review of the Company's corporate and statutory documents, Minutes of Board and Board Committee meetings, policies and other ancillary documents made available to us, the administration of questionnaires as well as interviews with the Directors and select members of the Executive Management team. To ascertain the extent of compliance with relevant corporate governance principles, and the performance of the Board in general, we benchmarked the Company's corporate governance structures, policies and processes against the provisions of the NAICOM Guidelines, SCGG and the NCCG as well as global Best Practices using the following seven key corporate governance themes:

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

Following the review of the policies and processes operating in the Company, we confirm that the Board of Directors is committed to enthroning the highest standards of corporate governance practices and ensuring adherence to the principles enshrined in the NAICOM Guidelines, SCGG and the NCCG, as well as globally accepted corporate governance practices. Furthermore, we confirm that the Board is committed to setting the pace for the observance of highest ethical standards and transparency in the conduct of the Company's business.

We have proffered recommendations to address the gaps identified and trust that the Board will take appropriate steps to implement these.

Our detailed report contains details of our findings and recommendations.

Please accept the assurances of our highest regards and esteem.

Yours faithfully,

For: DCSL Corporate Services Limited

Bisi Adeyemi
Managing Director
FRC/2013/NBA/00000002716

Directors: ~ Abel O. Ajayi (Chairman) ~ Bisi Adeyemi (Managing Director) ~ Adeniyi Obe ~ Dr Anino Emuwa ~ Obi A. Ogbechi ~ Mr. Lekan Belo

DCSL Head Office
235 Ikorodu Road, Ilupeju
P. O. Box 965, Marina, Lagos
Tel: +234 (1) 271 7816-7/(0)809 038 1864

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Central Business District, Abuja, Nigeria

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Corporate Governance Report

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

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

Board selection and appointment process

The Board of the Company follows a formal and transparent process for the selection and appointment of Directors. The appointment of executive and non-executive directors to the Board is done through a formal and transparent process and in accordance with the Companies and Allied Matters Act, 2020, Nigerian Code for Corporate Governance, NAICOM Corporate Governance Guidelines, SEC of Corporate Governance Guidelines, and the Company's internal policy for appointment of Directors.

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

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

The Committee shortlist and interview candidates with the requisite skills and experience, thereafter conduct formal background check of the prospective candidates to ensure that they are fit and proper persons to be appointed to the Board. Successful candidates are presented to the Board for approval in a meeting duly convened in accordance with the articles of association of the Company. The Candidate(s) name is forwarded to NAICOM for approval. While the Company Secretary notifies the Nigerian Exchange Limited (NGX) and the Securities and Exchange Commission of the appointment and also file the relevant forms with the Corporate Affairs Commission (CAC). The appointment of the candidate(s) by the Board is presented to the Shareholders for ratification at the next Annual General Meeting of the Company.

Induction and Continuous Training of Directors

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

Roles and Responsibilities of The Board

The Board reserves to itself all functions that are likely to have a material impact on the performance and reputation of the Company.

The following matters are specifically reserved for the Board:

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

Biographical Details of and Directors for Re-election

Mrs. Funkazi Koroye-Crooks is a Lawyer with over 30 years' experience. She was a former Consultant with the World Intellectual Property Organization (WI PO) and presently Special Adviser to Bayelsa State Governor. She holds a Masters Degree in law from the London School of Economics.

Mr. Maxwell Ebibai is the current Commissioner of Finance, Bayelsa State. Prior to his appointment by the Bayelsa State Government he was a Senior Vice-President with the Asset Management Corporation of Nigeria (AMCON) and was the Head, Loan Administration. Mr. Maxwell holds a Masters degree in Banking and Finance.

Corporate Governance Structure

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

Corporate Governance Report

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

The Board

The Board of Directors of Linkage, comprising of Eight (8) members is accountable to the shareholders and also responsible for the control, management and periodic review of the Company's business strategy. The Board of Directors is also committed to ensuring that the Company adheres strictly to the regulations guiding the operations of the Insurance Industry and other financial services sector in Nigeria.

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

Statutory Audit Committee

The Committee is composed of 5 members as follows:

S/N	Name	Status
1	Mr. Shamusideen O. Balogun	Chairman/Shareholder
2	Engr. S. A. Orji	Shareholder
3	Mr. Maxwell Ebibai	Non-Executive Director
4	Mrs. Esther O. Osijo	Shareholder
5	Mr. Pius Otia	Non-Executive Director

This Committee, which is chaired by a shareholder, has the responsibility of ensuring that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices. The Committee reviews the scope & planning of audit requirements and it is also responsible for other matters reserved for the Audit Committee by the Sec 404 of Companies and Allied Matters Act (CAMA) 2020 and the Company's Articles of Association.

Finance, Investment & General purpose Committee

The Committee is composed of 5 members as follows:

S/N	Name	Status
1	Mr. Bernard Nicolaas Griesel	Chairman
2	Mr. Pius Otia	Director
3	Mr. Maxwell Ebibai	Director
4	Mrs. Valentina Marinho	Director
5	Mr. Daniel Braie	Director

This Committee reviews matters relating to the investment of the Company's funds, management of all other assets and makes recommendation to the Board for approval. It also ensures maximum returns on investments and protection of the Company's assets.

The Committee periodically evaluates the Company's risk policies and also provides appropriate advice and recommendations on matters relevant to risk management.

Enterprise Risk Management & Governance Committee

The Committee is composed of 4 members as follows:

S/N	Name	Status
1	Mr. Olakunle Agbebi*	Chairman
2	Mrs. Funkazi Koroye-Crooks	Acting Chairperson
3	Mr. Pius Otia	Director
4	Mrs. Valentina Marinho	Director

**Exited the Committee on 22nd June 2023*

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

Audit & Compliance Committee

The Committee is composed of 4 members as follows:

S/N	Name	Status
1	Mrs. Valentina Marinho	Chairman
2	Mr. Bernard Nicolaas Griesel	Director
3	Mrs. Funkazi Koroye-Crooks	Director
4	Mr. Olakunle Agbebi*	Director

**Exited the Committee on 22 June, 2023*

Corporate Governance Report

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

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

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

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

Cumulative Years of Service:

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

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

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

S/N	DIRECTORS	DATE OF APPOINTMENT	YEARS OF SERVICE
1.	Chief Joshua B. Fumudoh	31st January, 2018	6 Years 4 Months
2.	Mrs. Funkazi Koroye-Crooks	13th December, 2017	6 Years 6 Months
3.	Mr. Bernard Nicolaas Griesel	27th April, 2017	7 Years 2 Months
4.	Mr. Maxwell Ebibai	13th December, 2017	6 Years 6 Months
5.	Mr. Daniel Braie	1st September, 2018	5 Years 9 Months
6.	Mr. Okanlawon Adelagun	7th December, 2018	5 Years 6 Months
7.	Mr. Pius Otia	8th December 2021	2 Years 6 Months
8.	Mrs. Valentina Marinho	9th August 2022	1 Year 11 Months

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

Corporate Governance Report

Company Secretary
All stakeholders have access to the services of the Company Secretary. The Company Secretary is responsible for facilitating the induction and professional development of Board Members as well as ensuring information flow within the Board, its Committees and Management of the Company. Attendance at the Board and committee meetings during the year ended 31 December 2023 is as follows:

Key:

N/A Exited the Board 22 June, 2023
X Absent at meetings

S/N	Names of Directors	2-Mar-23	16-Mar-23	25-Apr-23	21-Aug-23	24-Nov-23
1	Chief Joshua Bernard Fumudoh	1	1	1	1	1
2	Mr. Olakunle Agbebi	1	1	1	N/A	N/A
3	Mr Okanlawon Adelagun	1	1	1	1	1
4	Mr. Bernard Nicolaas Griesel	1	1	1	1	1
5	Mr. Daniel Braie	1	1	1	1	1
6	Mrs. Funkazi Koroye-Crooks	1	1	X	1	1
7	Mr. Maxwell Ebibai	1	1	1	X	X
8	Mrs. Valentina Marinho	1	1	1	1	1
9	Mr. Pius Otia	1	1	1	1	1

Attendance at The Finance, Investment & General Purpose Committee Meetings held during the year ended 31 December 2023

S/N	Names of Directors	03-Mar-23	28-Apr-23	16-Aug-23	22-Nov-23
1	Mr. Bernard Nicolaas Griesel	1	1	1	1
2	Mr. Daniel Braie	1	1	1	1
3	Mr. Maxwell Ebibai	1	1	X	X
4	Mr. Olakunle Agbebi	1	1	N/A	N/A
5	Mrs. Valentina Marinho	1	1	1	1
6	Mr. Pius Otia	N/A	1	1	1

Attendance at the Statutory Audit Committee Meetings held during the year ended 31 December 2023

S/N	Names of Directors	01-Mar-23	16-Mar-23	26-Apr-23	15-Aug-23	21-Nov-23
1	Mr. Shamusideen O. Balogun	1	1	1	1	1
2	Engr. S. A. Orji	1	1	1	X	1
3	Mrs. Esther O. Osijo	1	1	1	1	1
3	Mr. Maxwell Ebibai	X	1	1	X	1
5	Mr. Pius Otia	1	1	1	1	1

Attendance at the ERM & Governance Committee Meetings held during the year ended 31 December 2023

S/N	Names of Directors	02-Mar-23	27-Apr-23	16-Aug-23	22-Oct-23
1	Mr. Olakunle Agbebi	1	1	N/A	N/A
2	Mrs. Funkazi Koroye-Crooks	1	1	1	1
3	Mrs. Valentina Marinho	1	1	1	1
5	Mr. Pius Otia	1	1	1	1

Attendance at the Board Audit & Compliance Committee Meetings held during the year 31 December 2023

S/N	Names of Directors	01-Mar-23	26-Apr-23	15-Aug-23	21-Oct-23
1	Mrs. Valentina Marinho	1	1	1	1
2	Mrs. Funkazi Koroye-Crooks	1	1	1	1
3	Mr. Bernard Nicolaas Griesel	1	1	1	1
4	Mr Okanlawon Adelagun	1	X	N/A	N/A

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

In compliance with the Provisions of Section 404(4) of the Companies and Allied Matters Act (CAMA) 2020, we the members of the Audit Committee of Linkage Assurance Plc received the Audited Financial Statements for the year ended 31 December 2023 together with the Management Letter from the external auditors and management responses thereto at a duly convened meeting of the committee and hereby report as follows:
We confirm that;

1 We have received the scope and planning of the audit for the year ended 31 December 2023;

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

3 We ascertained that the accounting and reporting policies of the Company for the year ended 31 December 2023 are in accordance with legal requirement and agreed with ethical practices.

In our opinion, the scope and planning of the audit for the year ended 31 December 2023 were adequate and management responses to the auditor's findings were satisfactory.

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

The external auditors confirm that they received full cooperation from the management during the course of the statutory audit. The Committee therefore recommends that the audited financial statements for the year ended 31 December 2023 and the Auditor's report thereon be presented for adoption by the Company at the Annual General Meeting.

The following persons served as members of the audit committes during the year:

Name	Designation	Status
Mr. Balogun Shamusideen Olalekan	Chairman	Shareholder
Mr Sunday Orji	Member	Shareholder
Mrs. Esther O. Osijo	Member	Shareholder
Mr. Pius Otia	Member	Non-Executive Director
Mr. Maxwell Ebibai	Member	Non-Executive Director

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

27 May 2024

Enterprise Risk Management Declaration Statement

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

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

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

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

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

Chief Joshua B. Fumudoh
Chairman
FRC/2018/IODN/00000017911
27 May 2024

Mr. Daniel Braie
Managing Director/CEO
FRC/2018/CIIN/00000018082
27 May 2024

Statement of Directors' Responsibilities in Relation to the Preparation of the Financial Statements

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

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

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Chief Joshua B. Fumudoh
Chairman
FRC/2018/IODN/00000017911
27 May 2024

Mr. Daniel Braie
Managing Director/CEO
FRC/2018/CIIN/00000018082
27 May 2024

Statement of Corporate Responsibility for the Financial Statements Certification Pursuant to Section 60(2) of Investment and Securities Act No. 29 of 2007

In accordance with section 405 of the Companies and Allied Matters Act 2020, the Managing Director and Chief Financial Officer undersigned, hereby certify the following with regards to our audited financial statements for the year ended 31 December 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
27 May 2024

Dr. Emmanuel Otitolaiye
Chief Financial Officer
FRC/2014/ICAN/00000008524
27 May 2024

Independent Auditor's Report

Ernst & Young
10th Floor, UBA House
57, Marina
Lagos, Nigeria

Tel: +234 (01) 844 996 2/3
Fax: +234 (01) 463 0481
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LINKAGE ASSURANCE PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Linkage Assurance Plc ('the Company'), which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Linkage Assurance Plc as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020, the Insurance Act 2003, and relevant circulars issued by the National Insurance Commission of Nigeria ("NAICOM") and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

Basis for Opinion

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

Key Audit Matters

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

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LINKAGE ASSURANCE PLC - Continued

Key Audit Matter	How the matter was addressed in the audit
Actuarial valuation of insurance contract liabilities The Company has material insurance contract liabilities of ₦15.3 billion (2022: ₦13.2 billion) representing 77.35% (2022: 86.7%) of the Company's total liabilities. Actuarial valuation of these insurance contract liabilities, including reinsurance contract assets is an area that involves significant assumptions and judgment over uncertain future outcomes and therefore was an area of significance to our audit. Economic assumptions such as discount rates, time value of money, risk adjustment for non-financial risk involve significant judgement which are applied in setting these assumptions and small changes in a number of these key assumptions could have a material impact on the calculation of the liabilities. Insurance contract liabilities, related accounting policies and significant judgments and assumptions are disclosed in Notes 10 (Reinsurance contract assets and Insurance contract liabilities), 2.1.1 (Insurance contracts and insurance contract liabilities) and 3.3 (financial instruments) respectively to the financial statements.	Our audit procedures included the following: - We gained an understanding of the Company's IFRS 17 implementation process including the approach for classification of insurance contracts for the purpose of measuring insurance contract liabilities. - Tested underlying support documentation for the inputs into the valuation of insurance contract liabilities. - We assessed the competence and objectivity of the Company's independent actuary, confirming they are qualified and affiliated with the appropriate industry bodies. With the assistance of our in-house actuarial specialists, we performed the following audit procedures on the Company's actuarial reports: - We considered the appropriateness of the methodology and assumptions used in the valuation of the insurance contracts liabilities with reference to the Company's policies and the requirements of the relevant accounting standard. - We considered the appropriateness of the non-economic assumptions used in the valuation of the insurance contract liabilities by making reference to Company-specific and industry data. We reviewed the qualitative and quantitative disclosures for appropriateness and reasonableness to ensure conformity with required guidelines of National Insurance Commission (NAICOM) and IFRS17.

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LINKAGE ASSURANCE PLC - Continued

Valuation of investment in unquoted equity instrument The Company has a material investment of ₦18.02 billion (2022: ₦14.68 billion) in unquoted equity instrument measured at fair value through other comprehensive income (FVOCI). The fair value of the investment is estimated using the Discounted Cash-Flows (DCF) method which requires significant estimates and assumptions including a financial forecast of the investee, growth rates, and discount factors. The significant judgment involved and uncertainty in relation to estimation of future cash flows and other assumptions make this an area of significance to our audit. Investment in unquoted equity instruments (including significant assumptions and judgments) and related accounting policies are disclosed in Notes 8.2 (Equity Instruments measured at fair value through other comprehensive income), and 3.3 (Financial Instruments) respectively to the financial statements.	With the assistance of our in-house valuation specialists, we performed the following audit procedures: - We evaluated the appropriateness of the valuation methodology employed by the external expert and assessed the reasonableness of underlying assumptions used in determining the fair value of the investment in an unquoted equity instrument. - We assessed the competence, capabilities, and objectivity of the external expert engaged by the directors. We also verified and assessed the expert's qualifications and experience. We discussed the scope of work and confirmed that no scope limitations were imposed upon the expert by the Directors. - We reviewed the qualitative and quantitative disclosures for appropriateness and reasonableness to ensure conformity with disclosure requirements of relevant accounting standards.
Disclosure of the impact of adoption of International Financial Reporting Standard (IFRS) 17 The Company transitioned to IFRS 17:'Insurance Contracts' which replaced the existing standard for insurance contracts, IFRS 4 'Insurance Contracts' when it became effective on 1 January 2023. The disclosure of the impact of the adoption of IFRS 17 is a key audit matter as this is a new and complex accounting standard which has required considerable judgment and assumptions in its implementation, and introduced a number of significant changes, including new requirements regarding the measurement and presentation of insurance contracts and related account balances and classes of transactions. The Company applied the Premium Allocation Approach (PAA) of IFRS 17 Insurance Contracts in the current year with retrospective effects on 1 January 2022 and 31 December 2022.	We performed the following audit procedures: - We gained an understanding of the process to estimate the transitional adjustments and obtained an understanding of relevant controls; - We evaluated the appropriateness of key technical accounting decisions, judgments, assumptions and elections made in determining the estimates against the requirements of the standard; - We involved our internal actuarial specialists in performing procedures to verify the Company's IFRS 17 calculation models, including those related to the testing of PAA eligibility, the estimate of the fulfilment cash flows, the risk adjustment and discounting; and - We tested the IAS 8 disclosures related to the transition impact and reconciled the disclosed impact to underlying accounting records.

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LINKAGE ASSURANCE PLC - Continued

Significant judgment and assumptions were involved in determining the following: - PAA eligibility assessment; - Accounting policies; - Methodology used to determine discount rates at transition date; - Risk adjustments and expenses included within the fulfilment cashflows Refer to Note 2.1.1.2 (Transition) to the financial statements for the disclosures on the impact of adopting IFRS 17.	

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Linkage Assurance Plc Annual Report for the year ended 31 December 2023", which includes the Corporate Information, the Financial Highlights, Report of the Directors, Report of the Audit Committee, Enterprise Risk Management Declaration Statement, Statement of Directors' Responsibilities in Relation to the preparation of the Financial Statements, Statement of Corporate Responsibility for the Financial Statements, and Other National Disclosures, which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020, the Insurance Act 2003, and relevant circulars issued by the National Insurance Commission of Nigeria ("NAICOM") and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LINKAGE ASSURANCE PLC - Continued

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LINKAGE ASSURANCE PLC - Continued

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Fifth Schedule of the Companies and Allied Matters Act, 2020, we confirm that:

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

In accordance with the requirements of the Financial Reporting Council of Nigeria (FRC) Guidance on Assurance Engagement Report on Internal Control over Financial Reporting:

We performed a limited assurance engagement and reported on management's assessment of the Company's internal control over financial reporting as of December 31, 2023. The work performed was done in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, and we have issued an unmodified conclusion in our report dated 27 June 2024.

Contraventions

As disclosed in Note 45 to the financial statements, the Company contravened certain regulations of the National Insurance Commission (NAICOM).

Babayomi Ajijola
FRC/2013/PRO/ICAN/004/00000001196

For Ernst & Young
Lagos, Nigeria
27 June 2024

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0679237

Board Of Directors

Chief Joshua B. Fumudoh
Chairman

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

Mr. Daniel Braie
Managing Director

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

Mrs. Funkazi Koroye-Crooks
Non-Executive Director

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

Mr. Bernard Nicolaas Griesel
Non-Executive Director

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

Board Of Directors

Mrs. Valentina Marinho
Independent Non-Executive Director

Head Commercial Business Support, NLNG
Former Head NGL Marketing, NLNG
Former Head Price Assurance & Risk Management, NLNG
Former Accountant, Integrated Logistics Services
Member, Institute of Chartered Accountants of Nigeria
Alumnus, University of Jos (B.Sc, Accounting)
Alumnus, Lagos Business School, MBA

Mr. Maxwell Ebibai
Non-Executive Director

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

Mr. Pius Otia
Non-Executive Director

Managing Director, Prime Project Montessori/ model School Ltd, Yenagoa
Former member of the Bayelsa State House of Assembly
Former Director Bayelsa State Properties and Investment Company Limited
Former Member, Bayelsa State Board of Internal Revenue,
Alumnus University of Port Harcourt
Alumnus Federal University of Technology, Owerri

Mr. Okanlawon Adelagun
Executive Director

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

Management Team

Mr. Daniel Braie
Managing Director

Mr. Okanlawon Adelagun
Executive Director Technical

Mr. Anthony Saiki
Chief Marketing Officer

Dr. Emmanuel Otitolaiye
Chief Financial Officer

Mr. Humphrey Ozegbe
Chief Human Capital Officer/
Head Management Services

Mr. Taoheed Sikiru
Chief Internal Auditor

Dr. Imo Imo
Chief Strategy & Product
Officer

Ms. Mayen Umoren
Lead, Technical Practice

Mrs. Modupeade Adepoju
Head, ERM/Compliance

Mr. Damilare Adewale
Chief Technology Officer

Financial Statements

Notes to the financial Statements

1 Corporate information

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 are 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 financial statements were authorized for issue by the Company's board of Directors on 27 May, 2024.

1.1 Principal activity

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

1.2 Basis of presentation and preparation

The financial statements of Linkage Assurance Plc have been prepared on a going concern basis and is presented in order of liquidity. The Directors of the Company have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The financial statements are presented in Naira and all values are rounded to the nearest thousand (N'000), except when otherwise indicated.

a) Statement of compliance

The financial statements have been prepared in accordance with the IFRS Accounting Standards as issued by the international Accounting Standards Board. Additional information required by national regulations, the Companies and Allied Matters Act, 2020, the Financial Reporting Council of Nigeria Act No. 6, 2011, Insurance Act 2003 and its interpretations issued by the National Insurance Commission in its Insurance Industry Policy Guidelines is included where appropriate.

The financial statements comprise the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows, the summary of significant accounting policies and the notes to the financial statements.

b) Basis of measurements

The preparation of these financial statements has been based on the historical cost basis except for investment properties, land and building, financial assets at fair value through profit or loss and equity instruments measured at fair value through other comprehensive income that are measured at revalued amounts or fair values, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for assets at acquisition date. In accordance with IFRS 17: Insurance Contracts , the Company has applied existing accounting policies for its non-life insurance contracts, modified as appropriate to comply with the IFRS Accounting Standards framework

2 Changes in accounting policies and disclosures

2.1 New and amended standards and interpretations

In these financial statements, the Company has applied IFRS 17 and IFRS 9 for the first time. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2.1.1 Insurance contracts and insurance contract liabilities

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods on or after 1 January 2023.
The Company has restated comparative information for 2022 applying the transitional provisions to IFRS17.
The nature of the changes in accounting policies can be summarised, as follows:

Notes to the financial Statements

2.1.1.1 Changes to classification and measurement

The adoption of IFRS 17 did not change the classification of the Company's insurance contracts.

The Company was previously permitted under IFRS 4 to continue accounting using its previous accounting policies. However, IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Company.
Under IFRS 17, the Company's insurance contracts issued, and reinsurance contracts held are all eligible to be measured by applying the PAA. The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17.

The measurement principles of the PAA differs from the 'earned premium approach' used by the Company under IFRS 4 in the following key areas:

- The liability for remaining coverage reflects premiums received less deferred insurance acquisition cash flows and less amounts recognised in revenue for insurance services provided.
- Measurement of the liability for remaining coverage includes an adjustment for the time value of money and the effect of financial risk where the premium due date and the related period of services are more than 12 months apart
- Measurement of the liability for remaining coverage involves an explicit evaluation of risk adjustment for nonfinancial risk when a group of contracts is onerous in order to calculate a loss component (previously these may have formed part of the unexpired risk reserve provision)
- Measurement of the liability for incurred claims (previously claims outstanding and incurred-but-not-reported (IBNR claims) is determined on a discounted probability-weighted expected value basis and includes an explicit risk adjustment for non-financial risk. The liability includes the Company's obligation to pay other incurred insurance expenses.
- Measurement of the asset for remaining coverage (reflecting reinsurance premiums paid for reinsurance held) is adjusted to include a loss-recovery component to reflect the expected recovery of onerous contract losses where such contracts reinsure onerous direct contracts.

For product lines where insurance acquisition cash flows are not immediately expensed, the Company allocates the acquisition cash flows to groups of insurance contracts issued or expected to be issued using a systematic and rational basis. Insurance acquisition cash flows include those that are directly attributable to a group and to future groups that are expected to arise from renewals of contracts in that group. Where such insurance acquisition cash flows are paid (or where a liability has been recognised applying another IFRS standard) before the related group of insurance contracts is recognised, an asset for insurance acquisition cash flows is recognised. When insurance contracts are recognised, the related portion of the asset for insurance acquisition cash flows is derecognised and subsumed into the measurement at initial recognition of the insurance liability for remaining coverage of the related group.

2.1.1.1 Changes to presentation and disclosure

For presentation in the statement of financial position, the Company aggregates insurance and reinsurance contracts issued, and reinsurance contracts held, respectively and presents separately:

- Portfolios of insurance contracts issued that are assets.
- Portfolios of insurance contracts issued that are liabilities.
- Portfolios of reinsurance contracts held that are assets.
- Portfolios of reinsurance contracts held that are liabilities.

Notes to the financial Statements

The portfolios referred to above are those established at initial recognition in accordance with the IFRS 17 requirements.

Portfolios of insurance contracts issued include any assets for insurance acquisition cash flows.
The line-item descriptions in the statement of profit or loss and other comprehensive income have been changed significantly compared with last year. Previously, the Company reported the following line items:

- Gross written premiums
- Net premium income
- Changes in unearned premium
- Net insurance claims expenses
- Underwriting expenses
- Instead, IFRS 17 requires separate presentation of:
    - Insurance revenue
    - Insurance service expenses
    - Insurance finance income or expenses
    - Income or expenses from reinsurance contracts held.

The Company provides disaggregated qualitative and quantitative information about:

Amounts recognised in its financial statements from insurance contracts.

Significant judgements, and changes in those judgements, when applying the standard

2.1.1.2 Transition

On transition date, 1 January 2023, the Company:

- Has identified, recognised and measured each group of insurance contracts as if IFRS 17 had always applied a full retrospective approach.
- Has identified, recognised and measured assets for insurance acquisition cash flows as if IFRS 17 has always applied. However, no recoverability assessment was performed before the transition date. At transition date, a recoverability assessment was performed, and no impairment loss was identified.
- Derecognised any existing balances that would not exist had IFRS 17 always applied.
- Recognised any resulting net difference in equity.

Notes to the financial Statements

2.1 New and amended standards and interpretations - continued

2.1.1 Insurance contracts and insurance contract liabilities - continued

Reconciliation of Statement of Financial Position

As at 31 December 2022	IFRS 4	Reclassification	Remeasurement	IFRS 17	IFRS 4	Reclassification	Remeasurement	IFRS 17
	31 Dec 2022			31 Dec 2022	31 Dec 2021			31 Dec 2021
Assets	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	4,236,501	-	-	4,236,501	3,476,697	-	-	3,476,697
Investment securities	26,469,021	-	-	26,469,021	27,584,351	-	-	27,584,351
Trade receivables	199,857	-	-	199,857	81,468	-	-	81,468
Reinsurance assets	5,281,166	(378,087)	-	4,903,079	4,639,643	(222,401)	362,342	4,779,584
Other receivables and prepayments	779,997	-	-	779,997	308,434	-	-	308,434
Investment properties	160,000	-	-	160,000	157,500	-	-	157,500
Deferred acquisition cost	543,059	(543,059)	-	-	432,827	(432,827)	-	-
Intangible assets	20,844	-	-	20,844	36,866	-	-	36,866
Property plant and equipment	1,584,679	-	-	1,584,679	1,467,178	-	-	1,467,178
Right-of-use assets	21,744	-	-	21,744	25,221	-	-	25,221
Statutory deposit	700,000	-	-	700,000	500,000	-	-	500,000
Total assets	39,996,868	(921,146)	-	39,075,722	38,710,185	(655,228)	362,342	38,417,299
Liabilities								
Insurance contract liabilities	12,811,727	(543,061)	923,223	13,191,889	11,635,256	(432,827)	628,564	11,830,992
Trade payables	1,140,673	(118,340)	-	1,022,333	765,141	(62,557)	-	702,584
Other payables	658,996	(259,747)	-	399,249	707,785	(159,844)	-	547,941
Provisions	343,000			343,000	346,000	-	-	346,000
Defined benefit obligations	84,321	-	-	84,321	89,660	-	-	89,660
Current tax liabilities	157,845	-	-	157,845	60,257	-	-	60,257
Total liabilities	**15,196,562**	(921,148)	923,223	15,198,637	**13,604,099**	**(655,228)**	**628,564**	**13,577,434**
Equity								
Share capital	7,000,000	-	-	7,000,000	7,000,000	-	-	7,000,000
Share premium	560,294	-	-	560,294	560,294	-	-	560,294
Contingency reserve	3,395,997	-	-	3,395,997	2,882,618	-	-	2,882,618
Accumulated loss	(1,463,786)	-	(923,223)	(2,386,981)	(3,517,298)	-	(266,222)	(3,783,521)
Assets revaluation reserve	828,773	-	-	828,773	828,773	-	-	828,773
Re-measurement reserve	55,639	-	-	55,639	5,040	-	-	5,040
Fair value reserve	14,423,389	-	-	14,459,291	17,346,660	-	-	17,346,660
Total equity	24,800,306	-	(923,223)	23,913,013	25,106,086	-	(266,222)	24,839,864
Total liabilities and equity	39,996,868	(921,148)	-	39,111,650	38,710,185	(655,228)	362,342	38,417,300

Notes to the financial Statements

Reconciliation of Statement of profit or loss and other comprehensive income restatement

	Note	IFRS 4	Derecognition	Remeasurement	IFRS 17
		N'000	**N'000**	**N'000**	**N'000**
Gross premiums written		12,979,789			-
Increase in unearned premium		(473,238)			-
Gross premium income		12,506,551	(12,506,551)	-	-
Insurance revenue		-	-	(1)	12,506,552
Insurance Service expense		-	-	-	(10,772,115)
Insurance service result before reinsurance contracts held		-			1,734,437
Reinsurance expenses		(5,428,863)			-
Allocation of reinsurance premium		-	-	-	(4,367,507)
Amounts recoverable from reinsurers for incurred claims	A,I,K	-	-	(678,310)	1,431,634
Insurance service result		**-**			**(1,201,436)**
Net premium income		7,077,688	(7,077,688)	-	-
Fees and commission income		1,061,358	(1,061,358)	-	-
Net underwriting income		8,139,046			-
Claims expenses		(2,473,624)	2,473,624	-	-
Underwriting expenses		(5,159,260)	5,159,260	-	-
Underwriting profit		506,162			-
Insurance finance (expense) for insurance contracts issued		-			(197,842)
Reinsurance finance income for reinsurance contracts held		-			953,506
Net insurance finance (expenses)/ income		-			755,664

Notes to the financial Statements

Reconciliation of Statement of profit or loss and other comprehensive income restatement

	Note	IFRS 4 N'000	Derecognition N'000	Remeasurement N'000	IFRS 17 N'000
Net Investment Income					
Investment income		4,706,423			973,356
Net Fair value loss on financial assets at FVTPL		(182,281)			(182,281)
Net fair value gain on investment property		2,500			-
Net trading income Other					4,011,603
operating income		341,048			399,260
Other expenses		(2,716,981)			(2,716,981.00)
Credit loss reversal on financial assets		39,311			(164,202)
Result from operating activities (IFRS 4)		2,696,182			-
IFRS 17 Financial insurance results		-			**2,320,755**
Profit before taxation		**2,696,182**			**1,874,983**
Income tax expense		(129,291)			(129,291)
Profit after taxation		**2,566,891**	-		**1,745,691**

	IFRS 4	IFRS 17
Other comprehensive income:		
Items that will be reclassified subsequently to profit or loss		
Net fair value (loss)/gain on available-for-sale financial assets Net fair	(2,952,000)	-
value gain on debts instruments measured at fair value through OCI	28,729	28,729
ECL on debt instrument on fair value through OCI	-	34,449
	(2,923,271)	**63,178**
Items that will not be reclassified subsequently to profit or loss Net fair value gain/(loss) on equity instruments measured at fair value through OCI	-	(2,952,000)
Re-measurement gain on defined benefit plan (net of tax)	50,599	50,599
Total other comprehensive income for the year, net of tax	**(2,872,672)**	**(2,838,223)**
Total comprehensive income for the year	**(305,781)**	**(1,092,531)**

Notes to the financial Statements

2.1.2 IFRS 9 Financial Instruments

IFRS 9 replaced IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018. However, the Company elected, under the amendments to IFRS 4, to apply the temporary exemption from IFRS 9, thereby deferring the initial application date of IFRS 9 to align with the initial application of IFRS 17.

The Company has applied IFRS 9 retrospectively and restated comparative information for 2022 for financial instruments in the scope of IFRS 9. Differences arising from the adoption of IFRS 9 were recognised in retained earnings as of 1 January 2022.

2.1.2.1 Changes to classification and measurement

To determine their classification and measurement category, IFRS 9 requires all financial assets to be assessed based on a combination of the Company's business model for managing the assets and the instruments' contractual cash flow characteristics.

Notes to the financial Statements

The IAS 39 measurement categories for financial assets (fair value through profit or loss (FVTPL), available for sale (AFS), held-to-maturity (HTM) and loans and receivables (L&R) at amortised cost) have been replaced by:

- Financial assets at fair value through profit or loss, including equity instruments
- Debt instruments at fair value through other comprehensive income, with gains or losses recycled to profit or loss on derecognition
- Equity instruments at fair value through other comprehensive income, with no recycling of gains or losses to profit or loss on derecognition
- Debt instruments at amortised cost

The Company's classification of its financial assets is explained in Note 3. The quantitative impact of applying IFRS 9 as at 1 January 2022 is disclosed in Note 2.1.2.3.

2.1.2.2 Changes to the impairment calculation

The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for debt instruments held at FVOCI or amortised cost by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

IFRS 9 requires the Company to record an allowance for ECLs for all debt instruments not held at FVTPL.

For debt instruments, the ECL is based on the portion of lifetime ECLs (LTECL) that would result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination or purchase of the assets, the allowance is based on the full LTECL.

The Company's debt instruments at FVOCI and amortised cost comprise quoted bonds that are graded in the top investment category and, therefore, are considered to be low credit risk investments. It is the Company's policy to measure such instruments on a 12-month ECL (12mECL) basis. The Company does, however, consider that there has been a significant increase in credit risk for a previously assessed low credit risk investment when any contractual payments on these instruments are more than 30 days past due. Where the credit risk of any bond deteriorates, the Company will sell the bond and purchase bonds meeting the required investment grade.

The Company considers an instrument to be in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider an instrument to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. There were no such instances in 2023 or 2022.

The adoption of the ECL requirements of IFRS 9 has resulted in increases in impairment allowances in respect of the Company's debt instruments. The increase in allowance was adjusted to retained earnings.

2.1 New and amended standards and interpretations - continued

As it was possible to do so without the use of hindsight, the Company restated the statement of financial position as at 1 January 2022, resulting in decreases in financial assets and retained earnings amounting to NGN321million respectively. The statement of profit or loss for the year ended 31 December 2022 was also restated, resulting in increases in impairment loss on financial assets amounting to NGN164million.

2.1.3 IFRS 9 Financial Instruments - continue

Details of the Company's expected credit losses method are disclosed in Note 3(h).

2.1.3.1 Changes in disclosure - IFRS 7

To reflect the differences between IFRS 9 and IAS 39, IFRS 7 Financial Instruments: Disclosures was also amended. The Company applied the amended disclosure requirements of IFRS 7, together with IFRS 9, for the year beginning 1 January 2023. Changes include transition disclosures as shown below.

Notes to the financial Statements

The following pages set out the impact of adopting IFRS 9 on the statement of financial position, and retained earnings including the effect of replacing IAS 39's incurred credit loss calculations with IFRS 9's ECLs.

A reconciliation between the carrying amounts under IAS 39 to the balances reported under IFRS 9 as of 1 January 2023 is, as follows:

		01-Jan-23						
		IAS 39 measurement					IFRS 9 measurement	
In thousands of Nigerian Naira		Category	Amount	Re-classification	ECL	Deferred Tax	Amount	Category
Financial assets								
Cash and cash equivalents	a,c	L&R	4,309,767	-	(121,325)	-	4,188,442	AC
Loans and advances	a,c	L&R	249,121	-	-	-	249,121	AC
Debt instruments at amortised cost	a,c		N/A	6,452,218	(237,316)	-	6,214,902	AC
From: Investment securities - Held to maturity	a			6,452,218	(237,316)	-	6,214,902	
		L&R	**4,558,888**	**6,452,218**	**(358,642)**		**10,652,464** -	AC
Investment securities - Held to maturity			6,452,218	(6,452,218)				
To: Debt instruments at amortised cost				(6,452,218)				
		HTM	**6,452,218**	**(6,452,218)**			**N/A**	
To: Debt instruments at FVOCI				(802,778)				
To: Equity instruments at FVOCI				(16,115,589)				
		AFS	**16,918,367**	**(16,918,367)**	**-**	**-**	**N/A**	
Debt instruments at FVOCI			N/A	802,778	(35,902)		**766,876**	FVOCI
From: Investment securities at AFS				(802,778)				
Equity instruments at FVOCI			N/A	16,115,589			**16,115,589**	FVOCI
From: Investment securities at AFS				(16,115,589)				
Financial assets held-for-trading		FVTPL	2,849,315	-	-	-	**2,849,315**	FVTPL
Total financial assets			**30,778,788**	**-**	**(394,544)**	**-**	**30,384,244**	

ECL- Expected credit losses
AC - Amortised cost
L&R - Loans and receivables
FVTPL - Fair value through profit or loss
FVOCI - Fair value through other comprehensive income
AFS - Available for sale
HTM - Held to maturity

Notes to the financial Statements

Note to the transition disclosures

The following explains how applying the new classification requirements of IFRS 9 led to changes in classification of certain financial assets held by the Company as detailed below:

a. Reclassification from retired categories with no change in measurement

In addition to the above, the following debt instruments have been reclassified to new categories under IFRS 9, as their previous categories under IAS 39 were 'retired'.

Financial instruments reclassified with no changes in measurement basis:

(I) Those previously classified as loans and receivables and now classified as measured at amortised cost; and
(ii) Those previously classified as other financial liabilities and now classified as measured at amortised cost.
(iii) Those previously classified as held to maturity and now classified as measured at amortised cost

b. Designation of equity instruments at FVOCI

The Company has elected to irrevocably designate investments in equity of N16.12 million in a portfolio of non-trading equity securities at FVOCI as permitted under IFRS 9. These securities were previously classified as available-for-sale with some measured at cost less impairment and others carried at fair value. The changes in fair value of such securities will no longer be reclassified to profit or loss when they are disposed of.As of 1 January 2018, an equity

instrument (shares in Benin Electricity Distribution company), which was previously carried at cost was valued and a fair value loss adjustment of N137 Million was recognised.

c. ECL Computation on cash and cash equivalents, loans and advances and debt instruments at amortised cost under IFRS 9

There has been no impairment charge on cash equivalents, and debt instruments at amortised cost under IAS 39. Effective 1 January 2023, the impairment computation for all these instruments is now done in accordance with the expected credit loss model under IFRS 9. As at 1 January 2023, the Company adopted the general approach for all these instruments in accordance with IFRS 9 and recognised an additional impairment of N303 million.

d. Deferred tax implication of IFRS 9

Deferred tax assets have not been recognised in respect of the impact of IFRS 9 at the date of initial application; as there is no evidence that there will be sufficient taxable profits available to the company in future periods to utilize the asset .

Notes to the financial Statements

A reconciliation between the carrying amounts under IAS 39 to the balances reported under IFRS 9 as of 1 January 2022 is, as follows:

		01-Jan-22						
		IAS 39 measurement					IFRS 9 measurement	
In thousands of Nigerian Naira		Category	Amount	Re-classification	ECL	Deferred Tax	Amount	Category
Financial assets								
Cash and cash equivalents	a,c	L&R	3,476,697	-	(7,976)	-	3,468,721	AC
Loans and advances	a,c	L&R	141,658	-	-	-	141,658	AC
Debt instruments at amortised cost	a,c		N/A	3,690,194	(147,648)	-	3,542,546	AC
From: Investment securities - Held to maturity	a			3,690,194	(147,648)	-	3,542,546	
		L&R	**3,618,355**	**3,690,194**	**(155,624)**	**-**	**7,152,925**	AC
Investment securities - Held to maturity			3,690,194	(3,690,194)				
To: Debt instruments at amortised cost				(3,690,194)				
		HTM	**3,690,194**	**(3,690,194)**			**N/A**	
To: Debt instruments at FVOCI				(150,000)				
To: Equity instruments at FVOCI				(18,551,618)				
		AFS	**18,701,618**	**(18,701,618)**	**-**	**-**	**N/A**	
Debt instruments at FVOCI			N/A	150,000	**(1,453)**		**148,547**	FVOCI
From: Investment securities at AFS				(150,000)	**(1,453)**			
Equity instruments at FVOCI	b		N/A	18,551,618			**18,551,618**	FVOCI
From: Investment securities at AFS				(18,551,618)				
Financial assets held-for-trading		FVTPL	5,050,881	-	-	-	**5,050,881**	FVTPL
Total financial assets			**31,061,048**	**-**	**(157,077)**	**-**	**30,903,971**	

Notes to the financial Statements

1.1.1 Amended standards and interpretations

The following are the amended standards and interpretations that the Company have also applied for the first-time. These standards and amendments are effective for annual periods beginning on or after 1 January 2023. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

a) Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the Board.

The amendments had no impact on the Company's financial statements.

b) Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

c) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Company's financial statements.

d) International Tax Reform-Pillar Two Model Rules - Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and

- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

In periods in which Pillar Two legislation is (substantively) enacted but not yet effective, the amendment requires disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes including both qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period. For example:

a) Qualitative information such as how an entity is affected by Pillar Two legislation and the main jurisdictions in which exposures to Pillar Two income taxes might exist, and

b) Quantitative information such as:
- An indication of the proportion of an entity's profits that might be subject to Pillar Two income taxes and the average effective tax rate applicable to those profits; or

Notes to the financial Statements

- An indication of how the entity's overall effective tax rate would have changed if Pillar Two legislation had been effective.

Once the legislation is effective, additional disclosures are required for the current tax expense related to Pillar Two income taxes. The requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023. The Company has reviewed its corporate structure in light of the introduction of Pillar Two Model Rules in the various jurisdictions in which it operates. The has determined that it will not be subject to Pillar Two taxes once the legislation becomes effective since its effective tax rate is above 15% in all the jurisdictions in which it operates. Therefore, as the related Pillar Two disclosures are not required, the amendments had no impact on the Company's financial statements at 31 December 2023.

3.2 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below.

a. Amendments to IFS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.
The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted, and that fact must be disclosed. The amendments are not expected to have a material impact on the Company's financial statements.

b. Classification of Liabilities as Current or Non-Current- Amendments to IAS 1

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current.
The amendments clarify:
- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.
The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. This is now effective and has been adopted by the Company in preparing the financial statements.

c. Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

d. Lack of exchangeability - Amendments to IAS 21

In August 2023, the Board issued Lack of Exchangeability-Amendments to IAS 21. The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal

Notes to the financial Statements

3.2 Standards issued but not yet effective - continued

administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. The amendments are not expected to have a material impact on the Company's financial statements.

e. Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted. The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The amendments must be applied prospectively. Early application is permitted and must be disclosed.

The amendments are intended to eliminate diversity in practice and give preparers a consistent set of principles to apply for such transactions. However, the application of the definition of a business is judgemental and entities need to consider the definition carefully in such transactions. The amendments are not expected to have a material impact on the Company's financial statements.

f. IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 (Presentation and Disclosure in Financial Statements) replaces IAS 1 (Presentation of Financial Statements) and responds to investors' demand for better information about companies' financial performance.

The International Accounting Standards Board (IASB) published IFRS 18 Presentation and Disclosure in Financial Statements in April 2024. This new standard will help companies to provide information about their financial performance that is useful to users of financial statements in assessing the prospects for future net cash inflows to the company and in assessing management's stewardship of the company's economic resources.

IFRS 18 is to require companies to classify all items of income and expenses into one of the five categories of operating, investing, financing, income taxes and discontinued operations. The first three categories are new; IFRS 18 provides specific guidance to assist preparers in identifying items to be classified in each respective category especially for companies with specified main business activities of investing in assets or providing finance to customers. The categories are complemented by the requirement to present subtotals and totals for "operating profit or loss," "profit or loss before financing and income taxes" and "profit or loss".

The new standard also provides that the aggregation and disaggregation of items of assets, liabilities, equity, revenue, expenses and cash flows are based on shared characteristics. Companies are required to aggregate or disaggregate items to present line items in the primary financial statements to provide useful structured summaries.

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, and is to be applied retrospectively for comparative periods.

The amendment is expected to have an impact on the company's financial statements when effective.

g. IFRS 19 Subsidiaries without Public Accountability: Disclosures

When a parent company prepares consolidated financial statements that comply with IFRS Accounting Standards, its subsidiaries are required to report to the parent using IFRS Accounting Standards. However, for their own financial statements, subsidiaries are permitted to use IFRS Accounting Standards, the IFRS for SMEs Accounting Standard or national accounting standards.

Subsidiaries using the IFRS for SMEs Accounting Standard or national accounting standards for their own financial statements often keep two sets of accounting records because the requirements in these Standards differ from those in IFRS Accounting Standards.

Notes to the financial Statements

g. IFRS 19 Subsidiaries without Public Accountability: Disclosures - continue'.

IFRS 19 allows eligible entities to elect to apply IFRS 19's reduced disclosure requirements while still applying the recognition, measurement, and presentation requirements in other IFRS accounting standards. IFRS 19 becomes effective for reporting periods beginning on or after 1 January 2027.

The standard has no impact on the company.

2 Summary of material accounting policies - continued

1.2 Insurance and reinsurance contracts accounting treatment

1.2.1 Separating components from insurance and reinsurance contracts

The Company issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk. The Company issues non-life insurance to individuals and businesses. Non-life insurance products offered include accident, engineering, marine, motor, fire, oil and gas, aviation, bond, and agriculture. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of a policyholder's accident.

The Company does not issue any contracts with direct participating features.

The Company assesses its non-life insurance and reinsurance products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Company applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Company's products do not include any distinct components that require separation.
Some reinsurance contracts entered into contain profit commission arrangements. Under these arrangements, there is a minimum guaranteed amount that the policyholder will always receive - either in the form of profit commission, or as claims, or another contractual payment irrespective of the insured event happening. The minimum guaranteed amounts have been assessed to be highly interrelated with the insurance component of the reinsurance contacts and are, therefore, non-distinct investment components which are not accounted for separately. However, receipts and payments of these investment components are recognised outside of profit or loss.

1.2.2 Level of aggregation

IFRS 17 requires a company to determine the level of aggregation for applying its requirements. The Company previously applied aggregation levels under GAAP, which were significantly higher than the level of aggregation required by IFRS 17. The level of aggregation for the Company is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. This means that, for determining the level of aggregation, the Company identifies a contract as the smallest 'unit', i.e., the lowest common denominator. However, the Company makes an evaluation of whether a series of contracts need to be treated together as one unit based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management). IFRS 17 also requires that no group for level of aggregation purposes may contain contracts issued more than one year apart.

The Company has elected to group together those contracts that would fall into different groups only because law or regulation specifically constrains its practical ability to set a different price or level of benefits for policyholders with different characteristics.

The Company applied a full retrospective approach for transition to IFRS 17. The portfolios are further divided by year of issue and profitability for recognition and measurement purposes. Hence, within each year of issue, portfolios of contracts are divided into three groups, as follows:

- A group of contracts that are onerous at initial recognition (if any)
- A group of contracts that, at initial recognition, have no significant possibility of becoming onerous subsequently (if any)

Notes to the financial Statements

A group of the remaining contracts in the portfolio (if any)
The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The Company assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Company assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Company considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information
- Results of similar contracts it has recognised
- Environmental factors, e.g., a change in market experience or regulations

The Company divides portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. For some groups of reinsurance contracts held, a group can comprise a single contract.

1.2.3 Recognition

The Company recognises groups of insurance contracts it issues from the earliest of the following:
- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous.

2 Summary of material accounting policies - continued

The Company recognises a group of reinsurance contracts held it has entered into from the earlier of the following:
- The beginning of the coverage period of the group of reinsurance contracts held. (However, the Company delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.

And
- The date the Company recognises an onerous group of underlying insurance contracts if the Company entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

The Company adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

2.1.1 Contract boundary

The Company includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums, or in which the Company has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- The Company has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks

Or
- Both of the following criteria are satisfied:
- The Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio
- The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

Notes to the financial Statements

3 Summary of material accounting policies - continued

3.2 Insurance and reinsurance contracts accounting treatment - continued

2.1.2 Measurement - Premium Allocation Approach

	IFRS 17 Options	Adopted approach
Premium Allocation Approach (PAA) Eligibility	Subject to specified criteria, the PAA can be adopted as a simplified approach to the IFRS 17 general model	All the Company's products with coverage period of one year or less are measured using the PAA. Where a contract has a coverage period of more than a year, the company will perform the PAA eligibility test as required, where the materiality level for difference in the liability for remaining coverage has been set at +/- 5%.
Insurance acquisition cash flows for insurance contracts issued	Where the coverage period of all contracts within a group is not longer than one year, insurance acquisition cash flows can either be expensed as incurred, or allocated, using a systematic and rational method, to groups of insurance contracts (including future groups containing insurance contracts that are expected to arise from renewals) and then amortised over the coverage period of the related group. For groups containing contracts longer than one year, insurance acquisition cash flows must be allocated to related groups of insurance contracts and amortised over the coverage period of the related group.	The company uses a systematic and rational method for allocating insurance acquisition cash flows to groups of contract.
Liability for Remaining Coverage (LFRC), adjusted for financial risk and time value of money	Where there is no significant financing component in relation to the LFRC, or where the time between providing each part of the services and the related premium due date is no more than a year, an entity is not required to make an adjustment for accretion of interest on the LFRC.	For general business, LFRC would not be discounted except for certain contract (e, g construction contract). Where contracts have a coverage of more than one year, and where the time between the premium due date and start of coverage period exceeds one year, allowance must be made for accretion of interest on the LFRC (i.e., LFRC will be discounted).
Liability for Incurred Claims, (LFIC) adjusted for time value of money	Where claims are expected to be paid within a year of the date that the claim is incurred, it is not required to adjust these amounts for the time value of money.	Not all claims incurred are settled within a year as such when the claims are settled after a year period, time value of money will be considered. The company has decided not to adjust for time value of money if the cashflow is expected within a year
Insurance finance income and expense	There is an option to disaggregate part of the movement in LFIC resulting from changes in discount rates and present this in OCI.	When insurance finance income or expenses is disaggregated between profit or loss and other comprehensive income, the amount of insurance finance income or expenses included in profit or loss is determined using the discount rate at the date of the incurred claim.

Notes to the financial Statements

2.1.2.1 Insurance contracts - initial measurement

The Company applies the premium allocation approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds, as:

- The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary

Or

- For contracts longer than one year, the Company has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Company has also considered qualitative factors such as the nature of the risk and types of its lines of business.

The Company does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred. Variability in the fulfilment cash flows increases with, for example:

- The extent of future cash flows related to any derivatives embedded in the contracts
- The length of the coverage period of the group of contracts

For a group of contracts that is not onerous at initial recognition, the Company measures the liability for remaining coverage as:

- The premiums, if any, received at initial recognition
- Minus any insurance acquisition cash flows at that date, with the exception of contracts which are one year or less where this is expensed,
- Plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows and
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Company pays or receives before the group of insurance contracts is recognised.

For contracts beyond one year, the liability for remaining coverage is discounted to reflect the time value of money and the effect of financial risk. For all other contracts, there is no allowance for time value of money as the premiums are received within one year of the coverage period.

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Company performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Company recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cashflows. A loss component is established by the Company for the liability for remaining coverage for such onerous group depicting the losses recognised.

2.1.2.2 Reinsurance contracts held - initial measurement.

The Company measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue.

Where the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts

or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

The Company holds the following reinsurance contracts:

- Treaty Reinsurance Outward is usually between the Company and Reinsurers.
- Facultative Reinsurance Outward is usually between the Company and other insurance companies or between the Company and Reinsurers.
- Facultative reinsurance inwards are usually between the Company and other insurance Companies or between the Company and Reinsurers.

Premiums due to the reinsurers are paid and all claims and recoveries due from reinsurers are received. Contracts entered into by the Company with reinsurers under which the Company is compensated for losses on one or more contracts issued by the Company and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets.

Notes to the financial Statements

The benefits to which the Company is entitled under its reinsurance contracts held are recognized as reinsurance assets. These assets consist of short-term balances due from reinsurers, as well as long term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amount associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognized as an expense when due.

The Company's Insurance liabilities or balances arising from insurance contracts primarily include those insurance contract liabilities that were valued by the Actuary. These include unearned premiums reserve and outstanding claim reserve.

2.1.2.3 Insurance contracts - subsequent measurement

The Company measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus, premiums received in the period
- Minus insurance acquisition cash flows
- Plus, any amounts relating to the amortisation of the insurance acquisition cash flows recognised as an expense in the reporting period for the group
- Plus any adjustment to the financing component, where applicable
- Minus the amount recognised as insurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims

The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Company and include an explicit adjustment for non-financial risk (the risk adjustment). The Company does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Company recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Company for the liability for remaining coverage for such.

2.1.2.4 Reinsurance contracts held - subsequent measurement.

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.
Where the Company has established a loss-recovery component, the Company subsequently reduces the loss-recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

2.1.2.5 Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

The Company uses a systematic and rational method to allocate:
(a) Insurance acquisition cash flows that are directly attributable to a group of insurance contracts:
   (i) to that group; and
   (ii) to groups that include insurance contracts that are expected to arise from the renewals of the insurance contracts in that group.

(b) Insurance acquisition cash flows directly attributable to a portfolio of insurance contracts that are not directly attributable to a group of contracts, to groups in the portfolio.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the statement of financial position, a separate asset for insurance acquisition cash

Notes to the financial Statements

flows is recognised for each related group. The asset for insurance acquisition cash flow is derecognised from the statement of financial position when the insurance acquisition cash flows are included in the initial measurement of the related group of insurance contracts.

2.1.2.6 Insurance acquisition cash flows

At the end of each reporting period, the Company revises amounts of insurance acquisition cash flows allocated to groups of insurance contracts not yet recognised, to reflect changes in assumptions related to the method of allocation used. After any re-allocation, the Company assesses the recoverability of the asset for insurance acquisition cash flows, if facts and circumstances indicate the asset may be impaired. When assessing the recoverability, the Company applies:

- An impairment test at the level of an existing or future group of insurance contracts; and
- An additional impairment test specifically covering the insurance acquisition cash flows allocated to expected future contract renewals.

If an impairment loss is recognised, the carrying amount of the asset is adjusted and an impairment loss is recognised in profit or loss.

The Company recognises in profit or loss a reversal of some or all of an impairment loss previously recognised and increases the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have.

2.1.2.7 Insurance contracts - modification and derecognition

The Company derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired)

Or

- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Company derecognises the initial contract and recognises the modified contract as a new contract.

When a modification is not treated as a derecognition, the Company recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

2.1.3 Presentation

The Company has presented separately, in the statement of financial position, the carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets and portfolios of reinsurance contracts held that are liabilities. Any assets for insurance acquisition cash flows recognised before the corresponding insurance contracts are included in the carrying amount of the related groups of insurance contracts are allocated to the carrying amount of the portfolios of insurance contracts that they relate to.

The Company disaggregates the total amount recognised in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses.

The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result. The Company separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

2.1.3.1 Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts allocated to the period. The Company allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses.

The Company changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate.

For the periods presented, all revenue has been recognised on the basis of the passage of time.

Notes to the financial Statements

3 Summary of material accounting policies - continued

2.1.3.2 Loss components

The Company assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. Where this is not the case, and if at any time during the coverage period, the facts and circumstances indicate that a group of insurance contracts is onerous, the Company establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group. Accordingly, by the end of the coverage period of the group of contracts the loss component will be zero.

2.1.3.3 Loss-recovery components

Where the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the expected recovery of the losses.

A loss-recovery component is subsequently reduced to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

2.1.3.4 Insurance finance income and expense

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

The effect of the time value of money and changes in the time value of money; and
The effect of financial risk and changes in financial risk.

The Company presents insurance finance income or expenses on insurance contracts issued and reinsurance contracts held in the statement of profit or loss.

2.1.3.5 Net income or expense from reinsurance contracts held

The Company presents separately on the face of the statement of profit or loss and other comprehensive income, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Company treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held, and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the statement of profit or loss and other comprehensive income.

3.3 Financial instruments

a) Recognition and initial measurement

- **Initial recognition**

All financial assets and liabilities are initially recognized on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. The Company uses trade date accounting for regular way contracts when recording financial assets transactions.

A financial asset or financial liability is measured initially at fair value plus or minus, for an item not at fair value through profit or loss, direct and incremental transaction costs that are directly attributable to its acquisition or issue. Transaction costs of financial assets and liabilities carried at fair value through profit or loss are expensed in profit or loss at initial recognition.

- **Day 1 profit or loss**

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net trading income. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred. The deferred amounts are recognised in profit or loss when there is a change in a factor (including time) that market participants would take into account when pricing the asset or liability. On this basis, the Company has assessed that amortising the deferred amount on a straight-line basis is appropriate. Any outstanding amount is

Notes to the financial Statements

immediately recognised in profit or loss when the instrument is derecognised or when the input(s) becomes observable.

b) Amortised cost and gross carrying amount.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

c) Effective interest method

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e., its amortised cost before any impairment allowance) or to the amortised cost of a financial liability.

The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

When calculating the effective interest rate for financial instruments other than purchase or originated credit-impaired assets, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For purchase or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses. The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised (excluding modifications) for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the statement of financial position with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in profit or loss.

d) Classification of financial instruments

The Company classifies its financial assets under IFRS 9, into the following measurement categories:

- those to be measured at fair value through other comprehensive income (FVOCI) without recycling (equity instrument),
- those to be measured at fair value through other comprehensive income (FVOCI) with recycling (debt instrument),
- those to be measured at fair value through profit or loss (FVTPL) (equity instrument); and
- those to be measured at amortised cost (debt instrument).

The classification depends on the Company's business model (i.e., business model test) for managing financial assets and the contractual terms of the financial assets cash flows (i.e. solely payments of principal and interest - SPPI test). The Company also classifies its financial liabilities at amortized cost. Management determines the classification of the financial instruments at initial recognition.

e) Subsequent measurements

(i) Financial assets
The subsequent measurement of financial assets depends on its initial classification:
- **Debt instruments**

Financial assets at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the financial Statements

The gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is determined using the effective interest method and reported in profit or loss as 'Interest income'. The amortised cost of a financial instrument is defined as the amount at which it was measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the 'effective interest method' of any difference between that initial amount and the maturity amount, and minus any loss allowance. The effective interest

method is a method of calculating the amortised cost of a financial instrument (or group of instruments) and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the instrument or, when appropriate, a shorter period, to the instrument's gross carrying amount.

Equity instruments

The Company subsequently measures all equity investments at fair value. The Company has designated its unquoted equity instruments to be measured at fair value through other comprehensive income (FVOCI) since the investments are not held for trading. For these instruments, the Company present subsequent changes in fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis at the initial recognition of the instrument. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as dividend income (under Investment income) when the Company's right to receive payments is established unless the dividend clearly represents a recovery of part of the cost of the investment.
All other equity financial assets are classified as measured at FVTPL. Changes in the fair value of financial assets at fair value through profit or loss are recognised in Net fair value gain/ (loss) gain on financial assets in the profit or loss.

Business Model assessment

The Company assess the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets.
- how the performance of the portfolio is evaluated and reported to the Insurer's management.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated - e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected.
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Insurer's stated objective for managing financial assets is achieved and how cash flows are realized.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Solely payments of principal and interest (SPPI) assessment

If a financial asset is held in either a Hold to Collect or Hold to Collect and Sell model, then an assessment is determined whether contractual cash flows are solely payments of principal and interest on principal amount outstanding at initial recognition is required to determine the classification. Contractual cash flows that are SPPI on the principal amount outstanding are considered as basic lending arrangement with interest as consideration for the time value of money and the credit risk associated with the principal amount outstanding during the tenor of the agreed arrangement. Other basic lending risks like Liquidity risk and cost of administration associated with holding the financial asset for the specified tenor and the profit margin that is consistent with a basic lending arrangement.
(ii) Financial liabilities

A financial liability is classified at fair value through profit or loss if it is classified as held-for-trading or designated as such on initial recognition. Directly attributable transaction costs on these instruments are recognised in profit or loss

Notes to the financial Statements

3 Summary of material accounting policies - continued

as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognised in profit or loss.

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 amortised cost using the effective interest method.

f) Reclassifications

The Company reclassifies financial assets when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and must be significant to the Company's operations.

When reclassification occurs, the Company reclassifies all affected financial assets in accordance with the new business model. Reclassification is applied prospectively from the 'reclassification date'. Reclassification date is 'the first day of the first reporting period following the change in business model. Gains, losses or interest previously recognised are not restated when reclassification occurs.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets that are debt instruments. A change in the objective of the Company's business occurs only when the Company either begins or ceases to perform an activity that is significant to its operations (e.g., via acquisition or disposal of a business line).

The following are not considered to be changes in the business model:

A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions)
A temporary disappearance of a particular market for financial assets

Financial liabilities are not reclassified after initial classification.

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g) Modifications of financial assets and financial liabilities

(i) Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value. Any difference between the amortized cost and the present value of the estimated future cash flows of the modified asset or consideration received on derecognition is recorded as a separate line item in profit or loss statement. If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The amount arising from adjusting the gross carrying amount is recognised as a modification gain or loss in profit or loss as part of impairment loss on financial assets for the year.

(ii) Financial liabilities

The Company derecognizes a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. This occurs when the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment.
If the exchange or modification is not accounted for as an extinguishment (i.e. the modified liability is not substantially different), any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Notes to the financial Statements

h) Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For debt instruments at amortised cost, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the credit rating of the debt instrument by international credit rating agencies like S&P, Moody's and Fitch as well as local ratings by Agusto and Co. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. Where the credit risk of any bond deteriorates, the Company will sell the bond and purchase bonds meeting the required investment grade.

The Company's debt instruments at amortised cost comprise quoted sovereign bonds, corporate bonds, and others that are graded in the top investment category. The Company's fixed income investment portfolio consists of Investment grade and low speculative bonds and, therefore, are considered to be low credit risk investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company uses the ratings from the International Credit Rating Agencies both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Further disclosures relating to impairment of financial assets are also provided in the following.

- Disclosures for significant estimates Judgements and assumptions - Note 3.22
- Financial risk disclosures - Notes 6b in the financial statements.

i) Write-off

After a full evaluation of a non-performing exposure, in the event that either one or all of the following conditions apply, such exposure is recommended for write-off (either partially or in full):

- continued contact with the customer is impossible;
- recovery cost is expected to be higher than the outstanding debt;
- amount obtained from realization of credit collateral security leaves a balance of the debt; or
- it is reasonably determined that no further recovery on the facility is possible.

All credit facility write-offs require endorsement by the Board Credit and Risk Committee, as defined by the Company. Credit write-off approval is documented in writing and properly initialled by the Board Credit and Risk Committee. The gross carrying amount of an asset is written off (either fully or partially) to the extent that there is no realistic prospect of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could generate sufficient cashflows to repay the amount subject to write off. However, the financial assets that are subjected to write off could still be subject to enforcement activities in other to comply with the Company's procedures for recovery of amount due.

Notes to the financial Statements

j) Forward looking information

In its ECL models, the Company relies on a broad range of forward-looking information as economic inputs, such as:
- Inflation rate
- Prime lending rate
- Crude oil price

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

k) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when 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 in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in such derecognised asset financial asset that is created or retained by the Company is recognised as a separate asset or liability. Impaired debts are derecognised when they are assessed as uncollectible.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

l) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when its contractual obligations are discharged or cancelled or expired. 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 profit or loss.

m) Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.4 Foreign currency translation

i. Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Nigerian Naira which is the Company's functional and presentation currency.

ii. Transactions and balances

Foreign currency transactions are transactions denominated, or that require settlement, in a foreign currency and these are translated into the functional currency at the spot rate prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange prevailing at the reporting date. Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognised in profit or loss.

3.5 Cash and cash equivalents

For the purposes of the statement of cash flows, cash comprises cash balances and deposits with banks. Cash equivalents comprise highly liquid investments (including money market funds) that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value with original maturities of three months or less being used by the Company in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

Notes to the financial Statements

3.6 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets other than deferred tax 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.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised 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.

3.7 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i. Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

- **Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (s) Impairment of non-financial assets.

- **Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option if reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.
In calculating the present value of lease payments, the Company uses the interest rate implicit in the lease if that rate can be determined. if that rate cannot be determined, the Company shall use its incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

ii. Company as a lessor

Finance leases are recognised when the Company transfers substantially all the risks and rewards of ownership of the leased assets to the lease. Investment in finance lease at commencement is initially recorded as an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments (discounted at the interest rate implicit in the lease, if practicable, or else at the entity's incremental borrowing rate. The finance lease is recorded as a receivable, at an amount equal to the net investment in the lease.

Notes to the financial Statements

Interest income on investment in finance lease is recognised in the profit or loss as investment income in the period the interest is receivable. An investment in finance lease is impaired using IFRS 9 expected credit loss model (see note 2.3.3(h))

3.8 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 profit or loss and other comprehensive income in the year 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 profit or loss and other comprehensive income in the year 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 is recognized in profit or loss statement.

3.9 Intangible assets

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

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

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.
Amortization is recognized in the profit or loss and other comprehensive income 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 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.

3.10 Property and equipment

i. 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 historical costs 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.

Notes to the financial Statements

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.

ii. 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.

iii. 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
Buildings work in progress	Nil
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.

iv. Derecognition

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 profit or loss and other comprehensive income of the year the asset is derecognized.

3.11 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.

3.12 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.

Notes to the financial Statements

3.13 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 2014. 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.

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.

3.14 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:

Notes to the financial Statements

- Company income tax is computed on taxable profits
- Tertiary education tax is computed on assessable profits
- National Information Technology Development Agency levy is computed on profit before tax
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year)

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

Minimum tax
Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss. The Company is subject to the Finance Act (amendments made to Companies Income Tax Act (CITA)). Total amount of tax payable under the new Finance Act shall not be less than 0.5% of the Company's gross premium.

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

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

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

- temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting not taxable profit or loss;
- taxable temporary differences arising on the initial recognition of goodwill; and
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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

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

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

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

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

3.15 Other receivables and prepayment

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.

Notes to the financial Statements

3.16 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.

b. Share premium

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

c. 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.

d. 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.

e. 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.

f. Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of the Company's fair value through other comprehensive income investments. Net fair value movements are recycled to profit or loss if an underlying fair value through other comprehensive income investment is either derecognized or impaired.

g. Re-measurement reserve

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

3.17 Contingent assets and liabilities

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 statements.

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.

3.18 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.

3.19 Statement of Cash Flows

A statement of cash flows, when used in conjunction with the rest of the financial statements, provides information that enables users to evaluate the changes in net assets of an entity, its financial structure (including its liquidity and solvency) and its ability to affect the amounts and timing of cash flows in order to adapt to changing circumstances and opportunities.

According to IAS 7 Statement of Cash Flows, an entity shall report cash flows from operating activities using either:

(a) the direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed; or

Notes to the financial Statements

(b) the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

The Company has adopted the direct method in reporting cash flows from operating activities because it provides more details about operating cashflows which may be useful in estimating future cash flows.

3.20 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, aviation, marine, oil and gas, bond and agriculture. (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.

3.21 Significant accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3.30.1 Critical judgments in applying the Company's accounting policies.

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 recognised in financial statements.

a) Insurance product classification and contract liabilities

The Company's non-life insurance contracts are classified as insurance contracts. As permitted by IFRS 17, Insurance contracts are those contracts where the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

b) Liability for remaining coverage

The company uses the following key assumption for its liability for remaining coverage. Earnings pattern for LRC (Liability for Remaining coverage) includes two (2) options under the PAA, they are:

- Pro-rata temporis (passage of time)
- Risk based curve

For insurance contracts which automatically qualify for PAA (i.e., with coverage period not exceeding 1 year), the passage of time or pro-rata temporis pattern will be used. This approach is almost identical to the 365th method that is currently used for determining IFRS 4 unearned premium reserves (UPR). However, contracts which automatically qualify for PAA does not necessarily imply that the uniform earnings curve will be appropriate. For example, seasonality of claim incidence under certain class of policy would normally require calibration of the earnings curve. But the default curve will be uniform unless facts and circumstances indicate otherwise, i.e., there is sufficient credible data and grounds that the incidence of risk may not be linear.
For contracts with coverage period exceeding 1-year, actuarial investigations will be conducted by deriving the claims

Notes to the financial Statements

3.30.1 Critical judgments in applying the Company's accounting policies- continued

incidence pattern using historical claims data. Actual observed claims incidence curve is tested for goodness of fit by applying standard statistical techniques. In the absence of credible claims data, an equivalent risk incidence curve will be sourced from our international reinsurers. If external risk curve is not available, then by default a uniform earnings curve will apply.

The selected earnings curve will be applied to both insurance and reinsurance contract.

c) Claims payment pattern for liability for incurred claims.

In estimating the claims payment pattern for liability for incurred claims, the company sets:

1. An assumption regarding the future timing of claim settlement is required as the IFRS 17 requires the determination of probability weighted future cash flows. Weighted future cash flows will include expected claim payment, expected cost of settling the claims, unallocated claim expenses that are integral to the claim cost but due to system limitations they cannot be allocated to individual claims (e.g. cost of pool of contract cars), legal costs incurred or expected to be incurred for litigated claims, motor recoveries from third party insurers, salvage and subrogation and directly attributable maintenance expenses. For reinsurers' LIC, same cashflows shall apply as described above but the cashflows are apportioned according to reinsurance arrangement.

   Run off triangles are used to project future claims payment generated by direct insurance contracts and claim recovered from reinsurance contracts. Actual claims paid and outstanding claim reserves are grouped by accident year cohorts.

   Methodology used for claims reserving is defined by the Company's Reserving Policy and Reserving Guidance, and it relies on the Basic Chain Ladder as well as the Bornhuetter-Ferguson method. Same methodology is applied to claims generated by direct contracts and claim recovered from reinsurance contracts.

   The best estimate for claims development or payment to ultimate is determined by the link ratio estimator for each period of development. This is achieved by selecting the weighted averages or simple averages of link ratios for each period of claims development until the ultimate period when the claims development is deemed to be fully run off. For each reserving class that best estimate claim payment pattern is derived separately on a gross basis Insurance contracts and reinsurers' share (claim recovered from reinsurance contracts). The process of selecting link ratios often involves identifying outliers and excluding them. Analysis of Actual versus Expected claim reserves is carried out to assess adequacy of best estimate payment pattern estimated in prior year/period. Where significant deviations are noted, further investigations are carried out to ascertain whether this is indicative of a new trend in the underlying claim development process or whether this is caused by the occurrence of abnormally large claims that tend to distort the latest link ratios or whether it was caused by certain specific events impacting the claims process that are not expected to recur in the future (e.g. restructuring of claims department, or installing a new admin system or claim backlog). If the cause of the deviation is driven by changes in the claims development process which is expected to be recurring or be permanent in the future (e.g., application of new case reserving practice), then judgement is applied in choosing the link ratio for the most recent accident year cohort.
   Consideration is also given on the need to allow for a tail factor for projecting claims payment beyond the available data horizon.

2. Claim payment pattern will be derived for each reserving class or portfolio (portfolio if there is only one reserving class).

3. Basically, the payment pattern provides probabilities to project the settlement of claims in future time periods.

4. For a given portfolio or reserving class, same payment pattern will be applied to project the payment of OCR (outstanding claim reserve), IBNR reserve and Risk Adjustment estimates over future time periods.

5. Existing reserving models (primarily the Basic Chain Ladder) will be used to derive the payment probabilities from the link ratios obtained from paid triangles.

6. Pattern will be derived once a year, that is, at the year-end valuation. It is expected that same payment pattern will be used in the LIC cashflow modelling for interim valuation periods and roll forward.

7. However, for reserving class or portfolios which exhibit significant volatility, payment pattern might be reviewed and revised more frequently and also pattern used in LIC model will need to be updated. A change in payment pattern will lead to a change in fulfilment cashflows arising from non-financial assumption change. This change or delta in fulfilment cashflow will be accounted for as an insurance service expense.

8. Changes of payment pattern during a financial year will only be considered if justified by facts and circumstances. Examples of facts and circumstances could be as follows: major changes in claim reporting and settlement processes that would invalidate existing payment pattern (e.g. non-life claims backlog can be quite common arising from dispute

Notes to the financial Statements

in settlement amount or change in policy administration system. occurrence of major external systemic events such as a pandemic related lockdown will impact the development factors- hence invalidate existing payment pattern.

9. It is to be noted that, for consistency, the same payment pattern as used for claim projection will be applied in the projection of Risk Adjustment estimates. The same approach would be used to derive the payment pattern for modelling the LIC cashflows for a portfolio of reinsurance contracts.

10. Moreover, it is required to allocate the projected OCR, IBNR and RA to issue year cohorts /underwriting year cohorts. This will necessitate the application of an allocation driver. Projected IBNR, OCR and RA cashflows will be allocated to underwriting year by making use of weights. Weights, as a proxy for coverage, for each underwriting year will be derived from earned premium /revenue (as computed for the LRC). For internal reporting needs, further allocation of IBNR, OCR and RA (risk adjustment) down to more granular levels (issue year cohorts/distribution channels/ cover-section/ client types) will be required. Earned premium weights, as described above, will also be used for a more granular allocation of projected OCR, IBNR and RA.

Insurance acquisition cash flows

The company recognizes asset for insurance acquisition cash flows paid, or incurred, before the related group of insurance contracts are recognised. Such an asset is derecognised when the insurance acquisition cash flows are included in the measurement of the related group of insurance contracts. The Company recognises such an asset for each related group of insurance contracts. The company allocates insurance acquisition cash flows to the existing or future group of insurance contracts using a systematic and rational method.

Onerous groups

For groups of contracts that are onerous, the liability for remaining coverage is determined by the fulfilment cash flows. Any loss-recovery component is determined with reference to the loss component recognised on underlying contracts and the recovery expected on such claims from reinsurance contracts held.

Time value of money on liability for remaining coverage

For Engineering contracts and Marine cargo contracts, the Company adjusts the carrying amount of the liability for remaining coverage to reflect the time value of money and the effect of financial risk using discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition. While for other business lines, the company has elected not to discount the liability for remaining coverage.

Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the yields of highly liquid high grade rated sovereign securities in the currency of the insurance contract liabilities. The illiquidity premium is determined by reference to observable market rates.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

The Company has estimated the risk adjustment using a confidence level (value at risk) approach in which a full IFRS 17 liability distribution is generated across all non-financial risks and risk adjustment is calculated as the difference between the best estimate liability and the liability value at the chosen confidence level.

4. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Notes to the financial Statements

a) **Going Concern**

The financial statements have been prepared on the going concern basis and there is no intention to curtail business operations. Capital adequacy, profitability and liquidity ratios are continuously reviewed, and appropriate action taken to ensure that there are no going concern threats to the operation of the Company. The Directors have made assessment of the Company's ability to continue as a going concern and have no reason to believe that the Company will not remain a going concern in the next 12 months ahead.

b) **Estimating the incremental borrowing rate**

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The Company estimates the IBR using observable inputs (such as FGN Bond interest rates) and is required to make certain entity-specific adjustments (such as the Company's stand-alone credit rating, or to reflect the terms and conditions of the lease) and assets specific adjustment (such as property yield).

c) **Fair value of financial instruments using valuation techniques**

The Directors use their judgment in selecting an appropriate valuation technique. Where possible, financial instruments are marked at prices quoted in active markets. In the current market environment, such price information is typically not available for all instruments and the Company uses valuation techniques to measure such instruments. These techniques use "market observable inputs" where available, derived from similar assets in similar and active markets, from recent transaction prices for comparable items or from other observable market data. For positions where observable reference data are not available for some or all parameters the Company estimates the non-market observable inputs used in its valuation models.

Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates although some assumptions are not supported by observable market prices or rates.

d) **Valuation of Non-life insurance contract liabilities**

For non-life insurance contract, estimates have to be made for the expected ultimate cost of all future payments attaching to incurred claims at the reporting date. These include incurred but not reported ("IBNR") claims. Due to the nature of insurance business, ultimate cost of claims is often not established with certainty until after the reporting date and therefore considerable judgement, experience and knowledge of the business is required by

management in the estimation of amounts due to contract holders. Actual results may differ resulting in positive or negative change in estimated liabilities.

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Loss ratio method and BCL methods. The BCL method assumes that past experience is indicative of future experience i.e., claims recorded to date will continue to develop in a similar manner in the future while Loss ratio method is used for classes with limited claims payments or history and therefore a BCL method would be inappropriate. The loss ratio method allows for an estimate of the average ultimate loss ratio.

e) **Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

f) **Valuation of pension benefit obligation**

The cost of defined benefit pension plans, and other post-employments benefits, and the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases, mortality rates and future pension

Notes to the financial Statements

g) Valuation of investment properties

The Company carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Company engaged an independent valuation specialist to assess fair value as at 31 December 2023. A valuation methodology based on discounted cash flow model was used as there is a lack of comparable market data because of the nature of the properties.

The determined fair value of the investment properties is most sensitive to the estimated yield as well as the long-term vacancy rate. The key assumptions used to determine the fair value of the investment properties are further explained in Note 12 to the financial statements.

h) Impairment losses on financial assets

The measurement of impairment losses both under IFRS 9 across all categories of financial assets in scope requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk.

These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

I. S&P credit grading model of obligors which assigns PDs to the individual grades
ii. The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
iii. Development of ECL models, including the various formulas and the choice of inputs
iv. Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment rates, inflation rate, GDP growth rate and crude oil price, and the effect on PDs, EADs and LGDs

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The determination of whether a financial asset is credit impaired focuses exclusively on default risk, without taking into consideration the effect of credit risk mitigants such as collateral or guarantees. Specifically, the financial asset is credit impaired and in stage 3 when: The Company considers the obligor is unlikely to pay its credit obligations to the Company. The termination may include forbearance actions, where a concession has been granted to the borrower or economic or legal reasons that a qualitative indicators of credit impairment; or contractual payments of either principal or interest by the obligor are pass due by more than 90 days.

For financial assets considered to be credit impaired, the ECL allowance covers the amount of loss the Company is expected to suffer. The estimation of ECLs is done on a case-by-case basis for non-homogenous portfolios, or by applying portfolio-based parameters to individual financial assets in this portfolio by the Company's ECL model for homogenous portfolios.

Forecast of future economic conditions when calculating ECLs are considered. The lifetime expected losses are estimated based on the probability - weighted present value of the difference between:
1) The contractual cash flows that are due to the Company under the contract; and
2) The cash flows that the Company expects to receive.

Elements of ECL models that are considered accounting judgements and estimates include:
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The development of ECL models, including the various formulas and the choice of inputs Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

Notes to the financial Statements

i) Regulatory authority and financial reporting

The Company is regulated by the National Insurance Commission (NAICOM) under the National Insurance Act of Nigeria. The Act specifies certain provisions which have impact on financial reporting as follows:

I. Section 20 (1a) provides that provisions for unexpired risks shall be calculated on a time apportionment basis of the risks accepted in the year.

II. Section 20 (1b) which requires the provision of 10 percent for outstanding claims in respect of claims incurred but not reported at the end of the year under review. See note 2.3.13(ii) on accounting policy for outstanding claims.

III. Sections 21 (1a) and 22 (1b) require maintenance of contingency reserves for general and life businesses respectively at specified rates as set out under note (37) and note 2.3.21 to cover fluctuations in securities and variation in statistical estimates.

IV. Section 24 requires the maintenance of a margin of solvency to be calculated in accordance with the Act as set out under note 48(c).

V. Section 10(3) requires insurance companies in Nigeria to deposit 10 percent of the minimum paid-up share capital with the Central Bank of Nigeria as set out under note 29;

VI. Section 25 (1) requires an insurance Company operating in Nigeria to invest and hold invested in Nigeria assets equivalent to not less than the amount of policy holders' funds in such accounts of the insurer. See note 20 for assets allocation that covers policy holders' funds.

The Financial Reporting Council of Nigeria Act No. 6, 2011 which requires the adoption of IFRS by all listed and significant public interest entities provides that in matters of financial reporting, if there is any inconsistency between the Financial Reporting Council of Nigeria Act No. 6, 2011 and other Acts which are listed in Section 59(1) of the Financial Reporting Council of Nigeria Act No. 6, 2011, the Financial Reporting Council of Nigeria Act No. 6, 2011 shall prevail. The Financial Reporting Council of Nigeria acting under the provisions of the Financial Reporting Council of Nigeria Act No. 6, 2011 has promulgated IFRS as the national financial reporting framework for Nigeria. Consequently, the following provision of the National Insurance Act, 2003 which conflict with the provisions of IFRS have not been adopted:

(i) Section 22(1a) which requires additional 25 percent of net premium to general reserve fund. See note 2.3.28 on accounting policy for unexpired risk and unearned premium.


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Statement of Financial Position

as at 31 December 2023

Assets	Note	31 Dec 2023 N'000	Restated 31 Dec 2022 N'000	Restated 1 Jan 2022 N'000
Cash and cash equivalents	7	5,507,393	4,188,442	3,468,721
Investment securities	8	35,825,193	25,982,584	27,295,045
Loan and receivables	9	382,113	249,121	141,658
Trade receivables	11	278,764	199,857	81,468
Other receivables	12	890,333	779,997	308,434
Reinsurance contract assets	10.1	5,559,453	4,903,079	4,779,584
Investment property	13	220,000	160,000	157,500
Intangible assets	14	33,101	20,844	36,866
Property and equipment	15	3,452,249	1,584,679	1,467,178
Right-of-use assets	16	13,509	21,744	25,221
Statutory deposit	17	700,000	700,000	500,000
Total assets		52,862,109	38,790,347	38,261,675
Liabilities				
Insurance contract liabilities	10.2	15,340,788	13,191,889	11,830,992
Trade payables	18	2,136,104	1,022,333	702,584
Other payables	19	1,667,015	399,250	547,941
Provisions	19.3	343,000	343,000	346,000
Defined benefit obligations	20	168,130	84,322	89,660
Current tax liabilities	21	174,585	157,845	60,257
Total liabilities		19,829,622	15,198,639	13,577,434
Equity				
Share capital	22	7,000,000	7,000,000	7,000,000
Share premium	23	560,294	560,294	560,294
Contingency reserve	24	4,452,316	3,395,997	2,882,618
Assets revaluation reserve	26.3	1,721,291	828,773	828,773
Re-measurement reserve	26.2	4,111	55,639	5,040
Fair value reserve	26.1	17,777,487	14,459,291	17,348,113
Retained earnings/ accumulated losses	25	1,516,988	(2,708,286)	(3,940,598)
Total equity		33,032,487	23,591,708	24,684,240
Total liabilities and equity		52,862,109	38,790,347	38,261,675

The financial statements were approved on 27 May 2024 and signed on behalf of the Board of Directors by:

Chief Joshua B. Fumudoh	Mr. Daniel Braie	Dr. Emmanuel Otitolaiye
Chairman	Managing Director	Chief Financial Officer
FRC/2018/IODN/00000017911	FRC/2018/CIIN/00000018082	FRC/2014/ICAN/00000008524
27 May 2024	27 May 2024	27 May 2024

The accompanying notes to the financial statements form an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2023

	Note	31 December 2023	Restated 31 December 2022
Insurance revenue	27	14,835,202	12,506,552
Insurance service expenses	28	(10,795,403)	(10,772,115)
Insurance service result before reinsurance contracts held		4,039,799	**1,734,437**
Allocation of reinsurance premium	29	(6,466,167)	(4,367,507)
Amounts recoverable from reinsurers for incurred claims	30	2,687,964	1,431,634
Net expense from reinsurance contracts held		**(3,778,203)**	**(2,935,873)**
Insurance service result		**261,595**	**(1,201,436)**
Interest revenue calculated using the effective interest method	31	2,292,891	973,356
Net trading income	32	4,231,179	4,011,603
Credit loss expense	39	(100,669)	(164,202)
Fair value loss on financial assets measured at FVTPL	34	(29,880)	(182,281)
Other income	33	2,673,629	399,260
Total investment income		**9,067,151**	**5,037,736**
Insurance finance (expense) for insurance contracts issued	37	(543,036)	(197,842)
Reinsurance finance income for reinsurance contracts held	37	195,752	953,506
Net insurance finance (expenses)/ income		**(347,284)**	**755,664**
Net insurance and investment result		**8,981,462**	**4,591,964**
Other expenses	38	(3,517,715)	(2,716,981)
Profit before income tax		**5,463,747**	**1,874,983**
Minimum tax	21.1	(103,911)	(76,196)
Income tax expense	21.1	(78,242)	(53,096)
Profit for the year		**5,281,594**	**1,745,691**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Net fair value gain on debts instruments measured at fair value through OCI	26.1	75,966	28,729
ECL on debt instrument on fair value through OCI		(24,770)	34,449
Net insurance finance income for insurance contracts issued			-
		51,196	63,178
Items that may not be reclassified subsequently to profit or loss			
Net fair value gain/(loss) on equity instruments measured at fair value through OCI	26.1	3,267,000	(2,952,000)
Remeasurement of defined benefit obligation	26.2	(51,528)	50,599
Gain on revaluation of property & equipment	26.3	892,518	-
Other comprehensive income/ (loss) for the year. Net of tax		**4,159,186**	**(2,838,223)**
Total comprehensive income/ (loss) for the year		**9,440,780**	**(1,092,532)**
Basic and diluted earnings per share (kobo)		37.7	12.5

The accompanying notes to the financial statements form an integral part of these financial statements

Statements of Changes in Equity

For The Year Ended 31 December 2023

2023 In thousands of naira	Notes	Share capital N'000	Share premium N'000	Contingency Reserve N'000	Asset revaluation reserve N'000	Re-measurement reserve N'000	Fair value reserve N'000	Retained earnings N'000	Total N'000
At 1 January 2023		**7,000,000**	**560,294**	3,395,997	**828,773**	**55,639**	**14,459,291**	**(2,708,286)**	23,591,708
Profit for the year		-	-	-	-	-	-	5,281,594	5,281,594
Other comprehensive income:									
Remeasurement of defined benefit obligation	26.2	-	-	-	-	(51,528)	-	-	(51,528)
Net fair value changes on equity instruments at fair value through OCI	26.1	-	-	-	-	-	3,267,000	-	3,267,000
Net fair value changes on debt instrument at fair value through OCI	26.1						75,966		75,966
ECL on debt instrument on fair value through OCI	26.1						(24,770)		(24,770)
Gain on revaluation of property and equipment	26.3				892,518	-	-	-	892,518
Total comprehensive income/ (loss)		-	-	-	892,518	(51,528)	3,318,196	5,281,594	9,440,780
Transfer to contingency reserve	24	-	-	1,056,319	-	-	-	(1,056,319)	-
At 31 December 2023		**7,000,000**	**560,294**	**4,452,316**	**1,721,291**	**4,111**	**17,777,487**	**1,516,988**	**33,032,487**

2022 In thousands of naira		Share capital N'000	Share premium N'000	Contingency Reserve N'000	Asset revaluation reserve N'000	Re-measure ment reserve N'000	Fair value reserve N'000	Restated Accumulated losses N'000	Total N'000
At 1 January 2022		7,000,000	560,294	2,882,618	828,773	5,040	17,346,660	(3,517,298)	25,106,087
Impact of IFRS 9		-	-	-	-	-	1,453	(157,077)	(155,624)
Impact of IFRS 17	25	-	-	-	-	-	-	(266,223)	(266,223)
Restated as at 1 January 2022		**7,000,000**	**560,294**	**2,882,618**	**828,773**	**5,040**	**17,348,113**	**(3,940,598)**	**24,684,240**
Profit for the year		-	-	-	-	-	-	1,745,691	1,745,691
Remeasurement of defined benefit obligation	26.2	-	-	-	-	50,599	-	-	50,599
Net fair value changes on equity instruments at fair value through OCI	26.1	-	-	-	-	-	(2,952,000)	-	(2,952,000)
Net fair value changes on bonds at fair value through OCI	26.1	-	-	-	-	-	28,729	-	28,729
ECL on debt instrument on fair value through OCI	26.1	-	-	-	-	-	34,449		34,449
Total comprehensive income/(loss)		-	-	-	-	50,599	(2,888,822)	1,745,691	(1,092,532)
Transfer to contingency reserve	25	-	-	513,379	-	-	-	(513,379)	-
		-	-						-
At 31 December 2022		**7,000,000**	**560,294**	**3,395,997**	**828,773**	**55,639**	**14,459,291**	**(2,708,286)**	**23,591,708**

The accompanying notes to the financial statements form an integral part of these financial statements.

Statements of Cash Flows

For The Year Ended 31 December 2023

	Note	31 Dec 2023 N'000	Restated 31 Dec 2022 N'000
Cash flow from operating activities			
Premiums received from policy holders	41.2	16,218,449	12,800,946
Premiums received in advance	18.1	35,531	21,707
Deposit without details	19.2	669,196	23,801
Reinsurance premium paid	41.4	(6,960,679)	(5,860,732)
Claims paid	35	(4,492,147)	(3,086,234)
Reinsurance claim recoveries	41.3	1,449,082	1,273,413
Salvage recovery	41.3	81,868	121,099
Commission paid	41.5	(4,226,319)	(4,062,040)
Maintenance expenses paid	36(b)	-	(1,025,715)
Commission received	41.5	1,507,200	1,161,260
Cash payment to and on behalf of employees	41.10	(2,215,575)	(1,631,036)
Other operating receipts/(payments)	41.1	(1,138,232)	(943,351)
Corporate tax paid	21	(89,218)	(31,703)
VAT paid		-	-
Net cash flows from/(used in) operating activities		**839,156**	**(1,238,585)**
Cash flow from investing activities			
Purchase of properties and equipment	15	(1,232,374)	(334,347)
Purchase of intangible assets	14	(31,713)	(21,254)
Proceeds from sale of property and equipment	33	26,194	30,341
Purchase of investment securities	41.7	(7,956,825)	(5,702,564)
Proceeds from sale of investment securities - FVTPL	8.1.1	294,514	3,733,139
Proceeds from amortised cost	8.3.1	975,700	97,858
Loans disbursed	9.1	(446,183)	(198,241)
Proceeds from repayment of loans	9.1	313,191	90,778
Loan recoveries	9.1	11,929	23,859
Addition to deposit in escrow account with CBN		-	(200,000)
Dividend received	32	3,414,223	3,315,152
Rental income received	33	6,500	6,800
Interest received	31	2,872,095	922,824
Net cash flows (used in)/ from investing activities		**(1,752,749)**	**1,764,345**
Financing activities		-	-
Net cash flows used in financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		(913,593)	525,760
Cash and cash equivalents at the beginning of the year		4,188,442	3,468,721
Impact of exchange difference on cash held		2,232,544	193,961
Cash and cash equivalents at end of the year	7	**5,507,393**	**4,188,442**

The accompanying notes to the financial statements form an integral part of these financial statements.

Notes to the financial Statements

5. Segment reporting

Operating segments The business activities of Linkage Assurance Plc are first organized by product and type of service: insurance activities.Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (or loss) before income taxes, as included in the internal management reports that are reviewed by the Company's CEO.Information reported to the chief operating decision maker (the CEO) for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Company's reportable segments under IFRS 8 are therefore as follows: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
- Agric

The following is an analysis of the Company's revenue and result by reportable segment

Income:	Fire N'000	Accident	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
Insurance revenue	3,155,573	1,540,840	3,772,284	980,913	552,517	10,342	791,356	3,956,532	74,845	14,835,202
Insurance service expense	2,050,751	2,010,987	2,765,213	845,297	453,233	5,388	572,111	2,065,057	27,365	10,795,403
Insurance service result for insurance contract held	**1,104,822**	**(470,147)**	**1,007,071**	**135,616**	**99,284**	**4,954**	**219,245**	**1,891,475**	**47,480**	**4,039,799**
Allocation of reinsurance premium	(1,384,859)	(506,503)	(222,197)	(394,261)	(549,997)	(1,955)	(409,042)	(2,953,055)	(44,298)	(6,466,167)
Amount recoverable from reinsure for incurred claims	765,496	904,675	342,847	541,995	26,783		65,164	33,898	7,106	2,687,964
Net income or expenses from reinsurance contract held	(619,363)	398,172	120,650	147,734	(523,214)	(1,955)	(343,878)	(2,919,157)	(37,192)	(3,778,203)
Insurance service result	**485,459**	**(71,975)**	**1,127,721**	**283,350**	**(423,930)**	**2,999**	**(124,633)**	**(1,027,682)**	**10,288**	**261,596**

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 and finance costs. This is the measure reported to the Company's Chief Executive for the purpose of resource allocation and assessment of segment performance.
Investment income represents income earned as placement interest and dividend income on unquoted equity investment. This has been included to ensure that revenue reported in operating segment is at least 75% of total revenue.

Notes to the financial Statements

5. Segment reporting - continue

- NOTES INSURANCE -Insurance revenue *insurance revenue*	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
Liabilities for remaining coverage	610,725	265,385	977,286	158,204	48,822	2,409	170,938	569,716	54,475	2,857,960
Liabilities for remaining coverage	859,796	382,022	1,547,172	281,025	98,648	11,131	312,550	1,227,874	2,544	4,722,762
Changes in liability for remaining coverage excluding loss component	(249,071)	(116,637)	(569,886)	(122,821)	(49,826)	(8,722)	(141,612)	(658,158)	51,931	(1,864,802)
Changes in liability for loss Component	174,386	50,297	-	24,949	-	-	52,330	59,443	5,713	367,118
Premium receivable regarding later expected payment	(14,766)	796	(95,295)	(820)	1,041	-	1,150	186,800	-	78,906
Changes in asset for acquisition cash flows	22,216	16,363	42,077	15,862	8,526	1,512	18,924	82,536	(9,555)	198,461
Interest accreted (incl. change of rates) to insurance contracts										-
Premiums received	3,245,024	1,606,384	4,437,465	1,079,605	601,302	19,064	879,488	4,368,447	17,203	16,253,982
Amortisation of insurance acq. cash flows	834,390	502,017	963,561	291,714	158,961	3,728	223,865	1,194,455	16,033	4,188,723
Insurance acquisition cash flows	(856,606)	(518,380)	(1,005,638)	(307,576)	(167,487)	(5,240)	(242,789)	(1,276,991)	(6,478)	(4,387,184)
Insurance revenue	3,155,573	1,540,840	3,772,284	980,913	552,517	10,342	791,356	3,956,532	74,847	14,835,204
- NOTES INSURANCE - Insurance service expense -										-
insurance service expense										-
Liabilities for incurred claims	3,499,755	1,868,650	688,663	1,146,627	216,899	2,989	342,940	2,715,795	13,077	10,495,396
Liabilities for incurred claims	3,540,086	2,412,397	1,012,732	1,133,513	342,319	2,734	365,584	2,521,777	13,927	11,345,069
Changes in liabilities for incurred claims	(40,331)	(543,747)	(324,069)	13,114	(125,419)	255	(22,644)	194,018	(850)	(849,674)
Interest accreted (incl. change of rates) to insurance contracts	153,476	123,668	47,073	51,962	17,875	180	17,288	130,805	708	543,035
Amortisation of insurance acq. cash flows	(834,390)	(502,017)	(963,561)	(291,714)	(158,961)	(3,728)	(223,865)	(1,194,455)	(16,033)	(4,188,723)
Claims and other expenses paid	(1,329,507)	(1,088,892)	(1,512,176)	(631,138)	(186,727)	(2,096)	(342,890)	(1,195,425)	(11,190)	(6,300,041)
Insurance service expense subtotal	(2,050,752)	(2,010,988)	(2,752,733)	(857,775)	(453,233)	(5,388)	(572,111)	(2,065,057)	(27,366)	(10,795,403)

Assets and Liabilities	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
Total segment assets	11,244,218	5,490,458	13,441,737	3,495,276	1,968,778	36,852	2,819,830	14,098,266	266,694	52,862,109
Total segment liabilities	4,217,928	2,059,579	5,042,261	1,311,147	738,527	13,824	1,057,774	5,288,538	100,042	19,829,622

Notes to the financial Statements

5. Segment reporting - continued

NOTES INSURANCE - Allocation of reinsurance Premium	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL&GAS	AGRIC	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Assets for remaining coverage	417,532	105,558	59,649	111,695	31,197	1,264	130,966	254,174	47,858	1,159,893
Assets for remaining coverage	469,946	186,580	7,567	162,065	-	1,016	104,804	384,370	135	1,316,483
Changes in asset for remaining coverage	52,414	81,022	(52,082)	50,370	(31,197)	(248)	(26,162)	130,196	(47,723)	156,590
Changes in asset for loss component	(101,904)	(26,630)	-	(9,658)	-	-	(29,329)	(8,684)	(3,408)	(179,613)
Premiums paid	(1,335,369)	(560,895)	(170,114)	(434,973)	(518,800)	(1,707)	(353,551)	(3,074,568)	6,833	(6,443,144)
Allocation of reinsurance premium	(1,384,859)	(506,503)	(222,196)	(394,261)	(549,997)	(1,955)	(409,042)	(2,953,056)	(44,298)	(6,466,167)
Assets recoverable on incurred claims	1,903,813	882,709	34,431	432,957	30,183	-	177,928	346,384	7,251	3,815,656
Assets recoverable for incurred claims	1,820,592	1,093,519	116,870	426,649	50,221	-	164,626	333,067	7,384	4,012,928
Change in assets for recoverable on incurred claims	(83,221)	210,810	82,439	(6,308)	20,038	-	(13,302)	(13,317)	133	197,272
Movement in asset for risk Adjustment	237,845	143,578	17,693	55,819	6,629	-	22,294	43,880	973	528,711
Interest accreted	(83,740)	(59,840)	(3,634)	(19,835)	(2,672)	-	(8,453)	(17,177)	(399)	(195,750)
Amounts received	694,612	610,127	246,349	512,319	2,788	-	64,625	20,512	6,406	2,157,738
Amounts recoverable from reinsurers	765,496	904,675	342,847	541,995	26,783	-	65,164	33,898	7,113	2,687,971
										-
Insurance service result	485,458	(71,976)	1,140,202	270,872	(423,930)	2,999	(124,633)	(1,027,683)	10,296	261,605

Notes to the financial Statements

5. Segment reporting - continue

31 Dec 2022

Insurance revenue	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL&GAS	AGRIC	Total
Change in liabilities for remaining coverage	(52,249)	(75,713)	(173,993)	10,694	(25,267)	(996)	(65,319)	50,147	(30,311)	(363,008)
Premiums received	2,584,320	1,377,535	2,689,508	936,301	518,803	23,880	624,856	4,112,194	112,393	12,979,790
Amortisation of insurance acq. cash flows	788,307	471,682	666,457	322,524	212,342	6,966	192,587	1,439,842	32,838	4,133,545
Insurance acquisition cash flows	(815,984)	(484,575)	(750,980)	(324,658)	(164,185)	(7,225)	(207,683)	(1,442,461)	(46,024)	(4,243,775)
	2,504,394	1,288,929	2,430,992	944,861	541,693	22,625	544,441	4,159,722	68,896	12,506,552
Insurance service expense										
Change in liabilities for remaining coverage	628,929	(302,042)	82,487	(882,456)	(133,526)	(232)	(131,269)	(253,719)	(6,063)	(997,890)
Interest accreted (incl. change of rates) to insurance contracts	91,464	56,395	23,397	(6,878)	(312)	124	14,207	18,908	536	197,841
Amortisation of insurance acq. cash flows	(788,307)	(471,683)	(705,033)	(322,525)	(166,822)	(6,966)	(192,587)	(1,440,718)	(38,976)	(4,133,617)
Claims and other expenses paid	(1,415,797)	(972,357)	(1,445,007)	(662,046)	(151,396)	(74,827)	(352,239)	(675,703)	(89,077)	(5,838,449)
Insurance service expenses	(1,483,710)	(1,689,687)	(2,044,157)	(1,873,904)	(452,056)	(81,900)	(661,887)	(2,351,232)	(133,580)	(10,772,115)
Change in asset for remaining coverage	154,460	(1,993)	59,649	11,162	(1,148)	757	79,062	81,243	37,809	421,001
Change in asset for loss component	43,208	34,294		9,658	(104)	-	25,921	8,684	3,408	125,069
Premiums paid	(1,470,799)	(303,498)	(296,716)	(245,619)	(337,985)	(7,700)	(279,074)	(1,896,506)	(75,680)	(4,913,577)
Allocation of reinsurance premium	(1,273,131)	(271,197)	(237,067)	(224,799)	(339,237)	(6,943)	(174,091)	(1,806,579)	(34,463)	(4,367,507)
Change in asset for incurred claims	(427,577)	410,672	(26,844)	382,299	9,600	-	114,296	-426,552	3,774	39,669
Change in asset for risk adjustment	131,846	35,376	30,079	2,389	9,949	-	6,638	145,611	460	362,348
Interest accreted	225,097	63,241	2,624	65,356	7,622	18	11,462	101,371	1,338	478,128
Amounts received	295,264	126,610	26,270	(35,978)	2,755	-	125,204	5,660	5,704	551,489
Amounts recoverable from reinsurers	224,630	635,900	32,128	414,066	29,926	18	257,600	-173,910	11,276	1,431,634
Insurance service result	(27,817)	(36,055)	181,897	(739,776)	(219,676)	(66,200)	-33,937	-172,000	-87,871	(1,201,435)

Notes to the financial Statements

6 Capital and Risk Management

6.1 Capital Management – Objectives, Policies and Approaches.

The Finance Act 2021 amended sections 9, 10, and 102 of Insurance Act 2003 and defines Capital requirements as follows:

(i) the excess of admissible assets over liabilities, less the amount of own shares held by the company;
(ii) subordinated liabilities subject to approval by the Commission; and
(iii) any other financial instrument as prescribed by the Commission from time to time.
Admissible Assets are defined as Share Capital, Share Premium, Retained Earnings, Contingency Reserves, and any other admissible assets will be subject to the approval of the Commission.
The Company awaits further guidelines from the regulator (NAICOM).
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 shareholders' funds. In addition, we utilize adequate and efficient reinsurance arrangements to protect shareholders' funds by reducing the need for further funding following unfavorable events such as catastrophes or just large random single claims.

The Company has had no significant changes in its policies during the year ended 31 December 2023.

Analysis of shareholders funds	31 Dec 2023 N'000	31 Dec 2022 N'000	1 Jan 2022 N'000
Total assets	52,862,109	38,790,347	38,261,675
Less: Total liabilities	19,829,622	15,198,639	13,577,434
Shareholders funds as at year end	**33,032,487**	**23,591,708**	**24,684,241**
Adjustment for non-capital items	33,101	20,844	36,866
Available capital resources	**32,999,386**	**23,570,864**	**24,647,375**
Changes in available capital	40%	-4%	-5%

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 N32,999,388(2022: N23,570,865) amounting to an increase over the comparative period.

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

	31 Dec 2023 N'000	31 Dec 2022 N'000	1 Jan 2022 N'000
Total shareholders' funds	33,032,487	23,591,708	24,684,241
Regulatory required capital	3,000,000	3,000,000	3,000,000
Excess over minimum capital	30,032,487	20,591,708	21,684,241
Capitalisation rate	1101%	786%	823%

Notes to the financial Statements

Capital Management – Objectives, Policies and Approaches.

i **The Minimum Capital Requirement**

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 COVID-19 pandemic.

As required by section 33-35 of Finance Act 2021, the capital requirement is as disclosed in the table below:

	31 Dec 2023 N'000	Restated 31 Dec 2022 N'000	Restated 1 Jan 2022 N'000
Share capital	7,000,000	7,000,000	7,000,000
Share premium	560,294	560,294	560,294
Retained earnings/ accumulated losses	1,516,988	(2,708,286)	(3,940,598)
Contingency reserve	4,452,316	3,395,997	2,882,618
Excess of admissible assets over liabilities	**13,529,598**	**8,248,005**	**6,502,314**
Less the amount of own shares held (Treasury shares)	-	-	-
	13,529,598	9,725,330	6,502,314
Subordinated liabilities subject to approval by the Commission	-	-	-
Any other financial instrument as prescribed by the Commission	-	-	-
Capital Requirement	**13,529,598**	**9,725,330**	**6,502,314**

ii **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:

	31 Dec 2023	Restated 31 Dec 2022	Restated 1 Jan 2022
	N'000	N'000	N'000
Assets			
Cash and cash equivalents	5,507,393	4,188,442	3,468,721
Investment securities	18,043,023	11,388,329	9,932,340
Reinsurance assets	5,559,453	4,903,079	4,779,584
Prepaid staff benefit	198,174	110,756	110,756
Staff loans & advances	224,833	187,663	187,663
Property and equipment	2,259,994	1,462,827	1,340,622
Investment property	220,000	160,000	157,500
Statutory deposit	700,000	700,000	500,000
Total admissible assets	**32,712,870**	**23,101,096**	**20,477,185**
The solvency margin requirement			
Liabilities			
Insurance contract liabilities	15,340,788	13,191,889	11,830,992
Trade payables	2,136,104	1,022,333	702,584
Other payables	1,667,015	399,250	547,941
Defined benefit obligations	168,130	84,322	89,660
Current tax liabilities	174,585	157,845	60,257
Total admissible liabilities	**19,486,622**	**14,855,639**	**13,231,434**
Excess of total admissible assets over admissible liabilities (solvency margin)	**13,226,248**	**8,245,457**	**7,245,751**

		31 Dec 2023	Restated 31 Dec 2022
ii	**The solvency margin requirement- continued**	**N'000**	**N'000**
	Higher of (a) and (b):		
	Insurance revenue	14,835,202	12,506,552
	Less: insurance service expense	(10,795,403)	(10,772,115)
	Net insurance service result	4,039,799	1,734,437
(a)	**15% of net insurance service result**	605,970	260,166

		31 Dec 2023	Restated 31 Dec 2022	Restated 1 Jan 2022
		N'000	N'000	N'000
(b)	**Minimum paid up capital**	3,000,000	3,000,000	3,000,000
	The higher thereof:	**3,000,000**	**3,000,000**	**3,000,000**
	Excess of solvency margin over minimum capital base	**10,226,248**	**5,245,456**	**4,245,751**
	Solvency margin ratio	**441%**	**275%**	**242%**

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.

Notes to the financial Statements

(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.

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.

Capital Management – Objectives, Policies and Approaches- Continued

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.

(c) Insurance risk concentration:

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.

Insurance risk concentration per policy type

Line of business	31 Dec 2023			31 Dec 2022		
In thousands of naira	Insurance revenue	Insurance expense	Net	Insurance revenue	Insurance expense	
	N'000	N'000	N'000	N'000	N'000	N'000
Fire	3,155,572	2,050,751	1,104,821	2,504,486	1,018,270	1,486,216
Accident	1,540,838	2,010,987	(470,149)	1,288,152	2,032,354	(744,202)
Motor	3,772,284	2,765,213	1,007,071	2,392,416	1,991,033	401,382
Marine	980,913	845,297	135,616	944,860	1,482,574	(537,714)
Aviation	552,517	453,233	99,285	587,285	355,616	231,668
Bond	10,342	5,388	4,954	22,625	20,062	2,563
Engineering	791,356	572,111	219,245	545,125	422,686	122,439
Oil & Gas	3,956,532	2,065,057	1,891,475	4,158,845	3,383,824	775,021
Agric	74,848	27,365	47,482	62,758	65,695	(2,937)
Total	**14,835,202**	**10,795,403**	**4,039,799**	**12,506,552**	**10,772,115**	**1,734,437**

Notes to the financial Statements

Re-insurance risk concentration per policy type:

Line of business	**31 Dec 2023**			**31 Dec 2022**		
In thousands of naira	**Allocation of reinsurance premium**	**Amounts recoverable from reinsurers for incurred claims**	**Net**	**Allocation of reinsurance premium**	**Amounts recoverable from reinsurers for incurred claims**	**Net**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Fire	(1,384,857)	765,492	(619,365)	**(1,273,131)**	**194,114**	**(1,079,017)**
Accident	(506,501)	904,675	398,174	**(271,197)**	**798,323**	**527,126**
Motor	(222,199)	342,846	120,647	**(237,067)**	**120,010**	**(117,057)**
Marine	(394,262)	541,994	147,732	**(224,799)**	**519,587**	**294,788**
Aviation	(549,997)	26,783	(523,214)	**(339,237)**	**10,027**	**(329,210)**
Bond	(1,955)	-	(1,955)	**(6,943)**	**-**	**(6,943)**
Engineering	(409,042)	65,164	(343,878)	**(174,091)**	**244,324**	**70,233**
Oil & Gas	(2,953,057)	33,898	(2,919,159)	**(1,806,579)**	**(465,131)**	**(2,271,710)**
Agric	(44,298)	7,113	(37,185)	**(34,463)**	**10,380**	**(24,083)**
Total	**(6,466,167)**	**2,687,964**	**(3,778,203)**	**(4,367,507)**	**1,431,634**	**(2,935,873)**

(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.

Notes to the financial Statements

(g) **Claims Development Table**

The Company has reported and disclosed its claims reserves based on the requirements of IFRS 17 - Insurance Contracts. Below is the age- to-age Incremental Chain Ladder's Claim payments (in N'000) by Development Year.

Cumulative Chain Ladder's Claim payments (in N'000) by Development Year														
Accident Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13
2009	173,657	332,796	370,353	377,513	391,386	392,893	393,802	394,509	394,509	394,509	394,509	394,509	394,509	394,509
2010	137.798	329.938	359.675	363.038	377.066	377.511	378.187	382.120	382.120	382.120	382.120	382.120	382.120	
2011	169.264	350.581	389.954	396.496	398.241	401.875	402.527	403.221	403.229	403.229	403.229	403.229		
2012	191.853	342.972	381.191	392.646	396.171	396.224	396.825	396.936	396.936	396.936	396.936			
2013	159.852	368.943	393.739	401.850	402.522	405.682	409.572	409.576	409.576	409.576				
2014	214.831	388.055	413.867	416.091	419.434	421.939	422.454	422.454	422.454					
2015	347.921	550.131	584.112	594.763	595.968	601.224	601.241	601.241						
2016	339.049	518.961	563.887	570.314	570.760	570.760	570.939							
2017	348.603	598.734	633.092	634.956	645.773	649.239								
2018	440.401	677.717	704.207	707.169	707.630									
2019	429.952	736.006	806.418	821.408										
2020	483.544	1.138.090	1.343.763											
2021	874.857	1.430.137												
2022	1,122.508	847,149												
2023	1,142,269													

The claims development information over the period 2008 – 2022 is as follows:

Cumulative Chain Ladder's Claim payments (in N'000) by Development Year														
Accident Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13
2008	171,095	341,135	391,732	399,788	402,928	402,946	403,291	403,453	403,453	403,453	403,453	403,453	403,453	403,453
2009	173,657	332,796	370,353	377,513	391,386	392,893	393,802	394,509	394,509	394,509	394,509	394,509	394,509	
2010	137,798	329,938	359,675	363,038	377,066	377,511	378,187	382,120	382,120	382,120	382,120	382,120		
2011	169,264	350,581	389,954	396,496	398,241	401,875	402,527	403,221	403,229	403,229	403,229			
2012	191,853	342,972	381,191	392,646	396,171	396,224	396,825	396,936	396,936	396,936				
2013	159,852	368,943	393,739	401,850	402,522	405,682	409,572	409,576	409,576					
2014	214,831	388,055	413,867	416,091	419,434	421,939	422,454	422,454						
2015	347,921	550,131	584,112	594,763	595,968	601,224	601,241							
2016	339,049	518,961	563,887	570,314	570,760	570,760								
2017	348,603	598,734	633,092	634,956	645,773									
2018	440,401	677,717	704,207	707,169										
2019	429,952	736,006	806,418											
2020	483,544	1,138,090												
2021	874.857	1.430.137												
2022	1,122.508													

Notes to the financial Statements

(f) Sensitivity Analysis of Liability for Claims

31 December 2023		Impact on variables			
Criteria	Changes in Assumption	Gross Liabilities	Net Liabilities	Profit before tax	Equity Fund
		N'000	N'000	N'000	N'000
Average claims cost	+10% increase	779	404	(375)	(187)
Number of claims	+10% increase	340	450	111	55
Average claims settlement period	Reduction by 3 months	(731,668)	(628,285)	103,384	72,372

31 December 2022		Impact on variables			
Criteria	Changes in Assumption	Gross Liabilities	Net Liabilities	Profit before tax	Equity Fund
		N'000	N'000	N'000	N'000
Average claims cost	+10% increase	708	367	(341)	(170)
Number of claims cost	+10% increase	309	409	101	50
Average claims settlement period	Reduction by 3 months	(665,153)	(571,168)	93,985	65,793

6.3 Financial risks

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

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

- Credit risks
- Liquidity risks
- Market risks
- Property risks.

(a) Credit risks

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

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

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

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

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

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

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

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

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

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

Notes to the financial Statements

6 **(a)** ***Credit risk exposure and concentration***

The Company's maximum credit risk exposure as per its statement of financial position as at 31 December 2023 and 31 December 2022 is the carrying amounts of each component. The maximum risk exposure presented below does not include the exposure that arises in the future as a result of the changes in values. Credit risk is spread across many industries, firms and individuals. The Company monitors concentration of credit risk by sector as shown below.

In summary, our credit exposure is highly concentrated in the financial institutions sector – commercial banks, insurance companies, finance houses, etc.

31 December 2023

	Financial institutions N'000	Manufacturing N'000	Aviation N'000	Others N'000	Total N'000
Cash and cash equivalents	5,596,169	-	-	-	5,596,169
Financial assets:	-				
Fair value through OCI	1,841,739	-	-	1,841,739	3,683,478
Amortised cost	12,066,575	-	-	-	12,066,575
Loan and receivables	382,113			-	382,113
Reinsurance assets	5,559,453	-	-	-	5,559,453
Trade receivables	278,764	-	-	-	278,764
Other receivables	-	-	-	431,077	431,077
Statutory deposit	700,000	-	-	-	700,000
Gross credit risk exposure	26,424,813	-	-	2,272,816	28,697,629

31 December 2022

	Financial institutions N'000	Manufacturing N'000	Aviation N'000	Others N'000	Total N'000
Cash and cash equivalents	4,308,670	-	-	-	4,308,670
Financial assets:					
Fair value through OCI	802,778		-	866,807	1,669,585
Amortised cost	5,040,081	-	-	1,174,821	6,214,902
Loan and receivables	249,121	-	-	-	249,121
Reinsurance assets	4,903,079	-	-	-	4,903,079
Trade receivables	199,857	-	-	-	199,857
Other receivables	-	-	-	460,884	460,884
Statutory deposit	700,000	-	-	-	700,000
Gross credit risk exposure	16,203,586	-	-	2,502,512	18,706,097

Notes to the financial Statements

Credit Risk Quality

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

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

Overall, our credit risk exposure has maintained a low risk profile. This is because our exposure to high risk counterparties has been low in order to protect policyholder funds and secure the liquidity of operating funds.

It is the Company's policy to maintain accurate and consistent risk ratings across its credit portfolio. This enables management to focus on the applicable risks and the comparison of credit exposures across all lines of business, geography and products. The rating system is supported by a variety of financial analytics combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal ratings are tailored to the various categories and are derived in accordance with the Company's rating policy. The attributable risk ratings are assessed and updated regularly.

During the year, no credit exposure limit was exceeded.

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

As at 31 December 2023 In thousands of Naira	Neither Past Due nor Impaired			Past Due and Impaired	Total
	Investment Grades	Non-Investment Grades			
		Satisfactory	Unsatisfactory		
Assets	5,458,433	-	-	137,736	5,596,169
Cash and cash equivalents					
Investment securities:	1,841,739	-	-	-	1,841,739
Fair value through OCI	-	12,066,575	-	-	12,066,575
Amortised cost	-	382,113	-	-	382,113
Loan and receivables	-	5,559,453	-	-	5,559,453
Reinsurance assets	-	278,764	-	-	278,764
Trade receivables	-	431,077	-	-	431,077
Other receivables					
Total credit exposure	7,300,172	18,717,982	-	137,736	26,155,890

Notes to the financial Statements

As at 31 December 2022

In thousands of Naira	Neither Past Due nor Impaired			Past Due but not Impaired	Total
	Investment Grades	Non-Investment Grades			
Assets		Satisfactory	Unsatisfactory		
Cash and cash equivalents	4,381,936		-	73,266	4,455,202
Investment securities:					
Fair value through OCI	802,778	-	-	-	802,778
Amortised cost	-	6,214,902	-	-	6,214,902
Loan and receivables	-	249,121	-	-	249,121
Reinsurance assets	-	4,903,079	-	-	4,903,079
Trade receivables	-	199,857	-	-	199,857
Other receivables	-	460,884	-	-	460,884
Total credit exposure	5,184,714	12,027,843	-	73,266	17,285,823

Impaired Financial Assets
As at 31 December 2023, there were no impaired reinsurance assets (31 December 2022: Nil) and impaired loans and receivables amounted to N49.1 million (31 December 2022: N233.75 million).

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

Credit Collateral

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

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

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

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

The Company's exposure to liquidity risk comprises of:

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

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

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

- Liquidity policy, which sets out the assessment and determination of what constitutes the Company's liquidity risk. Compliance with the policy is monitored and exposures and breaches are reported to the Assets and Liability Management Committee. The policy is regularly reviewed for pertinence ad for changes in the risk environment.
- Guidelines are set for asset allocations, portfolio limit structures and maturity profiles of assets, in order to ensure sufficient funding available to meet insurance contracts obligations.
- Contingency funding plans are in place, which specify minimum proportions of funds to meet emergency calls as well as specifying events that would trigger such plans.
- The Company's catastrophe excess–of–loss reinsurance contracts contain clauses permitting the immediate draw down of funds to meet claim payments should claim events exceed a certain size.
- Below is a maturity profile summary of the Company's undiscounted contractual obligations cash flows of financial assets matched with financial liabilities. For insurance contract liabilities and reinsurance assets, maturity profile estimates are based on timing of net cash flows from the recognized insurance liabilities.
- Unearned premiums and the reinsurers' share of unearned premiums have been excluded from the analysis as they are not contractual obligations.
- In addition, the Company maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flow.

Notes to the financial Statements

6(a) Maturity Analysis (on Expected maturity basis)

The table below summarizes the expected utilization or settlement of assets and liabilities:

	31 December 2023					
	On demand	**less than 3 months**	**3 to 12 months**	**1 to 5 years**	**> 5 years**	**Total**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Assets						
Cash and cash equivalents	2,925,369	2,671,700	-	-	-	5,597,069
Investment securities	-		2,443,132	33,382,061	-	35,825,193
Loan and receivables	-	-	382,113	-	-	382,113
Trade receivables	-	-	278,764	-	-	278,764
Reinsurance assets	-	-	5,559,453	-	-	5,559,453
Other receivables & prepayments	-	-	433,679	-	-	433,679
Total Assets	2,925,369	2,671,700	9,097,142	-	-	48,076,271
Liabilities						
Insurance liabilities	-	-	15,340,788		-	15,340,788
Trade payables	-	-	2,136,104	-	-	2,136,104
Other payables	-	-	1,667,012	-	-	1,667,012
Retirement benefit obligations	-	-	168,130	-	-	168,130
Income tax liabilities	-	-	174,585	-	-	174,585
Total Liabilities	-	-	19,486,619	-	-	19,486,619

2022	**On demand**	**less than 3 months**	**3 to 12 months**	**1 to 5 years**	**> 5 years**	**Total**
Assets	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Cash and cash equivalents	1,562,772	2,746,995	-	-	-	4,309,767
Investment securities	-	-	2,849,315	23,133,269	-	25,982,584
Loan and receivables	-	-	249,121	-	-	249,121
Trade receivables		-	199,857		-	199,857
Reinsurance assets	-	-	-	5,281,166	-	5,281,166
Other receivables & prepayments	-	-	463,486		-	463,486
Total Assets	1,562,772	2,746,995	3,761,779	28,414,436	-	36,485,981
Liabilities						
Insurance liabilities	-	-	-	13,191,889	-	13,191,889
Trade payables	-	-	1,022,333		-	1,022,333
Other payables	-	-	399,250		-	399,250
Provision for litigation	-	-	-	-	-	-
Retirement benefit obligations	-	-	-	-	84,322	84,322
Income tax liabilities	-	-	157,845	-	-	157,845
Total Liabilities	-	-	1,579,428	13,191,889	84,322	14,855,639

Notes to the financial Statements

(c) Market Risk

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

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

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

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

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

- There is strict control over hedging activities.

(i) Currency (Foreign Exchange) Risk

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

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

Analysis of assets and liability by major currencies

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

31 December 2023	**Naira N'000**	**Euro N'000**	**Pound Sterling N'000**	**US Dollars N'000**	**Total N'000**
Assets					
Cash and cash equivalents	4,912,173	70,516	4,731	519,973	5,507,393
Investment securities	34,454,521	-	-	1,370,672	35,825,193
Loan and receivables	382,113	-	-	-	382,113
Trade receivables	278,764	-	-	-	278,764
Reinsurance assets	5,559,453	-	-		5,559,453
Other receivables	433,679	-	-	-	433,679
TOTAL ASSETS	**46,020,703**	**70,516**	**4,731**	**1,890,645**	**47,986,595**
Liabilities					
Trade payables	2,136,104	-	-	-	2,136,104
Other payables	1,667,015	-	-	-	1,667,015
TOTAL LIABILITIES	**3,803,119**	**-**	**-**	**-**	**3,803,119**
31 December 2022	**Naira N'000**	**Euro N'000**	**Pound Sterling N'000**	**US Dollars N'000**	**Total N'000**
Assets					
Cash and cash equivalents	3,958,439	27,568	3,239	199,196	4,188,442
Investment securities	24,988,490	-	-	994,094	25,982,584
Loan and receivables	249,121	-	-	-	249,121
Trade receivables	199,857	-	-	-	199,857
Reinsurance assets	4,903,079	-	-		4,903,079
Other receivables	463,486	-	-	-	463,486
TOTAL ASSETS	**34,762,472**	**27,568**	**3,239**	**1,193,290**	**35,986,568**
Liabilities					
Trade payables	1,022,333	-	-	-	1,022,333
Other payables	399,250	-	-	-	399,250
TOTAL LIABILITIES	**1,421,583**	**-**	**-**	**-**	**1,421,583**

Notes to the financial Statements

The Company has no significant concentration of foreign currency risk.

Sensitivity analysis - foreign currency risk

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

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

Sensitivity analysis of major currencies

	31 December 2023			31 December 2022		
Major Currencies	**Changes in exchange rate (%)**	**Impact on Profit before tax**	**Impact on equity**	**Changes in exchange rate (%)**	**Impact on Profit before tax**	**Impact on equity**
EURO	+10%	7,052	4,936	+10%	2,346	1,642
GBP	+10%	473	331	+10%	214	150
USD	+10%	189,064	132,345	+10%	115,354	80,748
EURO	-10%	(7,052)	(4,936)	-10%	(2,346)	(1,642)
GBP	-10%	(473)	(331)	-10%	(214)	(150)
USD	-10%	(189,064)	(132,345)	-10%	(115,354)	(80,748)

(ii) Interest rate risk

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

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

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

The Company has no significant concentration of interest rate risk.

1 Sensitivity analysis - interest rate risk

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

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

31 December 2023

Interest earning assets	Basis points	Impact on Profit before tax	Up to 1 Year	1 -3 Years	3 - 5 Years	> 5 years	Total
		N'000	N'000	N'000	N'000	N'000	N'000
Short term deposit	+100	25,984	25,984	-	-	-	25,984
Other investments	+100	35,772	35,772	-	-	-	35,772
Bonds	+100	45,421	-	45,421	-	-	45,421
Short term deposit	-100	(25,984)	(25,984)	-	-	-	(25,984)
Other investments	-100	(35,772)	(35,772)	-	-	-	(35,772)
Bonds	-100	(45,421)	-	(45,421)	-	-	(45,421)

Notes to the financial Statements

31 December 2022

Interest earning assets	Basis points	Impact on Profit before tax	Up to 1 Year	1 -3 Years	3 - 5 Years	> 5 years	Total
		N'000	N'000	N'000	N'000	N'000	N'000
Short term deposit	+100	26,737	26,737	-	-	-	16,982
Treasury Bill	+100	21,833	21,833	-	-	-	17,214
Bonds	+100	45,421	-	45,421	-	-	45,421
Short term deposit	-100	(26,737)	(26,737)	-	-	-	(16,982)
Treasury bill	-100	(21,833)	(21,833)	-	-	-	(17,214)
Bonds	-100	(45,421)	-	(45,421)	-	-	(45,421)

Summary of Significant Assumptions

Description	31-Dec-23	31-Dec-22
Growth in gross income (GI) % over the next 5 years	18,18,13.5,13.5,13.5	16
Operating expenses / gross income %	38	32
Depreciation and amortization / gross income %	2	2
Effective tax rate (Tax / profit before tax) %	33	32
Capital expenditure / gross income % over the next 5 years	3	28, 2, 2, 2, 2
Perpetual growth rate %	8.12	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 return %	31,.82	31.16
Risk-free rate %	16.25	14.00
Market risk premium %	15.57	17.16
Beta	1	1
Weighted average cost of capital %	31.82	31.16
Equity value of Stanbic IBTC Pension Managers Limited (see note 8.2(a))	0	177.293
illiquidity discount %	20	20
Value of Linkage Assurance PLC's equity stake	N17.943 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 31 December 2023

	Equity Value (N million)									
	Terminal growth rate of FCF									
		6.12%	6.62%	7.12%	7.62%	8.12%	8.62%	9.12%	9.62%	10.12%
WACC	29.82%	198,168	200,167	202,255	204,436	206,718	209,108	211,613	214,245	217,005
	30.32%	194,370	196,261	198,234	200,293	202,446	204,697	207,055	209,527	212,121
	30.82%	190,728	192,518	194,384	196,331	198,363	200,486	202,708	205,034	207,473
	31.32%	187,232	188,929	190,696	192,537	194,457	196,463	198,558	200,750	203,046
	31.82%	183,875	185,484	187,158	188,902	190,719	192,614	194,592	196,660	198,823
	32.32%	180,648	182,175	183,763	185,415	187,136	188,929	190,799	192,752	194,792
	32.82%	177,544	178,995	180,502	182,069	183,699	185,397	187,167	189,012	190,939
	33.32%	174,556	175,935	177,367	178,854	180,401	182,010	183,685	185,432	187,253
	33.82%	171,677	172,989	174,351	175,764	177,232	178,758	180,346	182,000	183,724

At 31 December 2022

	Equity value (N million)								
	Terminal growth rate of FCF								
		3.70%	4.20%	4.70%	5.20%	5.70%	6.20%	6.70%	7.20%
WACC	29.16%	164,197	165,843	167,556	169,341	171,202	173,144	175,172	177,293
	29.66%	160,921	162,482	164,106	165,796	167,557	169,393	171,308	173,309
	30.16%	157,772	159,254	160,794	162,396	164,064	165,801	167,612	169,503
	30.66%	154,743	156,151	157,614	159,133	160,714	162,360	164,074	165,861
	31.16%	151,828	153,167	154,556	155,999	157,499	159,059	160,682	162,373
	31.66%	149,020	150,294	151,615	152,987	154,410	155,890	157,429	159,031
	32.16%	146,315	147,528	148,785	150,088	151,441	152,846	154,307	155,826
	32.16%	143,705	144,861	146,058	147,299	148,585	149,920	151,307	152,748
	33.16%	141,187	142,289	143,430	144,611	145,835	147,105	148,423	149,792

Notes to the financial Statements

(iii) Equity Risk

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

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

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

The Company has no significant concentration of price risk.

Sensitivity Analysis - equity price risk

The following table contains the fair value and related equity price risk sensitivity of the Company's listed and non-listed equity securities. The equity price risk sensitivity has been calculated based on what the Company views to be reasonably possible changes in the equity prices for the coming year. For listed equities a 20% change in the equity price has been used in the calculation of the sensitivity as at 31 December 2023. For non-listed securities a 40% change in the equity prices has been used in the calculation of the sensitivity.

Sensitivity Analysis - equity price risk

	31 Dec 2023			31 Dec 2022		
Market Indices	**Fair Value**	**Impact on Profit before tax**	**Impact on Equity**	**Fair Value**	**Impact on Profit before tax**	**Impact on Equity**
Fair value through profit or loss	2,443,132	488,626	977,253	2,849,315	569,863	1,139,726
Financial instrument at FVOCI - Quoted	3,293,458	658,692	2,305,421	1,375,560	275,112	550,224
Financial instrument at FVOCI - Unquoted	18,022,028	3,604,406	7,208,811	15,542,807	3,108,561	6,217,123
Fair value through profit or loss	(2,443,132)	(488,626)	(977,253)	2,849,315	569,863	(1,139,726)
Financial instrument at FVOCI - Quoted	(3,293,458)	(658,692)	(2,305,421)	1,375,560	275,112	(550,224)
Financial instrument at FVOCI - Unquoted	(18,022,028)	(3,604,406)	(7,208,811)	15,542,807	3,108,561	(6,217,123)

Operational Risk
Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access controls, authorization and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process.

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

Fair values are determined at prices quoted in active markets. In the current environment, such price information is typically not available for all instruments and the Company applies valuation techniques to measure such instruments. These valuation techniques make maximum use of market observable data but in some cases management estimate other than observable market inputs within the valuation model. There is no standard model and different assumptions would generate different results.

Fair values are subject to a control framework designed to ensure that input variables and output are assessed independent of the risk taker. These inputs and outputs are reviewed and approved by a valuation committee. The Company has minimal exposure to financial assets which are valued at other than quoted prices in an active market.

Notes to the Financial Statements

For the Year Ended 31 December 2023

The table below shows financial assets carried at fair value:

	31 Dec 2023			31 Dec 2022		
	Level 1 N'000	Level 2 N'000	Level 3 N'000	Level 1 N'000	Level 2 N'000	Level 3 N'000
Financial assets						
Quoted investments	2,443,132	-	-	2,849,315	-	-
Unquoted equity investments	-	-	19,473,747	-	-	16,115,589
Bonds carried at FVOCI	1,841,739	-	-	802,778	-	-
	2,443,132	**-**	**19,473,747**	**3,652,093**	**-**	**16,115,589**

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

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

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

31 December 2023 *In thousands of Naira* **Assets**	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total fair value N'000	Total carrying amount N'000
Investment securities:					
Amortised cost	-	11,851,119	-	11,851,119	12,066,575
				11,851,119	12,066,575

31 December 2022 **Assets**	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total fair value N'000	Total carrying amount N'000
Financial assets:					
Amortised cost	-	5,531,262	-	5,531,262	6,214,902
				5,531,262	6,214,902

For cash and cash equivalents, trade receivables,other receivables, trade payable and other payables the company has determined that the carrying amounts approximates their fair values.

7 Cash and cash equivalents

Cash and cash equivalents comprise:		31 Dec 2023 N'000	31 Dec 2022
Cash in hand		900	1,097
Bank balances		2,924,469	1,561,675
Short term placement		2,671,700	2,746,995
		5,597,069	4,309,767
Less: Allowance for impairment	Note 7.1	(89,676)	(121,325)
Cash and cash equivalents as at year end		**5,507,393**	**4,188,442**

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.

Notes to the Financial Statements

For the Year Ended 31 December 2023

7.1 Gross carrying amount and impairment allowance for cash and cash equivalents

A reconciliation of changes in gross carrying amount and corresponding allowance for ECL by stage for cash and cash equivalents is as follows:

	2023		2022	
	N'000		N'000	
	Gross carrying amount	ECL	Gross carrying amount	ECL
As at 1 January	4,309,767	121,325	3,603,672	81,241
New assets originated or purchased	5,596,169	89,676	4,308,670	48,060
Assets derecognized or repaid (excluding write offs)	(4,309,767)	(121,325)	(3,603,672)	(7,976)
At 31 December	5,596,169	89,676	4,308,670	121,325

8 Investment securities

The Company's financial assets comprise equity and debt instrument at fair value through profit or loss, equity and debt instrument at fair value through other comprehensive income and amortised cost.

		31 Dec 2023	31 Dec 2022
		N'000	N'000
Equity instrument at fair value through profit or loss	Note 8.1	2,443,132	2,849,315
Debt instruments measured at FVOCI	Note 8.2	1,841,739	802,778
Equity instrument at FVOCI	Note 8.2	19,473,747	16,115,589
Amortised cost	Note 8.3	12,066,575	6,214,902
		35,825,193	**25,982,584**

Investment securities classification

31-Dec-23	Fair value through profit or loss	Fair Value through OCI	Amortised cost	Total
	N'000	N'000	N'000	N'000
Listed	2,443,132	3,293,458	810,410	6,547,000
Unlisted	-	18,022,028	11,256,165	29,278,193
	2,443,132	21,315,486	12,066,575	35,825,193
Within one year	2,443,132	-	12,066,575	14,509,707
More than one year	-	21,315,486	-	21,315,486
	2,443,132	21,315,486	12,066,575	35,825,193
31 Dec 2022				
Listed	2,849,315	2,178,336	810,410	5,838,061
Unlisted	-	(1,375,558)	5,404,492	4,028,934
	2,849,315	802,778	6,214,902	**9,866,995**
Within one year	2,849,315	-	6,214,902	9,064,217
More than one year	-	802,778	-	802,778
	2,849,315	**802,778**	**6,214,902**	**9,866,995**

8.1 Financial assets at fair value through profit or loss

8.1.1 Movement of the fair value through profit or loss

	31 Dec 2023	31 Dec 2022
	N'000	N'000
At 1 January	2,849,315	5,050,881
Reclassification*	(1,211,830)	-
Addition	1,130,041	1,713,854
Disposal / At 31 December	(294,514)	(3,733,139)
	2,473,012	3,031,596
Realised (losses) on financial assets at FVTPL	(29,880)	(182,281)
	2,443,132	2,849,315

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.

*The instruments were reclassified because some the instruments were now deemed held till maturity (and also for the purpose of IFRS 9). It was deemed to be classify to Amortised cost.

Notes to the Financial Statements

For the Year Ended 31 December 2023

	31 Dec 2023	31 Dec 2022
8.2 Equity Instruments measured at fair value through other comprehensive income	**N'000**	**N'000**
Unquoted equities	18,022,028	14,676,000
Equity mutual funds	1,451,719	1,439,589
Total equity instrument instruments	19,473,747	16,115,589
8.2.1 Debt Instruments measured at fair value through other comprehensive income		
Bonds at fair value through other comprehensive income	1,841,739	802,778
Total financial assets at fair value through other comprehensive income	21,315,486	16,918,367
Reconciliation of movement in fair value through other comprehensive income		
At 1 January	16,918,367	18,701,618
Additions during the year	1,054,153	1,140,020
Fair value gain/(loss)-equity	3,267,000	(2,952,000)
Fair value gain-bond	75,966	28,729
At 31 December	21,315,486	16,918,367

Reconciliation of impairment allowance

	Stage 1	
	Gross carrying amount	**ECL**
	N'000	**N'000**
As at 1 January 2023	802,778	35,902
New assets originated or purchased	1,506,552	7,445
Assets derecognized	(467,591)	(32,215)
As at 31 December 2023	1,841,739	11,132

	Stage 1	
	Gross carrying amount	**ECL**
	N'000	**N'000**
As at 1 January 2022	150,272	1,453
New assets originated or purchased	841,954	37,355
Assets derecognized	(189,448)	(2,906)
As at 31 December 2022	802,778	35,902

The unquoted equities carried at fair value above represent the 117,647,058 (2022: 117,647,058) ordinary shares of N1 each of Stanbic IBTC Pension Managers Limited held by Linkage Assurance Plc.

		31 Dec 2023	31 Dec 2022
		N'000	**N'000**
8.3 Amortised cost			
Bonds	Note 8.4	12,460,979	6,452,218
Impairment allowance on bonds		(394,404)	(237,316)
		12,066,575	6,214,902

8.3.1 Debt instruments at amortised cost

A reconciliation of changes in gross carrying amount and corresponding allowance for ECL by stage for debt instruments at amortised cost is as follows:

	31 Dec 2023	31 Dec 2022
	N'000	**N'000**
At 1 January	6,452,218	3,701,386
Additions	5,772,631	2,848,690
Reclassification	1,211,830	-
Redemption/repayment	(975,700)	(97,858)
	12,460,979	6,452,218
Less: Impairment loss	(394,404)	(237,316)
At 31 December	12,066,575	6,214,901

Notes to the Financial Statements

For the Year Ended 31 December 2023

8.3.2 Debt instruments measured at amortised cost

	Stage 1 Gross carrying amount	Stage 1 ECL
As at 1 January 2023	6,452,218	237,316
New assets originated or purchased	5,772,631	157,088
Reclassification	1,211,830	
Assets derecognized	(975,700)	-
As at 31 December 2023	12,460,979	394,404

8.3.2 Debt instruments measured at amortised cost

	Stage 1 Gross carrying amount	Stage 1 ECL
As at 1 January 2022	3,701,386	52,619
New assets originated or purchased	2,848,690	184,697
Assets derecognized	(97,858)	-
As at 31 December 2022	6,452,218	237,316

9 Loans and receivables

	31 Dec 2023 N'000	31 Dec 2022 N'000
Loans and receivables	382,113	249,121
	382,113	249,121

	31 Dec 2023 N'000	31 Dec 2022 N'000
Due from third parties	189,529	113,227
Loan to staff	224,833	187,663
Loan to policy holders	13,655	13,655
Ex-staff loans	59,446	51,855
	487,463	366,400
Less : Impairment allowance	(105,350)	(117,279)
	382,113	249,121

9.1 Loan receivables measurement

A reconciliation of changes in gross carrying amount and corresponding allowance for ECL by stage for loan receivables is as follows:

	Gross carrying amount	ECL
As at 1 January 2023	366,400	117,279
New assets originated or purchased	446,183	-
Recoveries during the year	(11,929)	(11,929)
Assets derecognized	(313,191)	-
As at 31 December 2023	**487,463**	**105,350**

*Recoveries relates to amount received from loan balances that has been written off prior to 2023.

Notes to the Financial Statements

For the Year Ended 31 December 2023

9.1 Loan receivables measurement - continued

	Stage 1	
	Gross carrying amount	ECL
As at 1 January 2022	282,796	141,138
New assets originated or purchased	198,241	-
Recoveries during the year	(23,859)	(23,859)
Assets derecognized	(90,778)	-
As at 31 December 2022	**366,400**	**117,279**

10 Reinsurance contract assets and Insurance contract liabilities

	2023		2022		2021	
	Asset	Liabilities	Asset	Liabilities	Asset	Liabilities
Reinsurance contracts assets	(5,559,453)	-	(4,903,079)	-	(4,779,584)	-
Insurance contract liabilities	-	15,340,788	-	13,191,889	-	11,830,992
	(5,559,453)	15,340,788	(4,903,079)	13,191,889	(4,779,584)	11,830,992

10.1 Reinsurance contracts assets

		2023			2022		
		Asset	Liabilities	Net	Asset	Liabilities	Net
		N'000	N'000	N'000	N'000	N'000	N'000
Accident	10.1(a)	(1,371,214)	-	(1,371,214)	(988,600)	-	(988,600)
Engineering	10.1(b)	(260,193)	-	(260,193)	(304,537)	-	(304,537)
Marine	10.1(c)	(592,023)	-	(592,023)	(520,619)	-	(520,619)
Motor	10.1(d)	(140,348)	-	(140,348)	(78,784)	-	(78,784)
Fire	10.1(e)	(2,377,564)	-	(2,377,564)	(2,295,560)	-	(2,295,560)
Oil & gas	10.1(f)	(752,092)	-	(752,092)	(605,818)	-	(605,818)
Aviation	10.1(g)	(56,851)	-	(56,851)	(61,380)	-	(61,380)
Bond	10.1(h)	(713)	-	(713)	(713)	-	(713)
Agriculture	10.1(i)	(8,456)	-	(8,456)	(47,068)	-	(47,068)
Total reinsurance contracts assets		(5,559,453)	-	(5,559,453)	(4,903,079)	-	(4,903,079)

10.2 Insurance contract liabilities

	Note	2023			2022		
		Asset	Liabilities	Net	Asset	Liabilities	Net
		N'000	N'000	N'000	N'000	N'000	N'000
Accident	10.2(a)	-	2,738,418	2,738,418	-	2,144,692	2,144,692
Engineering	10.2(b)	-	617,402	617,402	-	524,400	524,400
Marine	10.2(c)	-	1,362,865	1,362,865	-	1,293,970	1,293,970
Motor	10.2(d)	-	2,396,057	2,396,057	-	1,544,178	1,544,178
Fire	10.2(e)	-	4,246,394	4,246,394	-	3,986,874	3,986,874
Oil & gas	10.2(f)	-	3,530,123	3,530,123	-	3,207,964	3,207,964
Aviation	10.2(g)	-	421,598	421,598	-	421,598	421,598
Bond	10.2(h)	-	11,913	11,913	-	4,957	4,957
Agriculture	10.2 (i)	-	16,018	16,018	-	63,255	63,255
Total insurance contract liabilities		-	15,340,788	15,340,788	-	13,191,889	13,191,889

Notes to the Financial Statements

For the Year Ended 31 December 2023

2023 **Comprehensive reconciliation of the Asset for remaining coverage and Amount recoverable on incurred claims**

	Asset for remaining coverage		Amount recoverable on Incurred Claims	Risk Adjustment	Total
	Non - Onerous	Onerous			
	N'000	N'000	N'000	N'000	N'000
Reinsurance contract assets as at begin of period	1,087,420	-	3,815,653	6	4,903,079
Reinsurance contract liabilities as at begin of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at begin	1,087,420	-	3,815,653	6	4,903,079
Changes in assets for remaining coverage	(23,023)	-	-	-	(23,023)
Changes in fees & commission for remaining coverage.	(46,583)	-	-	-	(46,583)
Reinsurance Premiums	(6,396,561)	-	-	-	(6,396,561)
An allocation of reinsurance premiums	(6,466,167)	-	-	-	(6,466,167)
Amounts recovery for Incurred claims and other expenses		-	2,157,738	-	2,157,738
Changes to amounts recoverable for incurred claims		-	197,272	528,707	725,979
Interest Accretion		-	(195,750)	-	-
Net income or expense from reinsurance contracts held	(6,466,167)	-	2,159,260	528,707	(3,778,200)
Reinsurance finance income		-	195,750		195,750
Total changes in the statement of comprehensive income	(6,466,167)	-	2,355,010	528,707	(3,582,450)
Cash flows		-			-
Premiums paid	6,396,560	-			6,396,560
Amounts received		-	(2,157,736)		(2,157,736)
Total cash flows	6,396,560	-	(2,157,736)	-	4,238,824
Other movements		-			-
Net reinsurance contract assets/(liabilities) as at end	**1,017,812**	**-**	**4,012,927**	**528,713**	**5,559,453**

2022 **Reconciliation of the Asset for remaining coverage and Amount recoverable on incurred claims**

	Asset for remaining coverage		Amount recoverable on Incurred Claims	Risk Adjustment	Total
	Non - Onerous	Onerous			
	N'000	N'000	N'000	N'000	N'000
Reinsurance contract assets as at begin of period	641,256	-	3,775,980	362,348	4,779,584
Reinsurance contract liabilities as at begin of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at begin	641,256	-	3,775,980	362,348	4,779,584
Changes in assets for remaining coverage	546,070	-	-	-	546,070
Changes in Fees & commission for remaining coverage.	(99,903)	-	-	-	(99,903)
Reinsurance Premiums	(4,813,674)	-	-	-	(4,813,674)
An allocation of reinsurance premiums	(4,367,507)	-	-	-	(4,367,507)
Amounts recovery for Incurred claims and other expenses	-	-	1,276,178	-	1,276,178
Changes to amounts recoverable for incurred claims	-	-	39,670	(362,342)	(322,672)
Interest Accretion	-	-	(953,506)		(953,506)
Net income or expense from reinsurance contracts held	(4,367,507)	-	362,342	(362,342)	(4,367,507)
Reinsurance finance income			953,506		953,506
Total changes in the statement of comprehensive income	(4,367,507)	-	1,315,848	(362,342)	(3,414,001)
Cash flows					-
Premiums paid	4,813,671				4,813,671
Amounts received			(1,276,175)		(1,276,175)
Total cash flows	4,813,671	-	(1,276,175)	-	3,537,496
Other movements					-
Net reinsurance contract assets/(liabilities) as at end	**1,087,420**	**-**	**3,815,653**	**6**	**4,903,079**

Notes to the Financial Statements

For the Year Ended 31 December 2023

10.1(a)
2023

Reconciliation of the Asset for remaining coverage and Amount recoverable on incurred claims

	Asset for remaining coverage		Amount recoverable on Incurred Claims	Risk Adjustment	
	Non - Onerous	Onerous			Total
	N'000	N'000	N'000	N'000	N'000
Reinsurance contract assets as at begin of period	105,891		882,710	-	988,601
Reinsurance contract liabilities as at begin of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at begin	105,891	-	882,710	-	988,601
An allocation of reinsurance premiums	(506,501)		-	-	(506,501)
Amounts recoverable from reinsurers for incurred claims	-		761,097	143,578	904,675
Amounts recoverable for Incurred claims and other expenses	-		610,127	-	610,127
Changes to amounts recoverable for incurred claims			210,810	143,578	354,388
Reinsurance investment components	-		(59,840)	-	(59,840)
Net income or expense from reinsurance contracts held	(506,501)		761,097	143,578	398,174
Reinsurance finance income	-	-	59,840	-	59,840
Effect of changes in non-performance risk of reinsurers	-		-	-	-
Effect of movements in exchange rates	-		-	-	-
Total changes in the statement of comprehensive income	(506,501)		820,937	143,577	458,014
Cash flows	-		-	-	-
Premiums paid	534,726		-	-	534,726
Amounts received	-	-	(610,127)	-	(610,127)
Total cash flows	534,726	-	(610,127)	-	(75,401)
Other movements- deferred acquisition cost	-	-	-		-
Net reinsurance contract assets/(liabilities) as at end	134,116	-	1,093,519	143,578	1,371,214
Reinsurance contract assets as at end of period	134,116		1,093,519	143,578	1,371,214
Reinsurance contract liabilities as at end of period	-		-	-	-
Net reinsurance contract assets/(liabilities) as at end	**134,116**	**-**	**1,093,519**	**143,578**	**1,371,214**

2022
Accident

Reconciliation of the Asset for remaining coverage and Amount recoverable on incurred claims

	Asset for remaining coverage		Amount recoverable on Incurred Claims	Risk Adjustment	
	Non - Onerous	Onerous			Total
	N'000	N'000	N'000	N'000	N'000
Reinsurance contract assets as at begin of period	76,414		472,037	35,376	583,827
Reinsurance contract liabilities as at begin of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at begin	76,414	-	472,037	35,376	583,827
An allocation of reinsurance premiums	(271,197)		-	-	(271,197)
Amounts recoverable from reinsurers for incurred claims	-		833,699	(35,376)	798,323
Amounts recoverable for Incurred claims and other expenses	-		359,786		359,786
Changes to amounts recoverable for incurred claims			410,672	(35,376)	375,296
Reinsurance investment components	-		63,241		63,241
Net income or expense from reinsurance contracts held	(271,197)		833,699	(35,376)	527,126
Reinsurance finance income	-	-	(63,241)		(63,241)
Effect of changes in non-performance risk of reinsurers	-		-	-	-
Effect of movements in exchange rates	-		-	-	-
Total changes in the statement of comprehensive income	(271,197)		770,458	(35,376)	463,885
Cash flows	-		-	-	-
Premiums paid	300,674		-	-	300,674
Amounts received	-	-	(359,786)	-	(359,786)
Total cash flows	300,674	-	(359,786)	-	(59,112)
Other movements- deferred acquisition cost		-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	105,891	-	882,709	-	988,600
Reinsurance contract assets as at end of period	105,891		882,709	-	988,600
Reinsurance contract liabilities as at end of period	-		-	-	-
Net reinsurance contract assets/(liabilities) as at end	105,891	-	882,709	-	988,600

Notes to the Financial Statements

For the Year Ended 31 December 2023

10.1(b)

Engineering

2023

Reconciliation of the Asset for remaining coverage and Amount recoverable on incurred claims

	Asset for remaining coverage		Amount recoverable on Incurred Claims	Risk Adjustment	
	Non - Onerous	Onerous			Total
	N'000	N'000	N'000	N'000	N'000
Reinsurance contract assets as at begin of period	126,616		177,928	-	304,544
Reinsurance contract liabilities as at begin of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at begin	**126,616**	**-**	**177,928**	**-**	**304,544**
An allocation of reinsurance premiums	(409,042)		-	-	(409,042)
Amounts recoverable from reinsurers for incurred claims	-		42,870	22,294	65,164
Amounts recoverable for Incurred claims and other expenses	-		64,625	-	64,625
Changes to amounts recoverable for incurred claims			(13,302)	22,294	8,992
Reinsurance investment components	-		(8,453)	-	(8,453)
Net income or expense from reinsurance contracts held	(409,042)		42,870	22,294	(343,878)
Reinsurance finance income	-	-	8,453	-	8,453
Effect of changes in non-performance risk of reinsurers	-		-	-	-
Effect of movements in exchange rates	-		-	-	-
Total changes in the statement of comprehensive income	**(409,042)**		**51,323**	**22,294**	**(335,425)**
Cash flows	-		-	-	-
Premiums paid	355,698		-	-	355,698
Amounts received	-	-	(64,625)	-	(64,625)
Total cash flows	355,698	-	(64,625)	-	291,073
Other movements- deferred acquisition cost	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	73,272	-	164,627	22,294	260,193
Reinsurance contract assets as at end of period	73,272		164,627	22,294	260,193
Reinsurance contract liabilities as at end of period	-		-	-	-
Net reinsurance contract assets/(liabilities) as at end	73,272		164,627	22,294	260,193

2022

Engineering

Reconciliation of the Asset for remaining coverage and Amount recoverable on incurred claims

	Asset for remaining coverage		Amount recoverable on Incurred Claims	Risk Adjustment	
	Non - Onerous	Onerous			Total
	N'000	N'000	N'000	N'000	N'000
Reinsurance contract assets as at begin of period	39,702		63,625	6,638	109,965
Reinsurance contract liabilities as at begin of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at begin	39,702		63,625	6,638	**109,965**
An allocation of reinsurance premiums	(174,091)	-	-	-	(174,091)
Amounts recoverable from reinsurers for incurred claims	-	-	250,962	(6,638)	244,324
Amounts recoverable for Incurred claims and other expenses	-	-	125,204		125,204
Changes to amounts recoverable for incurred claims		-	114,296	(6,638)	107,658
Reinsurance investment components	-	-	11,462		11,462
Net income or expense from reinsurance contracts held	(174,091)	-	250,962	(6,638)	70,233
Reinsurance finance income	-	-	(11,462)		(11,462)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of comprehensive income	(174,091)	-	239,500	(6,638)	**58,771**
Cash flows	-	-	-	-	-
Premiums paid	261,005	-	-	-	261,005
Amounts received	-	-	(125,204)	-	(125,204)
Other movements- deferred acquisition cost	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	126,616	-	177,921	-	304,537
Reinsurance contract assets as at end of period	126,616	-	177,921	-	304,537
Reinsurance contract liabilities as at end of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	126,616	-	177,921	-	304,537

Notes to the Financial Statements

For the Year Ended 31 December 2023

10.1(c)
Marine

2023
Reconciliation of the Asset for remaining coverage and Amount recoverable on incurred claims

	Asset for remaining coverage		Amount recoverable on Incurred Claims	Risk Adjustment	
	Non - Onerous	Onerous			Total
	N'000	N'000	N'000	N'000	N'000
Reinsurance contract assets as at begin of period	87,662		432,956	-	520,618
Reinsurance contract liabilities as at begin of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at begin	87,662	-	432,956	-	**520,618**
An allocation of reinsurance premiums	(394,262)		-	-	(394,262)
Amounts recoverable from reinsurers for incurred claims	-		486,175	55,819	541,994
Amounts recoverable for Incurred claims and other expenses	-		512,319	-	512,319
Changes to amounts recoverable for incurred claims			(6,308)	55,819	49,511
Reinsurance investment components	-		(19,836)	-	(19,836)
Net income or expense from reinsurance contracts held	(394,262)		486,175	55,819	147,732
Reinsurance finance income	-	-	19,836	-	19,836
Effect of changes in non-performance risk of reinsurers	-		-	-	-
Effect of movements in exchange rates	-		-	-	-
Total changes in the statement of comprehensive income	(394,262)		506,011	55,819	**167,568**
Cash flows	-		-	-	-
Premiums paid	416,156		-	-	416,156
Amounts received	-	-	(512,319)	-	(512,319)
Total cash flows	416,156	-	(512,319)	-	(96,163)
Other movements- deferred acquisition cost	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	109,556	-	426,648	55,819	592,023
Reinsurance contract assets as at end of period	109,556		426,648	55,819	592,023
Reinsurance contract liabilities as at end of period	-		-	-	-
Net reinsurance contract assets/(liabilities) as at end	109,556	-	426,648	55,819	592,023

2022
Marine

Reconciliation of the Asset for remaining coverage and Amount recoverable on incurred claims

	Asset for remaining coverage		Amount recoverable on Incurred Claims	Risk Adjustment	
	Non - Onerous	Onerous			Total
	N'000	N'000	N'000	N'000	N'000
Reinsurance contract assets as at begin of period	71,067		50,657	2,389	124,113
Reinsurance contract liabilities as at begin of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at begin	71,067		50,657	2,389	**124,113**
An allocation of reinsurance premiums	(224,799)	-	-	-	(224,799)
Amounts recoverable from reinsurers for incurred claims	-	-	521,976	(2,389)	519,587
Amounts recoverable for Incurred claims and other expenses	-	-	74,320		74,320
Changes to amounts recoverable for incurred claims		-	382,300	(2,389)	379,911
Reinsurance investment components	-	-	65,356		65,356
Net income or expense from reinsurance contracts held	(224,799)	-	521,976	(2,389)	294,788
Reinsurance finance income	-	-	(65,356)		(65,356)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of comprehensive income	(224,799)	-	456,620	(2,389)	**229,432**
Cash flows	-	-	-	-	-
Amounts received	-	-	(74,319)	-	
Total cash flows	241,393	-	(74,319)	-	167,074
Other movements- deferred acquisition cost					
Net reinsurance contract assets/(liabilities) as at end	87,661	-	432,958	-	520,619
Reinsurance contract assets as at end of period	87,661	-	432,958	-	520,619
Reinsurance contract liabilities as at end of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	87,661	-	432,958	-	520,619

Notes to the Financial Statements

For the Year Ended 31 December 2023

10.1(d) **2023**

Motor **Reconciliation of the Asset for remaining coverage and Amount recoverable on incurred claims**

	Asset for remaining coverage		Amount recoverable on Incurred Claims	Risk Adjustment	
	Non - Onerous	Onerous			Total
	N'000	N'000	N'000	N'000	N'000
Reinsurance contract assets as at begin of period	44,353		34,431	-	78,784
Reinsurance contract liabilities as at begin of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at begin	44,353	-	34,431	-	**78,784**
An allocation of reinsurance premiums	(222,199)		-		(222,199)
Amounts recoverable from reinsurers for incurred claims	-		325,153	17,693	342,846
Amounts recoverable for Incurred claims and other expenses	-		246,349	-	246,349
Changes to amounts recoverable for incurred claims			82,439	17,693	100,132
Reinsurance investment components	-		(3,635)	-	(3,635)
Net income or expense from reinsurance contracts held	(222,199)		325,153	17,693	120,647
Reinsurance finance income	-	-	3,635	-	3,635
Effect of changes in non-performance risk of reinsurers	-		-	-	-
Effect of movements in exchange rates	-		-	-	-
Total changes in the statement of comprehensive income	(222,199)		328,788	17,693	**124,282**
Cash flows	-		-	-	-
Premiums paid	183,631		-	-	183,631
Amounts received	-	-	(246,349)	-	(246,349)
Total cash flows	183,631	-	(246,349)	-	(62,718)
Other movements- deferred acquisition cost	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	5,785	-	116,870	17,693	140,348
Reinsurance contract assets as at end of period	5,785		116,870	17,693	140,348
Reinsurance contract liabilities as at end of period	-		-	-	-
Net reinsurance contract assets/(liabilities) as at end	5,785	-	116,870	17,693	140,348

2022

Motor **Reconciliation of the Asset for remaining coverage and Amount recoverable on incurred claims**

	Asset for remaining coverage		Amount recoverable on Incurred Claims	Risk Adjustment	
	Non - Onerous	Onerous			Total
	N'000	N'000	N'000	N'000	N'000
Reinsurance contract assets as at begin of period	-		61,275	30,079	91,354
Reinsurance contract liabilities as at begin of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at begin	-		61,275	30,079	**91,354**
An allocation of reinsurance premiums	(237,067)	-	-	-	(237,067)
Amounts recoverable from reinsurers for incurred claims	-	-	150,089	(30,079)	120,010
Amounts recoverable for Incurred claims and other expenses	-	-	174,309		174,309
Changes to amounts recoverable for incurred claims		-	(26,844)	(30,079)	(56,923)
Reinsurance investment components	-	-	2,624		2,624
Net income or expense from reinsurance contracts held	(237,067)	-	150,089	(30,079)	(117,057)
Reinsurance finance income	-	-	(2,624)		(2,624)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of comprehensive income	(237,067)	-	147,465	(30,079)	**(119,681)**
Cash flows	-	-	-	-	-
Premiums paid	281,420	-	-	-	281,420
Amounts received	-	-	(174,309)	-	(174,309)
Total cash flows	281,420	-	(174,309)	-	107,111
Other movements- deferred acquisition cost	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	44,353	-	34,431	-	78,784
Reinsurance contract assets as at end of period	44,353	-	34,431	-	78,784
Reinsurance contract liabilities as at end of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	44,353	-	34,431	-	78,784

Notes to the Financial Statements

For the Year Ended 31 December 2023

Fire
10.1(e)

2023
Reconciliation of the Asset for remaining coverage and Amount recoverable on incurred claims

	Asset for remaining coverage		Amount recoverable on Incurred Claims	Risk Adjustment	
	Non - Onerous	Onerous			Total
	N'000	N'000	N'000	N'000	N'000
Reinsurance contract assets as at begin of period	391,746		1,903,813	-	2,295,559
Reinsurance contract liabilities as at begin of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at begin	391,746	-	1,903,813	-	**2,295,559**
An allocation of reinsurance premiums	(1,384,857)		-		(1,384,857)
Amounts recoverable from reinsurers for incurred claims	-		527,647	237,845	765,492
Amounts recoverable for Incurred claims and other expenses	-		694,612	-	694,612
Changes to amounts recoverable for incurred claims			(83,225)	237,845	154,620
Reinsurance investment components	-		(83,740)	-	(83,740)
Net income or expense from reinsurance contracts held	(1,384,857)		527,647	237,845	(619,365)
Reinsurance finance income	-	-	83,740	-	83,740
Effect of changes in non-performance risk of reinsurers	-		-	-	-
Effect of movements in exchange rates	-		-	-	-
Total changes in the statement of comprehensive income	(1,384,857)		611,387	237,845	**(535,625)**
Cash flows	-		-	-	-
Premiums paid	1,312,242		-	-	1,312,242
Amounts received	-	-	(694,612)	-	(694,612)
Total cash flows	1,312,242	-	(694,612)	-	617,630
Other movements- deferred acquisition cost	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	319,131	-	1,820,588	237,845	2,377,564
Reinsurance contract assets as at end of period	319,131		1,820,588	237,845	2,377,564
Reinsurance contract liabilities as at end of period	-		-	-	-
Net reinsurance contract assets/(liabilities) as at end	319,131	-	1,820,588	237,845	2,377,564

2022
Fire

Reconciliation of the Asset for remaining coverage and Amount recoverable on incurred claims

	Asset for remaining coverage		Amount recoverable on Incurred Claims	Risk Adjustment	
	Non - Onerous	Onerous			Total
	N'000	N'000	N'000	N'000	N'000
Reinsurance contract assets as at begin of period	240,832		2,331,390	131,846	2,704,068
Reinsurance contract liabilities as at begin of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at begin	240,832		2,331,390	131,846	2,704,068
An allocation of reinsurance premiums	(1,273,131)	-	-	-	(1,273,131)
Amounts recoverable from reinsurers for incurred claims	-	-	325,960	(131,846)	194,114
Amounts recoverable for Incurred claims and other expenses	-	-	528,440		528,440
Changes to amounts recoverable for incurred claims		-	(427,577)	(131,846)	(559,423)
Reinsurance investment components	-	-	225,097		225,097
Net income or expense from reinsurance contracts held	(1,273,131)	-	325,960	(131,846)	(1,079,017)
Reinsurance finance income	-	-	(225,097)		(225,097)
Total changes in the statement of comprehensive income	(1,273,131)	-	100,863	(131,846)	(1,304,114)
Cash flows	-	-	-	-	-
Premiums paid	1,424,045	-	-	-	1,424,045
Amounts received	-	-	(528,439)	-	(528,439)
Total cash flows	1,424,045	-	(528,439)	-	895,606
Other movements- deferred acquisition cost	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	391,746	-	1,903,814	-	2,295,560
Reinsurance contract assets as at end of period	391,746	-	1,903,814	-	2,295,560
Reinsurance contract liabilities as at end of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	391,746	-	1,903,814	-	2,295,560

Notes to the Financial Statements

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10.1(f)
Oil & Gas

2023
Reconciliation of the Asset for remaining coverage and Amount recoverable on incurred claims

	Asset for remaining coverage		Amount recoverable on Incurred Claims	Risk Adjustment	
	Non - Onerous	Onerous			Total
	N'000	N'000	N'000	N'000	N'000
Reinsurance contract assets as at begin of period	259,435		346,383	-	605,818
Reinsurance contract liabilities as at begin of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at begin	259,435	-	346,383	-	**605,818**
An allocation of reinsurance premiums	(2,953,057)		-		(2,953,057)
Amounts recoverable from reinsurers for incurred claims	-		(9,982)	43,880	33,898
Amounts recoverable for Incurred claims and other expenses	-		20,512	-	20,512
Changes to amounts recoverable for incurred claims			(13,317)	43,880	30,563
Reinsurance investment components	-		(17,177)	-	(17,177)
Net income or expense from reinsurance contracts held	(2,953,057)		(9,982)	43,880	(2,919,159)
Reinsurance finance income	-	-	17,177	-	17,177
Effect of changes in non-performance risk of reinsurers	-		-	-	-
Effect of movements in exchange rates	-		-	-	-
Total changes in the statement of comprehensive income	(2,953,057)		7,195	43,880	**(2,901,982)**
Cash flows	-		-	-	-
Premiums paid	3,068,767		-	-	3,068,767
Amounts received	-	-	(20,512)	-	(20,512)
Total cash flows	3,068,767	-	(20,512)	-	3,048,256
Other movements- deferred acquisition cost	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	375,146	-	333,066	43,880	752,092
Reinsurance contract assets as at end of period	375,146		333,066	43,880	752,092
Reinsurance contract liabilities as at end of period	-		-	-	-
Net reinsurance contract assets/(liabilities) as at end	375,146	-	333,066	43,880	752,092

2022
Oil & Gas

Reconciliation of the Asset for remaining coverage and Amount recoverable on incurred claims

	Asset for remaining coverage		Amount recoverable on Incurred Claims	Risk Adjustment	
	Non - Onerous	Onerous			Total
	N'000	N'000	N'000	N'000	N'000
Reinsurance contract assets as at begin of period	172,931		772,935	145,611	1,091,477
Reinsurance contract liabilities as at begin of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at begin	172,931		772,935	145,611	**1,091,477**
An allocation of reinsurance premiums	(1,806,579)		-	-	(1,806,579)
Amounts recoverable from reinsurers for incurred claims	-		(319,520)	(145,611)	(465,131)
Amounts recoverable for Incurred claims and other expenses	-		5,660		5,660
Changes to amounts recoverable for incurred claims			(426,551)	(145,611)	(572,162)
Reinsurance investment components	-		101,371		101,371
Net income or expense from reinsurance contracts held	(1,806,579)		(319,520)	(145,611)	(2,271,710)
Reinsurance finance income	-	-	(101,371)		(101,371)
Effect of changes in non-performance risk of reinsurers	-		-	-	-
Effect of movements in exchange rates	-		-	-	-
Total changes in the statement of comprehensive income	(1,806,579)		(420,891)	(145,611)	**(2,373,081)**
Cash flows	-		-	-	-
Premiums paid	1,893,082		-	-	1,893,082
Amounts received	-	-	(5,660)	-	(5,660)
Total cash flows	1,893,082	-	(5,660)	-	1,887,422
Other movements- deferred acquisition cost	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	259,434	-	346,384	-	605,818
Reinsurance contract assets as at end of period	259,434		346,384	-	605,818
Reinsurance contract liabilities as at end of period	-		-	-	-
Net reinsurance contract assets/(liabilities) as at end	259,434	-	346,384	-	605,818

Notes to the Financial Statements

For the Year Ended 31 December 2023

10.1(g)
Aviation

2023
Reconciliation of the Asset for remaining coverage and Amount recoverable on incurred claims

	Asset for remaining coverage		Amount recoverable on Incurred Claims	Risk Adjustment	
	Non - Onerous	Onerous			Total
	N'000	N'000	N'000	N'000	N'000
Reinsurance contract assets as at begin of period	31,197		30,184	-	61,381
Reinsurance contract liabilities as at begin of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at begin	**31,197**	**-**	**30,184**	**-**	**61,381**
An allocation of reinsurance premiums	(549,997)		-		(549,997)
Amounts recoverable from reinsurers for incurred claims	-		20,154	6,629	26,783
Amounts recoverable for Incurred claims and other expenses	-		2,788	-	2,788
Changes to amounts recoverable for incurred claims			20,038	6,629	26,667
Reinsurance investment components	-		(2,672)	-	(2,672)
Net income or expense from reinsurance contracts held	(549,997)		20,154	6,629	(523,214)
Reinsurance finance income	-	-	2,672	-	2,672
Effect of changes in non-performance risk of reinsurers	-		-	-	-
Effect of movements in exchange rates	-		-	-	-
Total changes in the statement of comprehensive income	**(549,997)**		**22,826**	**6,629**	**(520,542)**
Cash flows	-		-	-	-
Premiums paid	518,800		-	-	518,800
Amounts received	-	-	(2,788)	-	(2,788)
Total cash flows	518,800	-	(2,788)	-	516,012
Other movements- deferred acquisition cost	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	(0)	-	50,222	6,629	56,851
Reinsurance contract assets as at end of period	-		50,222	6,629	56,851
Reinsurance contract liabilities as at end of period	-		-	-	-
Net reinsurance contract assets/(liabilities) as at end	-	-	50,222	6,629	56,851

2022
Aviation

Reconciliation of the Asset for remaining coverage and Amount recoverable on incurred claims

	Asset for remaining coverage		Amount recoverable on Incurred Claims	Risk Adjustment	
	Non - Onerous	Onerous			Total
	N'000	N'000	N'000	N'000	N'000
Reinsurance contract assets as at begin of period	32,449		20,584	9,949	62,982
Reinsurance contract liabilities as at begin of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at begin	32,449		20,584	9,949	**62,982**
An allocation of reinsurance premiums	(339,237)		-	-	(339,237)
Amounts recoverable from reinsurers for incurred claims	-		19,976	(9,949)	10,027
Amounts recoverable for Incurred claims and other expenses	-		2,755	(9,949)	2,755
Reinsurance investment components	-		7,622		7,622
Net income or expense from reinsurance contracts held	(339,237)		19,976	(9,949)	(329,210)
Reinsurance finance income	-	-	(7,622)		(7,622)
Effect of changes in non-performance risk of reinsurers	-		-	-	-
Effect of movements in exchange rates	-		-	-	-
Total changes in the statement of comprehensive income	(339,237)		12,354	(9,949)	**(336,832)**
Cash flows	-		-	-	-
Premiums paid	337,985		-	-	337,985
Amounts received	-	-	(2,755)	-	(2,755)
Total cash flows	337,985	-	(2,755)	-	335,230
Other movements- deferred acquisition cost	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	31,197	-	30,183	-	61,380
Reinsurance contract assets as at end of period	31,197		30,183	-	61,380
Reinsurance contract liabilities as at end of period	-		-	-	-
Net reinsurance contract assets/(liabilities) as at end	31,197	-	30,183	-	61,380

Notes to the Financial Statements

For the Year Ended 31 December 2023

10.1(h)
Bond

2023

Reconciliation of the Asset for remaining coverage and Amount recoverable on incurred claims

	Asset for remaining coverage		Amount recoverable on Incurred Claims	Risk Adjustment	
	Non - Onerous	Onerous			Total
	N'000	N'000	N'000	N'000	N'000
Reinsurance contract assets as at begin of period	886		-	-	886
Reinsurance contract liabilities as at begin of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at begin	886	-	-	-	**886**
An allocation of reinsurance premiums	(1,955)		-		(1,955)
Amounts recoverable from reinsurers for incurred claims	-		-	-	-
Amounts recoverable for Incurred claims and other expenses	-		-	-	-
Changes to amounts recoverable for incurred claims			-	-	-
Reinsurance investment components	-		-	-	-
Net income or expense from reinsurance contracts held	(1,955)		-	-	(1,955)
Reinsurance finance income	-	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-		-	-	-
Effect of movements in exchange rates	-		-	-	-
Total changes in the statement of comprehensive income	(1,955)		-	-	**(1,955)**
Cash flows	-		-	-	-
Premiums paid	1,782		-	-	1,782
Amounts received	-	-	-	-	-
Total cash flows	1,782	-	-	-	1,782
Other movements- deferred acquisition cost	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	713	-	-	-	713
Reinsurance contract assets as at end of period	713		-	-	713
Reinsurance contract liabilities as at end of period	-		-	-	-
Net reinsurance contract assets/(liabilities) as at end	713	-	-	-	713

2022
Bond

Reconciliation of the Asset for remaining coverage and Amount recoverable on incurred claims

	Asset for remaining coverage		Amount recoverable on Incurred Claims	Risk Adjustment	
	Non - Onerous	Onerous			Total
	N'000	N'000	N'000	N'000	N'000
Reinsurance contract assets as at begin of period	323		-	-	323
Reinsurance contract liabilities as at begin of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at begin	323	-	-	-	**323**
An allocation of reinsurance premiums	(6,943)		-	-	(6,943)
Amounts recoverable from reinsurers for incurred claims	-		-	-	-
Amounts recoverable for Incurred claims and other expenses	-		-	-	-
Changes to amounts recoverable for incurred claims			-	-	-
Reinsurance investment components	-		-	-	-
Net income or expense from reinsurance contracts held	(6,943)		-	-	(6,943)
Reinsurance finance income	-	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-		-	-	-
Effect of movements in exchange rates	-		-	-	-
Total changes in the statement of comprehensive income	(6,943)		-	-	**(6,943)**
Cash flows	-		-	-	-
Premiums paid	7,504		-	-	7,504
Amounts received	-	-	-	-	-
Total cash flows	7,504	-	-	-	7,504
Other movements- deferred acquisition cost	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	885	-	-	-	885
Reinsurance contract assets as at end of period	885		-	-	885
Reinsurance contract liabilities as at end of period	-		-	-	-
Net reinsurance contract assets/(liabilities) as at end	885		-	-	885

Notes to the Financial Statements

For the Year Ended 31 December 2023

10.1(i)
Agriculture

2023

Reconciliation of the Asset for remaining coverage and Amount recoverable on incurred claims

	Asset for remaining coverage		Amount recoverable on Incurred Claims	Risk Adjustment	
	Non - Onerous	Onerous			Total
	N'000	N'000	N'000	N'000	N'000
Reinsurance contract assets as at begin of period	39,637		7,251	-	46,888
Reinsurance contract liabilities as at begin of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at begin	39,637	-	7,251	-	**46,888**
An allocation of reinsurance premiums	(44,298)		-		(44,298)
Amounts recoverable from reinsurers for incurred claims	-		6,140	973	7,113
Amounts recoverable for Incurred claims and other expenses	-		6,406	-	6,406
Changes to amounts recoverable for incurred claims			133	973	1,106
Reinsurance investment components	-		(399)	-	(399)
Net income or expense from reinsurance contracts held	(44,298)		6,140	973	(37,185)
Reinsurance finance income	-	-	399	-	399
Effect of changes in non-performance risk of reinsurers	-		-	-	-
Effect of movements in exchange rates	-		-	-	-
Total changes in the statement of comprehensive income	(44,298)		6,539	973	**(36,786)**
Cash flows	-				-
Premiums paid	4,758		-	-	4,758
Amounts received	-	-	(6,404)	-	(6,404)
Total cash flows	4,758	-	(6,404)	-	(1,646)
Other movements- deferred acquisition cost	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	97	-	7,386	973	8,456
Reinsurance contract assets as at end of period	97		7,386	973	8,456
Reinsurance contract liabilities as at end of period	-		-	-	-
Net reinsurance contract assets/(liabilities) as at end	97	-	7,386	973	8,456

2022
Agriculture

Reconciliation of the Asset for remaining coverage and Amount recoverable on incurred claims

	Asset for remaining coverage		Amount recoverable on Incurred Claims	Risk Adjustment	
	Non - Onerous	Onerous			Total
	N'000	N'000	N'000	N'000	N'000
Reinsurance contract assets as at begin of period	7,536		3,477	461	11,474
Reinsurance contract liabilities as at begin of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at begin	7,536		3,477	461	**11,474**
An allocation of reinsurance premiums	(34,463)	-	-	-	(34,463)
Amounts recoverable from reinsurers for incurred claims	-		10,816	(461)	10,380
Amounts recoverable for Incurred claims and other expenses	-		5,704		5,704
Changes to amounts recoverable for incurred claims		-	3,774	(461)	3,313
Reinsurance investment components	-	-	1,338		1,338
Net income or expense from reinsurance contracts held	(34,463)	-	10,816	(461)	(24,108)
Reinsurance finance income	-	-	(1,338)		(1,338)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of comprehensive income	(34,463)		9,478	(461)	**(25,446)**
Cash flows	-	-	-	-	-
Premiums paid	66,566	-	-	-	66,566
Amounts received	-	-	(5,703)	-	(5,703)
Total cash flows	66,566		(5,703)	-	60,863
Other movements- deferred acquisition cost	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	39,640		7,428	-	46,891
Reinsurance contract assets as at end of period	39,640		7,428	-	46,891
Reinsurance contract liabilities as at end of period	-		-	-	-
Net reinsurance contract assets/(liabilities) as at end	39,640		7,428	-	47,068

Notes to the Financial Statements

For the Year Ended 31 December 2023

10.2 Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

The Company disaggregates information to provide disclosure in respect of major product lines separately. This disaggregation has been determined based on how the company is managed.

2023 **Comprehensive reconciliation of the LFRC and the LFIC for insurance contracts**

	Liabilities for remaining coverage		Liability for Incurred Claims	Risk Adjustment	
	Non-onerous	Onerous			Total
	N'000	N'000	N'000	N'000	N'000
Net insurance contract liabilities as at begin	**2,314,900**	**381,593**	**9,572,174**	**923,222**	**13,191,889**
Adjustment to liability for remaining coverage / loss component	(1,666,341)	367,118	-	-	(1,299,223)
Premiums	16,332,886	-	-	-	16,332,886
Amortisation of insurance acq. cash flows	4,188,723	-	-	-	4,188,723
Insurance acquisition cash flows	(4,387,184)	-	-	-	(4,387,184)
Insurance revenue	**14,468,084**	**367,118**			**14,835,202**
Incurred claims and other expenses	-	-	6,287,563	-	6,287,563
Amortisation of insurance acquisition cash flows	4,201,202	-	-	-	4,201,202
Changes to liabilities for incurred claims	-	-	452,177	397,496	849,673
Interest Accreted	-	-	(543,035)	-	(543,035)
Insurance service expenses	**4,201,202**	**-**	**6,196,705**	**397,496**	10,795,403
Insurance service result for insurance contract issued	**10,266,882**	**367,118**	**(6,196,705)**	**(397,496)**	**4,039,799**
Insurance finance expenses	-	-	(543,035)	-	**(543,035)**
Total changes in the statement of comprehensive	10,266,882	367,118	(6,739,740)	(397,496)	**3,496,764**
Cash flows					**-**
Premiums received	16,320,409	-	-	-	16,320,409
Claims and other expenses paid	-	-	(6,287,563)	-	(6,287,563)
Insurance acquisition cash flows	(4,387,183)	-	-	-	(4,387,183)
Total cash flows	11,933,226	-	(6,287,563)	-	5,645,663
Other movements	**-**	**-**	**-**	**-**	**-**
Insurance contract liabilities as at end of period	**3,981,246**	**14,475**	**10,024,350**	**1,320,716**	**15,340,788**

2022 **Comprehensive - reconciliation of the LFRC and the LFIC for insurance contracts**

	Liabilities for remaining coverage		Liability for Incurred Claims	Risk Adjustment	
	Non-onerous	Onerous			Total
Insurance contract liabilities as at begin of period	2,214,413	119,074	8,868,940	628,565	11,830,992
Net insurance contract (assets)/liabilities as at begin	2,214,413	119,074	8,868,940	628,565	11,830,992
Adjustment to liability for remaining coverage/loss component	(100,488)	(262,518)	-	-	(363,006)
Premiums	12,979,790	-	-	-	12,979,790
Amortisation of insurance acq. cash flows	4,133,545	-	-	-	4,133,545
Insurance acquisition cash flows	(4,243,776)	-	-	-	(4,243,776)
Insurance revenue	12,769,071	(262,518)	-	-	12,506,553
Incurred claims and other expenses	-	-	4,111,950	-	4,111,950
Amortisation of insurance acquisition cash flows	5,860,117				5,860,117
Changes to liabilities for incurred claims	-	-	703,234	294,656	997,890
Interest accreted	-	-	(197,842)		(197,842)
Insurance service expenses	**5,860,117**	**-**	**4,617,342**	**294,656**	**10,772,115**
Insurance service result for insurance contract issued	8,635,526	(262,518)	(4,617,342)	(294,656)	3,461,010
Insurance finance expenses			197,842		197,842
Total changes in the statement of comprehensive income	8,635,526	(262,518)	(4,815,184)	(294,656)	3,263,168
Premiums received	11,253,217				12,979,789
Claims and other expenses paid			(4,111,950)		(4,111,950)
Insurance acquisition cash flows	(4,243,776)				(4,243,776)
Total cash flows	7,009,441	-	(4,111,950)	-	2,897,491
					-
Insurance contract liabilities as at end of period	2,314,900	381,593	9,572,174	923,222	13,191,889

Notes to the Financial Statements

For the Year Ended 31 December 2023

2023 **Reconciliation of the LFRC and the LFIC for insurance contracts - Accident**

10.2(a)

	Liabilities for remaining coverage		Liability for Incurred Claims	Risk Adjustment	Total
	Non-onerous	Onerous			
	N'000	N'000	N'000	N'000	N'000
Insurance contract liabilities as at begin of period	211,270	64,773	1,667,187	201,463	2,144,692
Net insurance contract liabilities as at begin	211,270	64,773	1,667,187	201,463	2,144,692
Insurance revenue	1,490,541	50,297	-	-	1,540,838
Insurance service expenses	**502,017**	**-**	**1,356,286**	**152,685**	**2,010,987**
Incurred claims and other expenses	-	-	1,088,892	-	1,088,892
Amortisation of insurance acquisition cash flows	502,017	-	-	-	502,017
Losses on onerous contracts and reversals of those	-	(59,947)	-	-	(59,947)
Changes to liabilities for incurred claims	-	-	391,062	152,685	543,747
Investment components	-	-	(123,668)		(123,668)
Insurance service result	988,524	50,297	(1,356,286)	(152,685)	(470,149)
Insurance finance expenses	-	-	(123,668)	-	(123,668)
Total changes in the statement of comprehensive income	988,524	50,297	(1,479,953)	(152,685)	**(593,817)**
Cash flows					
Premiums received	1,607,180	-	-	-	1,607,180
Claims and other expenses paid	-	-	(1,088,892)	-	(1,088,892)
Insurance acquisition cash flows	(518,380)	-	-	-	(518,380)
Total cash flows	1,088,800	-	(1,088,892)	-	(92)
Other movements	-	-	-	-	-
Net insurance contract (assets)/liabilities as at end	311,546	14,476	2,058,248	354,148	2,738,418
Insurance contract liabilities as at end of period	311,546	14,476	2,058,248	**354,148**	**2,738,418**
	-				-

2022 **Reconciliation of the LFRC and the LFIC for insurance contracts - Accident**

9.2(a)

	Liabilities for remaining coverage		Liability for Incurred Claims	Risk Adjustment	Total
	Non-onerous	Onerous			
	N'000	N'000	N'000	N'000	N'000
Insurance contract liabilities as at begin of period	199,553	-	1,162,590	61,350	1,423,493
Net insurance contract (assets)/liabilities as at begin	199,553	-	1,162,590	61,350	1,423,493
Adjustment to liability for remaining coverage / loss component	(11,717)	(64,773)			(76,490)
Premiums	1,377,535	-	-	-	1,377,535
Amortisation of insurance acq. cash flows	471,682	-	-	-	471,682
Insurance acquisition cash flows	(484,575)	-	-	-	(484,575)
Insurance revenue	1,352,925	(64,773)	-	-	1,288,152
Incurred claims and other expenses		-	684,595		684,595
Amortisation of insurance acquisition cash flows	759,444	-	-	-	759,444
Losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	504,597	140,113	644,710
Interest accreted	-	-	(56,395)		(56,395)
Insurance service expenses	**759,444**	**-**	**1,132,797**	**140,113**	**2,032,354**
Insurance service result for insurance contract issued	593,481	(64,773)	(1,132,797)	(140,113)	(744,202)
Insurance finance expenses			56,395		56,395
Total changes in the statement of comprehensive income	593,481	(64,773)	(1,189,193)	(140,113)	(800,597)
Cash flows					-
Premiums received	1,089,772				1,089,772
Claims and other expenses paid			(684,595)		(684,595)
Insurance acquisition cash flows	(484,575)				(484,575)
Total cash flows	605,197	-	(684,595)	-	(79,398)
Insurance contract liabilities as at end of period	211,269	64,773	1,667,187	201,463	2,144,692

Notes to the Financial Statements

For the Year Ended 31 December 2023

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10.2(b) Reconciliation of the LFRC and the LFIC for insurance contracts - Engineering

	Liabilities for remaining coverage		**Liability for Incurred claims**	**Risk adjustment**	
	Non-onerous	**Onerous**			**Total**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Insurance contract liabilities as at begin of period	129,131	52,330	317,468	25,472	524,400
Insurance contract assets as at begin of period					-
Net insurance contract liabilities as at begin	129,131	52,330	317,468	25,472	524,400
Insurance revenue	739,026	52,330	-	-	791,356
Insurance service expenses	**223,865**	**-**	**310,043**	**38,203**	**572,111**
Incurred claims and other expenses	-	-	231,135	70,846	301,981
Amortisation of insurance acquisition cash flows	223,865	-	-	-	223,865
Losses on onerous contracts and reversals of those	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(15,559)	38,203	22,644
Investment components	-	-	(17,288)	-	(17,288)
Insurance service result	515,161	52,330	(310,043)	(38,203)	219,245
Insurance finance expenses	-	-	(17,288)	-	(17,288)
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of comprehensive income	515,161	52,330	(327,331)	(38,203)	**201,957**
Cash flows	-	-	-	-	
Premiums received	880,638	-	-	-	880,638
Claims and other expenses paid	-	-	(342,890)	-	(342,890)
Insurance acquisition cash flows	(242,789)	-	-	-	(242,789)
Total cash flows	637,849	-	(342,890)	-	294,959
Other movements	-	-	-	-	-
Net insurance contract (assets)/liabilities as at end	251,819	(0)	301,909	63,675	617,402
Insurance contract liabilities as at end of period	251,819	(0)	301,909	63,675	**617,402**
Insurance contract assets as at end of period	-				
Net insurance contract liabilities as at end	**251,819**	**(0)**	**301,909**	**63,675**	**617,402**
	-				-

2022

10.2(b) Reconciliation of the LFRC and the LFIC for insurance contracts - Engineering

	Liabilities for remaining coverage		**Liability for Incurred Claims**	**Risk Adjustment**	
	Non-onerous	Onerous			Total
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Insurance contract liabilities as at begin of period	108,304	8,521	159,063	11,512	287,400
Net insurance contract (assets)/liabilities as at begin	108,304	8,521	159,063	11,512	287,400
Adjustment to liability for remaining coverage / loss component	(20,826)	(43,809)	-	-	(64,635)
Premiums	624,856	-	-	-	624,856
Amortisation of insurance acq. cash flows	192,587	-	-	-	192,587
Insurance acquisition cash flows	(207,683)	-	-	-	(207,683)
Insurance revenue	588,934	(43,809)	-	-	545,125
Incurred claims and other expenses	-	-	280,298	-	280,298
Amortisation of insurance acquisition cash flows	264,528	-	-	-	192,587
Losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	158,405	13,960	172,365
Interest accreted	-	-	(14,207)	-	(14,207)
Insurance service expenses	264,528	-	144,198	13,960	**422,686**
Insurance service result for insurance contract issued	324,406	(43,809)	(424,495)	(13,960)	**(157,859)**
Insurance finance expenses			14,207		**14,207**
Total changes in the statement of comprehensive income	324,406	(43,809)	(438,702)	(13,960)	(172,066)
Cash flows					-
Premiums received	552,915	-	-	-	552,915
Claims and other expenses paid	-	-	(280,298)	-	(280,298)
Insurance acquisition cash flows	(207,683)	-		-	**(207,683)**
Total cash flows	417,173	-	(280,298)	-	**136,875**
Insurance contract liabilities as at end of period	129,131	**52,330**	317,468	**25,472**	**524,400**

Notes to the Financial Statements

For the Year Ended 31 December 2023

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10.2(c) **Reconciliation of the LFRC and the LFIC for insurance contracts - Marine**

	Liabilities for remaining coverage		Liability for Incurred Claims	Risk Adjustment	
	Non-onerous	Onerous			Total
	N'000	N'000	N'000	N'000	N'000
Insurance contract liabilities as at begin of period	122,394	24,949	1,118,401	28,227	1,293,970
	122,394	24,949	1,118,401	28,227	1,293,970
Insurance revenue	955,964	24,949	-	-	980,913
Insurance service expenses	**291,714**	**-**	**542,698**	**10,885**	**845,297**
Incurred claims and other expenses	-	-	618,660	-	618,660
Amortisation of insurance acquisition cash flows	291,714	-	-	-	291,714
Losses	-	-	-	-	-
Changes to liabilities for incurred claims	**-**	**-**	(24,000)	10,885	(13,115)
Insurance service result	664,250	24,949	(542,698)	(10,885)	135,616
Insurance finance expenses	-	-	(51,962)	-	**(51,962)**
Total changes in the statement of comprehensive income	664,250	24,949	(594,660)	(10,885)	**83,655**
Cash flows					
Premiums received	1,078,785	-	-	-	1,078,785
Claims and other expenses paid	-	-	(618,660)	-	(618,660)
Insurance acquisition cash flows	(307,576)	-	-	-	(307,576)
Total cash flows	-	-	-	-	-
Other movements	-	-	-	-	-
Net insurance contract (assets)/liabilities as at end	-	-	-	-	-
Insurance contract liabilities as at end of period	771,209	-	(618,660)	-	152,549
Net insurance contract (assets)/liabilities as at end	**229,353**	**-**	**1,094,400**	**39,112**	**1,362,865**
	-				-

2022

10.2(c) **Reconciliation of the LFRC and the LFIC for insurance contracts - Marine**

	Liabilities for remaining coverage		Liability for Incurred Claims	Risk Adjustment	
	Non-onerous	Onerous			Total
	N'000	N'000	N'000	N'000	N'000
Insurance contract liabilities as at begin of period	158,036	-	277,074	4,143	439,253
Adjustment to liability for remaining coverage	35,642	(24,949)			10,693
Premiums	936,301	-	-	-	936,301
Amortisation of insurance acq. cash flows	322,524	-	-	-	322,524
Insurance acquisition cash flows	(324,658)	-	-	-	(324,658)
Insurance revenue	969,809	(24,949)		-	944,860
Incurred claims and other expenses			374,284	-	374,284
Amortisation of insurance acquisition cash flows	610,286	-	-	-	322,524
Losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes to liabilities for incurred claims	-		841,326	24,084	865,410
Interest accreted	-		6,878		6,878
Insurance service expenses	**610,286**	**-**	**848,204**	**24,084**	**1,482,574**
Insurance service result for insurance contract issued	359,523	(24,949)	(1,222,488)	(24,084)	**(911,998)**
Insurance finance expenses			(6,878)		**(6,878)**
Total changes in the statement of comprehensive income	647,285	(24,949)	(1,215,611)	(24,084)	(617,358)
Cash flows					-
Premiums received	648,539				648,539
Claims and other expenses paid			(374,284)		(374,284)
Insurance acquisition cash flows	(324,658)				(324,658)
Total cash flows	611,643	-	(374,284)	-	237,359
Insurance contract liabilities as at end of period	122,394	**24,949**	1,118,400	**28,227**	**1,293,970**

Notes to the Financial Statements

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10.2(d)

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Reconciliation of the LFRC and the LFIC for insurance contracts - Motor

	Liabilities for remaining coverage		Liability for Incurred Claims	Risk Adjustment	
	Non-onerous	Onerous			Total
	N'000	N'000	N'000	N'000	N'000
Insurance contract liabilities as at begin of period	855,515	-	636,744	51,919	1,544,178
Insurance contract assets as at begin of period					-
Net insurance contract liabilities as at begin	855,515	-	636,744	51,919	1,544,178
Insurance revenue	3,772,284	-	-	-	3,772,284
Insurance service expenses	**976,040**	**-**	**1,699,947**	**89,226**	**2,765,213**
Incurred claims and other expenses	-	-	1,512,176	-	1,512,176
Amortisation of insurance acquisition cash flows	976,040	-	-	-	976,040
Losses on onerous contracts and reversals of those	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	234,844	89,226	324,070
Investment components	-	-	(47,073)	-	(47,073)
Insurance service result	2,808,723	-	(1,699,947)	(89,226)	1,019,550
Insurance finance expenses	-	-	(47,073)	-	(47,073)
Effect of movements in exchange rates	-	-	-	-	**-**
Total changes in the statement of comprehensive income	2,796,244	-	(1,699,947)	(89,226)	**1,007,071**
Cash flows	-	-	-	-	
Premiums received	4,354,649	-	-	-	4,354,649
Claims and other expenses paid	-	-	(1,512,176)	-	(1,512,176)
Insurance acquisition cash flows	(1,005,638)	-	-	-	(1,005,638)
Total cash flows	3,349,011	-	(1,512,176)	-	1,836,835
Other movements	-	-	-	-	-
Net insurance contract (assets)/liabilities as at end	-	-	871,588	141,145	2,396,057
Insurance contract liabilities as at end of period	1,383,324	-	871,588	141,145	2,396,057
Net insurance contract liabilities as at end	**1,408,282**	**-**	**824,515**	**141,145**	**2,373,943**
	-				-

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Reconciliation of the LFRC and the LFIC for insurance contracts - Motor

	Liabilities for remaining coverage		Liability for Incurred Claims	Risk Adjustment	
	Non-onerous	Onerous			Total
	N'000	N'000	N'000	N'000	N'000
Insurance contract liabilities as at begin of period	642,946	-	733,533	52,164	1,428,643
Net insurance contract (assets)/liabilities as at begin	642,946	-	733,533	52,164	1,428,643
Adjustment to liability for remaining coverage / loss component	(212,569)	-			(212,569)
Premiums	2,689,508	-	-	-	2,689,508
Amortisation of insurance acq. cash flows	666,457	-	-	-	666,457
Insurance acquisition cash flows	(750,980)	-	-	-	(750,980)
Insurance revenue	2,392,416	-	-	-	2,392,416
Incurred claims and other expenses	-	-	1,157,245	-	1,157,245
Amortisation of insurance acquisition cash flows	954,219	-	-	-	666,457
Losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(96,789)	(245)	(97,034)
Interest accreted	-	-	(23,397)		(23,397)
Insurance service expenses	**954,219**	**-**	**1,037,059**	**(245)**	**1,991,033**
Insurance service result for insurance contract issued	1,438,197	-	(1,037,059)	245	**401,382**
Insurance finance expenses		-	23,397		**23,397**
Total changes in the statement of comprehensive income	1,725,959	-	(1,060,456)	245	665,747
Cash flows		-	-	-	-
Premiums received	2,401,746	-	-	-	2,401,746
Claims and other expenses paid	-	-	(1,157,245)	-	(1,157,245)
Insurance acquisition cash flows	(750,980)	-	-	-	(750,980)
Total cash flows	1,938,528	-	(1,157,245)	-	781,283
Insurance contract liabilities as at end of period	**855,515**	**-**	**636,744**	**51,919**	**1,544,178**

Notes to the Financial Statements

For the Year Ended 31 December 2023

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10.2(e) Reconciliation of the LFRC and the LFIC for insurance contracts - Fire

	Liabilities for remaining coverage		Liability for Incurred Claims	Risk Adjustment	
	Non-onerous	Onerous			Total
	N'000	N'000	N'000	N'000	N'000
Insurance contract liabilities as at begin of period	479,452	174,386	3,257,965	241,790	4,153,593
Insurance contract assets as at begin of period					-
Net insurance contract liabilities as at begin	479,452	174,386	3,257,965	241,790	4,153,593
Insurance revenue	2,981,186	174,386	-	-	3,155,572
Insurance service expenses	**834,390**	**-**	**1,007,369**	**208,993**	**2,050,751**
Incurred claims and other expenses	-	-	1,329,507	-	1,329,507
Amortisation of insurance acquisition cash flows	834,390	-	-	-	834,390
Losses on onerous contracts and reversals of those	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(168,662)	208,993	40,331
Investment components	-	-	(153,476)	-	(153,476)
Insurance service result	2,146,796	174,386	(1,007,369)	(208,993)	1,104,821
Insurance finance expenses	-	-	(153,476)	-	(153,476)
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of comprehensive income	2,146,796	174,386	(1,160,845)	(208,993)	**951,345**
Cash flows	-	-	-	-	
Premiums received	3,230,258	-	-	-	3,230,258
Claims and other expenses paid	-	-	(1,329,507)	-	(1,329,507)
Insurance acquisition cash flows	(856,606)	-	-	-	(856,606)
Total cash flows	2,373,652	-	(1,329,507)	-	1,044,145
Other movements	-	-	-	-	-
Net insurance contract (assets)/liabilities as at end	706,308	-	3,089,302	450,783	4,246,394
Insurance contract liabilities as at end of period	706,308	-	3,089,302	**450,783**	**4,246,394**
Insurance contract assets as at end of period	-				
Net insurance contract liabilities as at end	706,308	-	3,089,302	450,783	4,246,394
	-				-

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Reconciliation of the LFRC and the LFIC for insurance contracts - Fire

	Liabilities for remaining coverage		Liability for Incurred Claims	Risk Adjustment	
	Non-onerous	Onerous			Total
	N'000	N'000	N'000	N'000	N'000
Insurance contract liabilities as at begin of period	491,775	109,906	4,365,472	228,654	5,195,806
Net insurance contract (assets)/liabilities as at begin	491,775	109,906	4,365,472	228,654	5,195,806
Adjustment to liability for remaining coverage / loss component	12,323	(64,480)	-	-	(52,157)
Premiums	2,584,320	-	-	-	2,584,320
Amortisation of insurance acq. cash flows	788,307	-	-	-	788,307
Insurance acquisition cash flows	(815,984)	-	-	-	(815,984)
Insurance revenue	2,568,966	(64,480)	-	-	2,504,486
Incurred claims and other expenses	-	-	1,128,035	-	1,128,035
Amortisation of insurance acquisition cash flows	1,076,069	-	-	-	1,076,069
Losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(1,107,507)	13,137	(1,094,369)
Interest accreted	-	-	(91,464)	-	(91,464)
Insurance service expenses	**1,076,069**	**-**	**(70,936)**	**13,137**	**1,018,270**
Insurance service result for insurance contract issued	1,492,897	(64,480)	70,936	(13,137)	1,486,216
Insurance finance expenses	-	-	91,464	-	91,464
Total changes in the statement of comprehensive income	1,780,659	(64,480)	(20,528)	(13,137)	1,682,514
Cash flows	-	-	-	-	-
Premiums received	2,296,558	-	-	-	2,296,558
Claims and other expenses paid	-	-	(1,128,035)	-	(1,128,035)
Insurance acquisition cash flows	(815,984)	-	-	-	(815,984)
Total cash flows	1,480,574	-	(1,128,035)	-	352,539
Insurance contract liabilities as at end of period	**479,452**	**174,386**	**3,257,965**	**241,791**	**3,986,874**

Notes to the financial statements

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10.2(f)	2023 Reconciliation of the LFRC and the LFIC for insurance contracts - Oil and gas				
	Liabilities for remaining coverage		Liability for Incurred Claims	Risk Adjustment	
	Non-onerous ₦'000	Onerous ₦'000	₦'000	₦'000	Total ₦'000
Insurance contract liabilities as at begin of period	432,726	59,443	2,370,977	344,818	3,207,964
Insurance contract assets as at begin of period					-
Net insurance contract liabilities as at begin	432,726	59,443	2,370,977	344,818	3,207,964
Adjustment to Liability for remaing coverage / Loss Component	(575,622)	59,443			(516,179)
Premiums	4,555,247				4,555,247
Amortisation of insurance acq. cash flows	1,194,455				1,194,455
Insurance acquisition cash flows	(1,276,991)				(1,276,991)
Insurance revenue	3,897,089	59,443	-	-	3,956,532
Incurred claims and other expenses	-	-	1,195,425	-	1,195,425
Amortisation of insurance acquisition cash flows	1,194,455	-	-	-	1,194,455
Losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(91,249)	(102,769)	(194,018)
Interest Accreted	-	-	(130,805)	-	(130,805)
Insurance service expenses	**1,194,455**	**-**	**973,371**	**(102,769)**	**2,065,057**
Insurance service result	2,702,634	59,443	(973,371)	102,769	1,891,475
Insurance finance expenses	-	-	(130,805)	-	(130,805)
Effect of movements in exchange rates	-	-	-	-	**-**
Total changes in the statement of comprehensive income	2,702,634	59,443	(1,104,176)	102,769	**1,760,670**
Cash flows	-	-	-	-	**-**
Premiums received	4,555,245	-	-	-	4,555,245
Claims and other expenses paid	-	-	(1,195,425)	-	(1,195,425)
Insurance acquisition cash flows	(1,276,991)	-	-	-	(1,276,991)
Total cash flows	3,278,254	-	(1,195,425)	-	2,082,829
Net insurance contract (assets)/liabilities as at end	**1,008,346**	**- 0**	**2,279,727**	**242,049**	**3,530,123**

Notes to the financial statements

For the Year Ended 31 December 2023

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Reconciliation of the LFRC and the LFIC for insurance contracts - Oil and gas

	Liabilities for remaining coverage		Liability for Incurred Claims	Risk Adjustment	
	Non-onerous	**Onerous**			**Total**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Insurance contract liabilities as at begin of period	541,439	-	2,034,039	252,526	2,828,004
Net insurance contract (assets)/liabilities as at begin	541,439	-	2,034,039	252,526	2,828,004
Adjustment to liability for remaining coverage / loss component	108,712	(59,443)			49,270
Premiums	4,112,194				4,112,194
Amortisation of insurance acq. cash flows	1,439,842				1,439,842
Insurance acquisition cash flows	(1,442,461)				(1,442,461)
Insurance revenue	4,218,287	(59,443)			4,158,845
Incurred			387,981		387,981
Amortisation of insurance acquisition cash flows	2,585,521				2,585,521
Losses on onerous contracts and reversals of those losses					-
Changes to liabilities for incurred claims			336,938	92,292	429,230
Interest accreted			(18,908)		(18,908)
Insurance service expenses	**2,585,521**	**-**	**706,011**	**92,292**	**3,383,824**
Insurance service result for insurance contract issued	1,632,766	(59,443)	(706,011)	(92,292)	775,021
Insurance finance expenses			18,908		18,908
Total changes in the statement of comprehensive income	1,632,766	(59,443)	(724,919)	(92,292)	756,113
Cash flows					-
Premiums received	2,966,515				2,966,515
Claims and other expenses paid			(387,981)		(387,981)
Insurance acquisition cash flows	(1,442,461)				(1,442,461)
Total cash flows	1,524,054	-	(387,981)	-	1,136,073
Insurance contract liabilities as at end of period	**432,726**	**59,443**	**2,370,977**	**344,818**	**3,207,964**

Notes to the financial statements

For The Year Ended 31 December 2023

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10.2(g) Reconciliation of the LFRC and the LFIC for insurance contracts - Aviation

	Liabilities for remaining coverage		Liability for Incurred Claims	Risk Adjustment	
	Non-onerous ₦'000	Onerous ₦'000	₦'000	₦'000	Total ₦'000
Insurance contract liabilities as at begin of period	37,979	-	188,609	28,290	226,588
Insurance contract assets as at begin of period					-
Net insurance contract liabilities as at begin	37,979	-	188,609	28,290	226,588
Adjustment to Liability for remaing coverage / Loss Component	(41,300)				(41,300)
Premiums	602,343				602,343
Amortisation of insurance acq. cash flows	158,961				158,961
Insurance acquisition cash flows	(167,487)				(167,487)
Insurance revenue	552,517	-	-	-	552,517
Incurred claims and other expenses	-	-	186,727	-	186,727
Amortisation of insurance acquisition cash flows	158,961	-	-	-	158,961
Losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	125,774	(355)	125,419
Investment components	-	-	(17,875)	-	(17,875)
Insurance service expenses	**158,961**	-	**294,626**	**(355)**	**453,233**
Insurance service result	393,556	-	(294,626)	355	99,284
Insurance finance expenses	-	-	(17,875)	-	(17,875)
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of comprehensive income	**393,556**	**-**	**(312,502)**	**355**	**81,409**
Cash flows					
Premiums received	602,343	-	-	-	602,343
Claims and other expenses paid	-	-	(186,727)	-	(186,727)
Insurance acquisition cash flows	(167,487)	-	-	-	(167,487)
Total cash flows	434,856	-	(186,727)	-	248,129
Net insurance contract (assets)/liabilities as at end	**79,279**	**-**	**314,384**	**27,935**	**421,598**

Notes to the financial statements

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Reconciliation of the LFRC and the LFIC for insurance contracts - Aviation

	Liabilities for remaining coverage		Liability for Incurred Claims	Risk Adjustment	
	Non-onerous	Onerous			Total
	N'000	N'000	N'000	N'000	N'000
Insurance contract liabilities as at begin of period	57,657	648	128,624	17,254	204,182
Net insurance contract (assets)/liabilities as at begin	57,657	648	128,624	17,254	204,182
Adjustment to liability for remaining coverage	19,678	648			20,326
Premiums	518,803	-	-	-	518,803
Amortisation of insurance acq. cash flows	212,342	-	-	-	**212,342**
Insurance acquisition cash flows	(164,186)	-	-	-	(164,186)
Insurance revenue	586,637	648			587,285
Incurred claims and other expenses	-	-	79,455		79,455
Amortisation of insurance acquisition cash flows	284,283	-			212,342
Losses on onerous contracts and reversals of those losses	-	-			-
Changes to liabilities for incurred claims	-	-	59,985	11,036	71,021
Interest accreted	-	-	312		312
Insurance service expenses	**284,283**	**-**	**60,297**	**11,036**	**355,616**
Insurance service result for insurance contract issued	302,354	648	(139,752)	(11,036)	152,214
Insurance finance expenses		-	(312)		(312)
Total changes in the statement of comprehensive income	302,354	648	(139,440)	(11,036)	152,526
Cash flows					-
Premiums received	446,862				446,862
Claims and other expenses paid			(79,455)		(79,455)
Insurance acquisition cash flows	(164,186)				(164,186)
Total cash flows	354,617	-	(79,455)	-	275,162
Insurance contract liabilities as at end of period	37,979	**(0)**	188,609	**28,290**	**254,877**

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10.2(h)	Reconciliation of the LFRC and the LFIC for insurance contracts - Bond				
	Liabilities for remaining coverage		Liability for Incurred Claims	Risk Adjustment	
	Non-onerous N'000	Onerous N'000	N'000	N'000	Total N'000
Insurance contract liabilities as at begin of period	1,968	-	2,668	321	4,636
Net insurance contract (assets)/liabilities as at begin	1,968	-	2,668	321	4,636
Insurance revenue	10,342	-	-	-	10,342
Insurance service expenses	**3,728**	**-**	**1,660**	**1**	**5,388**
Incurred claims and other expenses	-	-	2,096	-	2,096
Amortisation of insurance acquisition cash flows	3,728	-	-	-	3,728
Losses on onerous contracts and reversals of those	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(256)	1	(255)
Investment components	-	-	(180)	-	(180)
Insurance service result	6,614	-	(1,660)	(1)	4,954
Insurance finance expenses	-	-	(181)	-	(181)
Effect of movements in exchange rates	-	-	-	-	**-**
Total changes in the statement of comprehensive income	6,614	-	(1,841)	(1)	**4,772**
Cash flows	-	-	-	-	
Premiums received	19,064	-	-	-	19,064
Claims and other expenses paid	-	-	(2,096)	-	(2,096)
Insurance acquisition cash flows	(5,240)	-	-	-	(5,240)
Total cash flows	13,824	-	(2,096)	-	11,728
Other movements	-	-	-	-	-
Net insurance contract (assets)/liabilities as at end	9,178	-	2,413	322	11,913
Insurance contract liabilities as at end of period	36,826	-	(1,779)	322	11,913
Insurance contract assets as at end of period	-				
Net insurance contract (assets)/liabilities as at end	36,826	-	(1,779)	322	11,913

Notes to the financial statements

For the Year Ended 31 December 2023

2022

Reconciliation of the LFRC and the LFIC for insurance contracts - Bond

	Liabilities for remaining coverage		Liability for Incurred Claims	Risk Adjustment	
	Non-onerous	Onerous			Total
	N'000	N'000	N'000	N'000	N'000
Insurance contract liabilities as at begin of period	972	-	2,411	164	3,547
Net insurance contract (assets)/liabilities as at begin	972	-	2,411	164	3,547
Adjustment to liability for remaining coverage	(996)	-	-	-	(996)
Premiums	23,880	-	-	-	23,880
Amortisation of insurance acq. cash flows	6,966	-	-	-	6,966
Insurance acquisition cash flows	(7,225)	-	-	-	(7,225)
Insurance revenue	22,625	-	-	-	22,625
Incurred claims and other expenses		-	2,806	-	2,806
Amortisation of insurance acquisition cash flows	16,966	-	-	-	16,966
Losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	257	157	414
Interest accreted	-	-	(124)	-	(124)
Insurance service expenses	**16,966**	-	**2,939**	**157**	**20,062**
Insurance service result for insurance contract issued	5,659	-	(2,939)	(157)	2,563
Insurance finance expenses		-	124		124
Total changes in the statement of comprehensive income	5,659	-	(3,063)	(157)	2,439
Cash flows					-
Premiums received	13,880	-		-	13,880
Claims and other expenses paid		-	(2,806)	-	(2,806)
Insurance acquisition cash flows	(7,225)	-		-	(7,225)
Total cash flows	16,655	-	(2,806)	-	13,849
Other movements	-	-	-	-	-
Insurance contract liabilities as at end of period	1,968	**-**	2,668	**321**	**4,957**

Notes to the financial statements

For The Year Ended 31 December 2023

2023

10.2 (i)	Reconciliation of the LFRC and the LFIC for insurance contracts - Agriculture				
	Liabilities for remaining coverage		Liability for Incurred Claims	Risk Adjustment	
	Non-onerous	Onerous			Total
	N'000	N'000	N'000	N'000	N'000
Insurance contract liabilities as at begin of period	44,466	5,713	12,155	921	63,256
Insurance contract assets as at begin of period					-
Net insurance contract liabilities as at begin	44,466	5,713	12,155	921	63,256
Insurance revenue	69,134	5,713	-	-	74,848
Insurance service expenses	**16,033**	**-**	**10,705**	**627**	**27,365**
Incurred claims and other expenses	-	-	11,190	-	11,190
Amortisation of insurance acquisition cash flows	16,033	-	-	-	16,033
Losses on onerous contracts and reversals of those	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	223	627	850
Investment components	-	-	(708)	-	(708)
Insurance service result	53,101	5,713	(10,705)	(627)	47,482
Insurance finance expenses	-	-	(708)	-	(708)
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of comprehensive income	53,101	5,713	(11,413)	(627)	46,774
Cash flows	-	-	-	-	
Premiums received	17,203	-	-	-	17,203
Claims and other expenses paid	-	-	(11,190)	-	(11,190)
Insurance acquisition cash flows	(6,478)	-	-	-	(6,478)
Total cash flows	10,725	-	(11,190)	-	(465)
Other movements	-	-	-	-	-
Net insurance contract liabilities as at end	2,090	0	12,378	1,548	16,017
Insurance contract liabilities as at end of period	2,084	-	12,379	1,548	16,017
Net insurance contract liabilities as at end	**2,084**	**-**	**12,379**	**1,549**	**16,018**

Notes to the financial statements

For the Year Ended 31 December 2023

2022
Reconciliation of the LFRC and the LFIC for insurance contracts - Agriculture

	Liabilities for remaining coverage		Liability for Incurred Claims	Risk Adjustment	
	Non-onerous	Onerous			Total
	N'000	N'000	N'000	N'000	N'000
Insurance contract liabilities as at begin of period	13,730	-	6,135	799	20,664
Net insurance contract (assets)/liabilities as at begin	13,730	-	6,135	799	20,664
Adjustment to liability for remaining coverage / loss component	(30,736)	(5,713)	-	-	(36,449)
Premiums	112,393	-	-	-	112,393
Amortisation of insurance acq. cash flows	32,838	-	-	-	32,838
Insurance acquisition cash flows	(46,024)	-	-	-	(46,024)
Insurance revenue	68,471	(5,713)	-	-	62,758
Incurred claims and other expenses	-	-	17,251	-	17,251
Amortisation of insurance acquisition cash flows	42,838	-	-	-	42,838
Losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	6,021	122	6,143
Interest accreted	-	-	(536)		(536)
Insurance service expenses	**42,838**	**-**	**22,735**	**122**	**65,695**
Insurance service result for insurance contract issued	25,633	(5,713)	(22,735)	(122)	(2,937)
Insurance finance expenses	-	-	536	-	536
Total changes in the statement of comprehensive income	25,633	(5,713)	(23,272)	(122)	(3,474)
Cash flows					-
Premiums received	102,393	-	-	-	102,393
Claims and other expenses paid		-	(17,251)	-	(17,251)
Insurance acquisition cash flows	(46,024)			-	(46,024)
Total cash flows	66,369	-	(17,251)	-	49,118
Other movements				-	-
Insurance contract liabilities as at end of period	**44,466**	**5,713**	**12,156**	**921**	**63,255**

Notes to the financial statements

For The Year Ended 31 December 2023

11	Trade receivables	31 Dec 2023	31 Dec 2022
		N'000	N'000
	Due from insurance brokers	278,764	199,857
		278,764	**199,857**

Analysis of debtors in days	31 Dec 2023		31 Dec 2022	
	No of policies	Amount	No of policies	Amount
Days		N'000		N'000
Within 14 days	44	257,351	98	170,755
Within 30 days	55	21,413	37	29,102
	99	**278,764**	**135**	**199,857**

Reconciliation of trade receivable

		31 Dec 2023	31 Dec 2022
		N'000	N'000
Trade receivable at 1 January	Note 10	199,857	81,468
Gross premium written during the year		16,332,887	12,979,789
Premium received in advance	Note 43.2	(35,531)	(60,454)
Premium received from policy holders	Note 43.2	(16,218,449)	(12,800,946)
		278,764	**199,857**

12	Other receivables and prepayments		31 Dec 2023	31 Dec 2022
			N'000	N'000
	Prepayments	Note 11.1	297,169	177,670
	Other receivables	Note 11.2	595,766	604,929
			892,935	782,599
	Impairment allowance		(2,602)	(2,602)
			890,333	**779,997**

12.1	Prepayments		31 Dec 2023	31 Dec 2022
			N'000	N'000
	Prepaid staff benefits	Note i	198,174	110,756
	Deposits with stock broker	Note ii	2,602	2,602
	Prepaid rent		10,542	10,207
	Other prepaid expenses	**Note iii**	85,851	54,105
			297,169	**177,670**

(i) Prepaid staff benefits represents amounts prepaid to staff of the Company with respect to rent advance (N31.61million), furniture grant (N2.57 million, staff fleet premium advance (N0.3 million) and car loan encashment (N76.13million).

(ii) Deposit with stock broker this represents deposits with stock brokers.

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

(iv) Prepaid rent amount represents advanced payments for the rental of office spaces in branches across the country. The contractual lease term for each of the office spaces are 12 months (which is the period the firm has enforceable right of occupancy for the office spaces) and are renewable on an annual basis. The firm applies the 'short-term lease' recognition exemption for these leases.

Notes to the financial statements

For the Year Ended 31 December 2023

12.2 Other receivables

Prepaid business acquisition expenses	31 Dec 2023 N'000	31 Dec 2022 N'000
Withholding tax recoverable	162,087	141,443
Sundry receivables	433,679	463,486
	595,766	604,929
Less : Impairment allowance	(2,602)	(2,602)
	593,164	**602,327**

Sundry receivables this represents balance on contribution to claims pool.

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

13 Investment properties

	31 Dec 2023 N'000	31 Dec 2022 N'000
At 1 January	160,000	157,500
Fair value gain on investment properties	60,000	2,500
At 31 December	**220,000**	**160,000**

Measurement of fair values

Fair value hierarchy of the investment properties are as follows:

	Quoted prices in active market Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
Date of valuation - 31 December 2023	**N'000**	**N'000**	**N'000**	**N'000**
Investment properties	-	-	220,000	220,000
Date of valuation - 31 December 2022				
Investment properties	-	-	160,000	160,000

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property as at 31 December 2023, 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. The property is resident is the following address No. 11C Shekinah Green Estate, Apo District, Abuja. - No. 9C Shekinah Green Estate, Apo District, Abuja.	-Rentals for similar property - N4,500,000 -N5,000,000-Rate of development in the area-Quality of the building and repairs.-Influx of people and/or businesses to the area - Price of similar property Abuja - N100,000,000 - N120,000,000	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)."

Notes to the financial statements

For The Year Ended 31 December 2023

The valuation was done by Andy Bassey & Associate Estate Surveyors & Valuers with firm FRC number FRC/2012/0000000000487. The valuation report was signed by Andy Bassey (FNIVS, RSV) with FRC number FRC/2012/NIESV/00000000363.

14 Intangible assets

	31 Dec 2023	31 Dec 2022
Cost	**N'000**	**N'000**
At January	88,401	114,906
Addition during the year	31,713	21,254
Derecognition during the year	(13,177)	(47,759)
At 31 December	**106,937**	**88,401**
Accumulated Amortisation		
At January	67,557	78,040
Charge for the year	6,279	7,427
Amortisation on derecognized asset	-	(17,910)
At 31 December	73,836	67,557
Carrying amount		
Balance at the end of the year	**33,101**	**20,844**

The intangible assets include computer software acquired for use in the Company's operation. The assets are usually amortized over their useful life most which do not exceed 4 years. Useful life are reviewed at each financial year and adjusted if appropriate.

Notes to the financial statements

For the Year Ended 31 December 2023

15 Property and equipment

At 31 December 2023	Land	Buildings	Motor vehicles	Furniture & fittings	Office equipment	Building (work in progress)	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost/valuation							
At 1 January 2023	847,420	287,817	1,023,951	165,404	305,893	85,861	2,716,345
Additions	-	804	1,016,857	2,595	30,326	181,792	1,232,374
Disposal	-	-	(52,250)	-	(15,280)	-	(67,530)
Revaluation surplus	591,730	292,561	-	-	-	8,227	892,518
At 31 December 2023	1,439,150	581,182	1,988,558	167,999	320,938	275,881	4,773,707
Accumulated depreciation							
At 1 January 2023	-	99,246	671,609	150,731	210,081	-	1,131,666
Charge for the year	-	4,711	205,328	6,470	40,812	-	257,322
Disposal	-	-	(52,250)	-	(15,280)	-	(67,530)
At 31 December 2023	-	103,957	824,687	157,201	235,613	-	1,321,458
Carrying amount							
At 31 December 2023	1,439,150	477,224	1,163,871	10,798	85,325	275,881	3,452,249
At 31 December 2022	847,420	188,571	265,665	12,000	62,957	85,861	1,584,679

At 31 December 2022	Land	Buildings	Motor vehicles	Office furniture & fittings	Office machinery & equipment	Building (work in progress)	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost/valuation							
At 1 January 2022	847,420	287,817	853,951	156,217	237,680	85,861	2,468,946
Additions	-	-	253,202	9,417	71,728	-	334,347
Disposal	-	-	(83,202)	(230)	(3,515)	-	(86,947)
At 31 December 2022	847,420	287,817	1,023,951	165,404	305,893	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	210,081	-	1,131,666
Carrying amount							
At 31 December 2022	847,420	188,571	352,342	14,674	95,812	85,861	1,584,679
At 31 December 2021	847,420	193,275	265,665	12,000	62,957	85,861	1,467,178

Notes to the financial statements

For The Year Ended 31 December 2023

15.1 Property and equipment

a) There were no capitalized borrowing costs related to the acquisition of property and equipment during the year.

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

c) The Company had no capital commitments as at the reporting date (December 2022: nil).

d) There was no item of property and equipment that has been pledged as security for borrowings as at the year ended 31 December 2023 (December 2022: nil).

e) An impairment assessment was conducted and no impairment indicator was identified.

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

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

Fair value hierarchy of the property and equipments are as follows:

Date of valuation - 31 December 2023	Quoted prices in active market Level 1 N'000	Significant observable inputs Level 2 N'000	Significant unobservable inputs Level 3 N'000	Total
Land and building	-	-	2,020,332	2,020,332

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 2023, 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. The properties are in the following addresses - No. 11C Shekinah Green Estate, Apo District, Abuja. - Linkage Plaza, Plot 20, Block 94, Lekki Scheme 1, Lekki-Epe Expressway, Eti-Osa L.G.A., Lagos State. (Office building complex on three floors. A Development land and other ancillary structures) - Linkage House, No. 11A, Coker Road, Ilupeju, Lagos State. - Central Business District, Swali-Attisa, Yenogoa L.G.A., Bayelsa State (Plot of land) - Plot 1 Trans Amadi Layout, along Port Harcourt – Aba Express Road, Port Harcourt, Rivers State. (Land)	-Rentals for similar property - N4,500,000 - N5,000,000'-Rate of development in the area - N10,000,000 - N15,000,000 per annum 'Construction costs of similar office buildings - N350,000 - N400,000 per square meters'-Influx of people and/or businesses to the area'- Price of plot of land in the neighbourhood Bayelsa - 15,000,000'- Price of similar property Abuja - 100,000,000 - 120,000,000	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/2012/0000000000487. The effective date of valuation was at 31st December 2023. The valuation report was signed by Andem Bassey (FNIVS, RSV) with FRC number FRC/2012/NIESV/00000000363.

Notes to the financial statements

For the Year Ended 31 December 2023

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	1,358,225	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	258,000	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	72,150	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	228,000	The company had applied to register the deed of assignment with the Rivers State Ministry of Lands
				1,916,375	

f) Land and building: historical costs

The Company has adopted the carrying value of land and buildings as at 1 January 2012 as the deemed cost of the assets. This represents the cost of the assets when the Company first adopted IFRS. If land and building were stated on the historical cost basis, the carrying amounts as at 31 December 2023 would be as follows:

	Land	Buildings
	N'000	**N'000**
Cost	266,348	78,224
Accumulated depreciation	-	(17,209)
Carrying amount	**266,348**	**61,015**

Notes to the financial statements

For The Year Ended 31 December 2023

16 Right-of-use assets	31 Dec 2023 N'000	31 Dec 2022 N'000
Cost		
At 1 January	35,387	31,527
Addition	-	3,860
At 31 December	35,387	35,387
Accumulated Depreciation		
At 1 January	13,642	6,305
Depreciation	8,236	7,337
At 31 December	21,878	13,642
Carrying amount		
At 31 December	13,509	21,744

The Company has rent contracts on properties in Uyo, Calabar and Yenagoa branches used in carrying out business operations. The contracts have a lease term ranging from 2-5 years.

17 Statutory deposit	31 Dec 2023 N'000	31 Dec 2022 N'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. During the year 2022, a deposit of N200 million was made by the Company to the Central Bank of Nigeria to increase its statutory deposit from N500 million to N700 million.

18 Insurance payables	31 Dec 2023 N'000	31 Dec 2022 N'000
Insurance payables (Note 17.1)	2,136,104	1,022,333
	2,136,104	**1,022,333**

18.1 Insurance payables	31 Dec 2023 N'000	31 Dec 2022 N'000
Commission payables to brokers	435,902	264,463
Premium received in advance	35,531	21,707
Due to re-insurers/ co-insurer	1,534,809	595,728
Other payables to agents and brokers	129,862	140,435
	2,136,104	**1,022,333**
Due from reinsurance	661,699	118,340

Movement in insurance payables	31 Dec 2023 N'000	31 Dec 2022 N'000
At 1 January	1,140,673	765,141
Addition in the year	995,431	375,532
At 31 December	**2,136,104**	**1,140,673**

(a) Due to re-insurers/ co-insurer relates to commission payable, amount due to co-insurance companies.

(b) Other payables to agents and brokers represents business acquisition costs payable to agents and brokers as at 31 December 2023 (2022: N140million)

Notes to the financial statements

For the Year Ended 31 December 2023

18.2 Other payables to agents and brokers	31 Dec 2023 N'000	31 Dec 2022 N'000
Due to brokers	129,862	140,435
	129,862	**140,435**

19 Other payables		31 Dec 2023 N'000	31 Dec 2022 N'000
Due to auditors		5,388	4,612
NAICOM levy		163,333	129,799
Expenses payable	Note 19.1	765,521	148,948
Other payables	Note 19.2	732,773	115,891
		1,667,015	399,250
Provision for litigation	Note 19.3	343,000	343,000
		2,010,015	**742,250**

19.1 Expenses payable	31 Dec 2023 N'000	31 Dec 2022 N'000
Expenses accrued	765,527	148,948
	765,527	**148,948**

(I) This represents expenses incurred during the year by the Company but for which bills/invoices have not been received from vendors as at 31 December 2023.

19.2 Other payables	31 Dec 2023 N'000	31 Dec 2022 N'000
National housing fund (NHF)	1,025	1,024
Pension for life agents/company	603	604
Deposit without details	669,196	23,801
Withholding tax payables	622	1,130
Sundry payables	61,327	89,332
	732,773	**115,891**

Sundry payables relates to Vat payable, payroll tax, and legal fee tax.

19.3 Provisions	31 Dec 2023 N'000	31 Dec 2022 N'000
At 1 January	343,000	343,000
	343,000	**343,000**

Notes to the financial statements

For The Year Ended 31 December 2023

(i) This represents estimated outflow for a court case against the Company in 2023 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 December 2023 is N343million (2022: N343million). The case is currently being appealed at the Court of Appeal.

20 Defined benefit obligations

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 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.

	Defined benefit liability		Fair value of plan assets		Defined benefit liability/(asset)	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N'000	N'000	N'000	N'000	N'000	N'000
Balance at the beginning of the year	186,753	189,430	(102,432)	(99,770)	84,321	89,660
Current service cost	53,512	31,564	-	-	53,512	31,564
Interest cost	37,396	29,213	-	(15,516)	37,396	13,697
Contribution by employer	-	-	(42,000)	-	(42,000)	-
Benefits paid by employer	(28,274)	(29,211)	28,274	29,211	-	-
Actuarial loss/(gain) on liability arising from:						
Assumptions	(11,375)	(10,281)	17,704	(16,356)	6,329	(26,637)
Experience	53,814	1,077	(16,626)	-	37,188	1,077
Demographic Curtailment/Settlement	(8,616)	(25,039)	-	-	(8,616)	(25,039)
Balance at the end of the year	283,210	186,753	(115,080)	102,432	168,130	84,322

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Discount rate	12.70%	13.30%	12.70%
Rate of salary increase	13.25%	12.98%	13.25%
Mortality	12.47%	11.98%	12.47%

Notes to the financial statements

For the Year Ended 31 December 2023

20 Defined benefit obligations - continued

Sensitivity analysis

The result of the valuation are highly sensitive to the underlying assumptions. The variability of the liability cost is expected to be higher for this small scheme size as seen in the table below.

	Base result	Increase	Decrease
Discount rate (1% movement)	**₦'000**	**₦'000**	**₦'000**
Defined benefit obligation	283,210	266,860	294,106
Change in relation to base result		-5.80%	6.70%
Salary Increase rate (1% movement)			
Defined benefit obligation	282,210	301,388	266,660
Change in relation to base result		6.40%	-5.80%
Mortality rate (10% movement)			
Defined benefit obligation	283,210	283,498	282,947
Change in relation to base result		0.10%	-0.09%

Actual experience resulting into a change in any of the key assumptions might change the value of the liability disclosed as shown in the "Sensitivity Table" above

For example, in a standard defined benefit scheme pension arrangement, adding or deducting 1% from the discount rate assumption could result in a 14-16% change in the value of liability for the actives with a term of, say, 20 years to retirement. The weighted average term to retirement for the Linkage Assurance Gratuity Scheme around 11.05 years.

"The Sensitivity Table above illustrates the effect of:
The discount rate assumption on the defined benefit obligation if there was an increase or decrease of 1% to discount rate. This could result in decrease or increase of about 6 to 7% respectively. "

The salary increase assumption on the defined benefit obligation, if there was an increase or decrease of 1% to the rate of salary increase. In this case, we might expect a change of about 6-7% in the defined benefit obligation. Sensitivity of the defined gratuity benefit obligation considers the mortality assumption by allowing for impact of 1year age rating up or down.

Higher than expected mortality level while keeping the past service at their present level might be expected to bring forward the amount that would eventually be paid on expensive future gratuity benefits, producing a decrease to the base defined gratuity benefit obligation (-0.10%).

Whereas a reduced level of mortality or an improvement would mean more survivors to qualify for higher future gratuity benefit payments (+0.10%). If only death gratuity had been considered in isolation, we would expect a higher cost in death gratuity payments with higher mortality vice versa and this might change the conclusion here in on the effect of change in mortality.

Gratuity Benefit Scale :

Length of Service	Benefit Payable
Less than 5 years	Nil
5 years	25% of guaranteed annual total emolument
6 years	30% of guaranteed annual total emolument
7 years	35% of guaranteed annual total emolument
8 years	40% of guaranteed annual total emolument
9 years	50% of guaranteed annual total emolument
10 years & above	75% of guaranteed annual total emolument

Staff leaving the Company has entitlements in accordance with the following benefit table:

Service calculation.

For employees that were in service as at 30th April 2009 who benefited from old gratuity scheme, service starts counting from 1st May 2009, otherwise service starts counting from the employment date.

Notes to the financial statements

For The Year Ended 31 December 2023

21 Income tax liabilities

		31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
At the beginning of the year		157,845	60,257
Charge for the year	Note 21.1	182,153	129,291
Withholding tax utilised		(76,195)	-
Payment during the year		(89,218)	(31,703)
At the end of the year		**174,585**	**157,845**

21.1 Tax expense

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Tertiary education tax	26,608	25,548
Information technology levy	51,377	27,411
Police trust fund levy	257	137
Income tax expense	78,242	53,096
Minimum tax expense	103,911	76,196
Charge for the year	182,153	129,292

Minimum Tax in 2022 has been presented separately from Income tax to align with the Company's policy.

21.2 Reconciliation of tax charge

The income tax expense for the year can be reconciled to the accounting profit as follows;

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Profit before tax	5,463,747	1,874,983
Expected income tax expense at statutory rate	1,639,124	808,855
Information technology levy	51,377	27,411
Tertiary education tax	26,608	25,548
Disallowable expenses	393,954	310,249
Tax-exempt income	(1,758,906)	(1,119,104)
Loss utilized during the year	(274,173)	-
Police trust fund levy	257	137
	78,242	**53,096**

21.3 Deferred taxation

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The Company did not have net deferred tax assets/(liabilities) that were recognized during the year.

Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

Notes to the financial statements

For the Year Ended 31 December 2023

	31 Dec 2023		31 Dec 2022	
	Gross Amount ₦'000	Tax effect ₦'000	Gross Amount ₦'000	Tax effect ₦'000
Tax losses	4,315,372	1,294,612	4,589,545	1,376,864
Temporary difference on asset	377,687	113,306	418,479	125,544
Allowance for impairment	100,669	30,201	164,202	49,261
Gain on revaluation of PPE	(892,518)	(267,755)	-	-
Defined benefit obligation- gratuity	(51,528)	(15,458)	50,599	15,180
Fair value (gain)/loss on financial assets	(3,324,461)	(997,338)	2,952,000	885,600
	525,221	**157,566**	**8,174,825**	**2,452,447**

22 Issued and fully paid

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
"Ordinary shares of 50k each 14,000,000,000 units (2021: 14,000,000,000 units)"		
At the beginning of the year	7,000,000	7,000,000
Addition- Bonus issue: Retained earnings	-	-
At 31 December	**7,000,000**	**7,000,000**

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at the meetings of the Company.

23 Share premium

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
At 1 January	560,294	560,294
Utilized for increase in authorized share capital (see(a) below)	-	-
At the end of the year	**560,294**	**560,294**

Share premium as at 2023 :N560,294,000 (2022 N560,294,000). This represents the excess paid by shareholders over the nominal value for their shares.

24 Contingency reserve

		31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
At 1 January		3,395,997	2,882,618
Transfer from retained earnings	Note 25	1,056,319	513,379
As at 31 December		**4,452,316**	**3,395,997**

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.

Notes to the financial statements

For The Year Ended 31 December 2023

25 Retained earnings

		31 Dec 2023 ₦'000	31 Dec 2022 ₦'000	1 Jan 2022 ₦'000
At 1 January		(2,708,286)	(3,940,598)	3,308,185
Profit for the year		5,281,594	1,745,691	(3,990,638)
Transfer to contingency reserve	Note 24	(1,056,319)	(513,379)	(334,845)
Bonus share issue *		-	-	(2,000,000)
Cash dividend		-	-	(500,000)
Impact of IFRS 9		-	-	(157,077)
Impact of IFRS 17		-	-	(266,223)
As at 31 December		**1,516,989**	**(2,708,286)**	**(3,940,598)**

26 Other reserves

Other reserves include fair value, asset revaluation 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:

26.1 Fair value reserve

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
At 1 January	14,459,291	17,348,113
Fair value gain/ (loss) of unquoted equities *	3,267,000	(2,952,000)
Fair value gain on bonds at fair value through other comprehensive income	75,966	28,729
ECL on debt instrument on fair value through OCI	(24,770)	34,449
As at 31 December	**17,777,487**	**14,459,291**

*The increase in the fair value reserve by N3.3 billion was as a result of the valuation of the unquoted equity in Stanbic IBTC Pension Management Limited (SIPML) equity as at 31 December 2023 and a fair value gain on debt instruments at FVOCI of N75.9m

26.2 Re-measurement reserve

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
At 1 January	55,639	5,040
Defined benefits actuarial gain/(loss)	(51,528)	50,599
As at 31 December	**4,111**	**55,639**

26.3 Assets revaluation reserve

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
At 1 January	828,773	828,773
Revaluation gain on property and equipment	892,518	-
As at 31 December	**1,721,291**	**828,773**

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 2023.

27 Insurance revenue

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
	14,835,202	**12,506,552**

Notes to the financial statements

For the Year Ended 31 December 2023

Insurance revenue per business class is as follows:

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Fire	3,155,572	2,504,486
Accident	1,540,838	1,288,152
Motor	3,772,284	2,392,416
Marine	980,913	944,860
Aviation	552,517	587,285
Bond	10,342	22,625
Engineering	791,356	545,125
Oil & Gas	3,956,532	4,158,845
Agric	74,848	62,758
Total Insurance revenue	**14,835,202**	**12,506,552**

28 Insurance Service expense

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Incurred Claims	6,287,563	4,111,950
"Amortization of insurance acquisition cashflows"	4,201,202	5,860,117
Changes to liabilities for incurred claims	849,673	997,890
Interest accreted	(543,035)	(197,842)
	10,795,403	**10,772,115**

28.1 Insurance service expenses

Breakdown of insurance service expense per business class is as follows:

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Fire	2,050,751	1,018,270
Accident	2,010,987	2,032,354
Motor	2,765,213	1,991,033
Marine	845,297	1,482,574
Aviation	453,233	355,616
Bond	5,388	20,062
Engineering	572,111	422,686
Oil & Gas	2,065,057	3,383,824
Agric	27,365	65,695
	10,795,403	**10,772,115**

29 Allocation of reinsurance premiums

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Changes in asset for remaining coverage and loss component	(69,606)	446,167
Reinsurance premiums paid	(6,396,561)	(4,813,674)
Total allocation of reinsurance premiums	**(6,466,167)**	**(4,367,507)**

30 Amounts recoverable from reinsurers for incurred claims

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Changes in assets recoverable for incurred claims	725,978	(322,672)
Interest accreted	(195,750)	(953,506)
Recovery received	2,157,736	2,707,812
	2,687,964	**1,431,634**

Notes to the financial statements

For The Year Ended 31 December 2023

31 Interest income calculated using the effective interest method

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Interest on placement	380,382	163,775
Interest income on treasury bills	200,876	86,488
Interest income on bonds	805,398	337,855
Other investment income	906,235	385,238
Investment income per statement of profit or loss and OCI	2,292,891	973,356

31.1 Below is the details of interest income

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Interests from placement with banks and financial institutions	380,382	161,476
Interest income from treasury bills	200,876	85,274
Interest income from FGN bonds	361,801	153,588
Interest income from state bonds	39,296	16,682
Interest income from corporate bonds	391,648	166,259
Promissory note	331,536	140,741
Interest income from corporate investment notes	200,387	85,067
Commercial paper	229,881	97,587
Dividend from mutual funds	139,064	59,034
Interest from loans	18,019	7,649
	2,292,891	973,356

32 Net trading income

		31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Dividend income		3,414,223	3,315,152
Gain on disposal of investment	Note 32.1	173,000	146,554
Realised gains on financial assets at FVTPL		643,956	549,897
		4,231,179	4,011,603

Notes to the financial statements

For the Year Ended 31 December 2023

32.1 Breakdown of dividend income

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Stanbic IBTC Holdings Plc	1,042	2,179
Zenith Bank Plc	32,085	16,630
Nigeria Breweries Plc	102	428
Dangote Sugar Plc	11,369	7,580
United Bank for Africa Plc	8,365	27,050
Stanbic IBTC Pension Managers	3,296,965	3,167,258
Guaranty Trust Bank Plc	22,540	50,525
Berger Paints Plc	4	8
Conoil Plc	45	45
NASCON Plc	-	505
Access Bank Plc	3,220	3,019
WAPCO(Lafarge Africa Plc	-	7,015
Dangote Cement Plc	13,191	5,009
May and Baker Plc	6	6
MTN Nigeria Communication Plc	15,273	13,904
Nestle Nig. Plc	444	1,762
Friesland Campina WAMCO Plc	233	127
Okomu Oil Palm Plc	2,025	1,260
Flour Mill Nig. Plc	921	880
SIAML PENSION ETF 40	3,237	-
JULIUS BERGER PLC	1,120	-
Waica Reinsurance Corp. Plc	-	6,647
Presco Plc	-	513
Transcorp Plc	-	72
CAP Plc	-	51
Total Energy Marketing Plc	2,037	1,141
BUA Foods Plc	-	452
Energy and Allied Insurance Pool	-	1,086
	3,414,223	3,315,152

*The dividend earned on the equity investment held in Stanbic IBTC Pension Managers during the year accounted for a significant portion of the total dividend earned in the year.

33 Other income

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
*Sundry Income	336,462	36,866
Gain on disposal of PPE	26,194	28,954
Fair value change on investment properties	60,000	2,500
Rental income	6,500	6,800
	429,156	75,120
**Foreign exchange gain (see (i) below)	2,232,544	300,281
***Bad and doubtful debt recovery	11,929	23,859
	2,673,629	399,260

* Sundry income relates to interest on current accounts and interest on staff loans.
** Exchange gain relates to exchange gains on foreign-denominated transactions which were Consummated during the year.
***Bad and doubtful debt recovery relates to amount received from loan balances that has been written off prior to 2023.

I Foreign exchange gain

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Unrealised exchange gain	1,565,822	80,635
Realised exchange gain	666,722	219,646
	2,232,544	300,281

Notes to the financial statements

For The Year Ended 31 December 2023

34 Net fair value loss on financial assets at fair value through profit or loss

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Fair value change on FVTPL securities	(29,880)	(182,281)
	(29,880)	(182,281)

35 Net claims expenses

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Gross claims paid	4,492,147	3,086,234
Movement in IBNR reserve	(153,593)	78,695
Movement in reserve for outstanding claims	605,771	624,537
Gross claims incurred	4,944,325	3,789,466
Salvage recovery	(81,868)	(121,099)
Claims recovered and recoverable from reinsurers (see (a) below)	(984,656)	(1,194,743)
	3,877,801	2,473,624

35(a) Analysis of claims recovered and recoverable from reinsurers

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Reinsurance claims recoveries	787,383	1,155,073
Change in re-insurance recoverable	(151,997)	333,482
Change in recoverable in IBNR	349,270	(293,812)
	984,656	1,194,743

36 Underwriting expenses

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Acquisition expenses	4,202,500	4,133,545
Maintenance expenses	-	1,025,715
	4,202,500	5,159,260

36(a) Analysis of acquisition expenses

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Commission expense	2,615,057	2,200,289
Business acquisition cost	1,772,127	2043487
Movement in deferred acquisition cost	(184,684)	(110,231)
	4,202,500	4,133,545

36(b) Analysis of maintenance expenses

		31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Staff costs	Note 38	-	441,816
Directors' emoluments	Note 38	-	45,127
Retirement benefit cost	Note 38	-	61,038
Other operating expenses	Note 38	-	477,735
		-	1,025,715

Notes to the financial statements

For the Year Ended 31 December 2023

37 Insurance finance expenses for insurance contracts issued

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Insurance finance expenses	(543,036)	(197,842)
Reinsurance finance income for the reinsurance contract held		
Reinsurance contract held	195,752	953,506
	(347,284)	755,664

38 Other expense

		31 Dec 2023		31 Dec 2022	
		Maintenance expenses ₦'000	Management expenses ₦'000	Maintenance expenses ₦'000	Management expenses ₦'000
Staff cost		654,218	981,328	441,816	662,724
Director emolument		75,382	113,073	45,127	67,690
Pension contribution		12,947	19,421	13,557	20,335
Retirement benefit		13,156	19,733	47,481	71,221
Current service cost		29,281	43,922	12,626	18,938
Outsourcing cost		110,601	165,901	85,455	128,182
Advertising & publicity		10,457	15,686	8,114	12,170
Marketing expenses		13,816	20,725	13,303	19,955
Medical		19,926	29,889	18,979	28,469
Staff training & development		81,017	121,526	54,271	81,407
Corporate expenses		787,094	-	284,987	-
AGM expenses		-	37,542	-	12,000
Bank charges		-	51,400	-	45,454
Computer consumables		-	-	-	61
Depreciation of PPE	15	-	257,321	-	215,459
Amortisation intangible assets	14	-	6,280		7,427
Amortisation of ROU		-	8,235	-	7,337
Diesel and fuel		-	163,935	-	83,534
Entertainment		-	3,728	-	1,889
Fines and penalties		-	7,470	-	-
Industrial training fund		-	11,211	-	22,007
Insurance expenses		-	35,696	-	24,563
Insurance supervision fee		-	188,238	-	161,085
Legal and secretarial expenses		-	72,495	-	15,010
Retail agents expenses		-	49,070	-	38,119
Lighting & heating		-	11,710	-	11,214
Maintenance expense		-	119,055	-	165,767
Newspapers & periodicals		-	1,397	-	1,654
Postage and telephone		-	27,504	-	26,452
Consultancy expenses		-	269,938	-	156,282
Rent and rates		-	30,326	-	48,139
Stationeries		-	17,942	-	21,672
Subscriptions, contributions & donations		-	20,665	-	24,968
Transport and business travels		-	13,095	-	13,869
Withholding tax & VAT		-	180,464	-	136,185
Audit fee		-	18,812	-	18,263
Rebranding expenses		-	216,232		239,374
Capital gains tax (CGT)		-	-	-	10,594
Asset de-recognition		-	18,411	-	1,194
Others		-	148,340	-	96,318
Total		**1,807,896**	**3,517,715**	**1,025,715**	**2,716,981**

Notes to the financial statements

For The Year Ended 31 December 2023

39 Credit loss expense

		31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Credit loss expense on cash	Note 7.1	(31,649)	40,084
Credit loss expense on bonds at amortised cost	Note 8.3.2	157,088	89,668
Credit loss expense on bonds at FVOCI	Note 26.1	(24,770)	34,449
		100,669	164,202

40 Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the net profit/(loss) for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding at the reporting date. The following reflects the income and share data used in the basic and diluted earnings per share computations:

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Profit attributable to ordinary shareholders	**5,281,594**	**1,745,691**
Weighted average number of ordinary shares	**14,000,000**	**14,000,000**
Basic and diluted earnings per share (Kobo)	**37.7**	**12.5**

41 Cash flow reconciliation

41.1 Other operating cash receipts/(payments)

		31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Management expenses (less staff expenses)		(3,110,036)	(2,111,660)
Adjustment for items not involving movement of cash:			
Depreciation	Note 15	265,558	222,795
Amortization	Note 14	6,279	7,427
Credit loss expense	Note 40	100,669	164,202
Unrealized exchange gain	Note 33	(1,565,822)	(80,635)
Sundry income	Note 33	(336,462)	(36,866)
Profit on sale of PPE	Note 33	26,194	28,954
Gain on disposal of investment	Note 32	(173,000)	(146,554)
Net interest cost	Note 20	37,396	13,697
Fair value loss on securities	Note 34	-	182,281
Fair value (gain) on investment properties	Note 33	(60,000)	(2,500)
Operating cash flows before movements in working capital		(4,809,226)	(1,758,859)
Increase in trade payables		1,099,947	319,749
(Decrease) in trade payables (provisions)		-	(3,000)
Increase in insurance contract liabilities		2,148,899	1,360,897
Increase in trade receivable		(78,907)	(118,389)
Increase in other receivables and prepayment		(110,336)	(471,563)
Increase in reinsurance assets		(656,374)	(123,495)
Increase/(decrease) in other payables		1,267,765	(148,691)
		(1,138,232)	(943,351)

41.2 Premium received from policy holders

		31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Trade receivable at 1 January	Note 11	199,857	81,468
Gross premium written during the year		16,332,887	12,979,789
Trade receivable at end of the year	Note 11	(278,764)	(199,857)
Premium received in advance		(35,531)	(60,454)
		16,218,449	12,800,946

Notes to the financial statements

For the Year Ended 31 December 2023

41.3 Recovery and recoverable from reinsurers

		31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Reinsurance claims recoveries		1,449,082	1,273,413
Salvage recovery	Note 36	81,868	121,099
		1,530,950	1,394,512

41.4 Reinsurance premium paid

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Reinsurance premium cost (Note 29)	6,979,055	5,100,153
Facultative outwards	920,705	874,782
Due to reinsurers as at end of the period	(1,534,809)	(595,728)
Due from reinsurance		
Movement in treaty premium surplus	595,728	481,525
	6,960,679	5,860,732

41.5 Commission paid

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Commission payable to brokers at 1 January	264,463	**139,177**
Commission cost (Note 36.1)	2,615,057	**2,200,289**
Business acquisition cost (Note 36.1)	1,772,127	**2,043,487**
Commission payable to brokers at 31 December	(435,902)	**(264,463)**
Other payables to agents and brokers	10,574	**(56,450)**
	4,226,319	4,062,040

41.6 Commission received

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Deferred commission revenue at 1 January	(259,747)	(159,844)
Deferred commission revenue at current period	306,328	259,747
Movement	46,581	99,903
Commission income earned during the year	1,444,511	1,042,246
Lead underwriting commission	16,108	19,111
Commission income received during the year	1,507,200	1,161,260

Interest received

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Interest income earned during the year	2,292,891	973,356
Interest received during the year	2,292,891	973,356

Notes to the financial statements

For The Year Ended 31 December 2023

41.7 Movement in investment securities and loan receivables

			31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
I	**Addition**			
	Fair value through P/L	Note 8.1.1	1,130,041	1,713,854
	Fair value through OCI	Note 8.2.2	1,054,153	1,140,020
	Amortised cost	Note 8.3.2	5,772,631	2,848,690
			7,956,825	5,702,564
ii	**Disposal**			
	Fair value through P/L	Note 8.1.1	(294,514)	(3,733,139)
	Fair value through OCI		-	-
	Amortised cost	Note 8.4	(975,700)	(97,858)
			(1,270,214)	(3,830,997)
iii	**Loan repayment**			
	Fair value through P/L		-	-
	Fair value through OCI		-	-
	Loans & receivables	Note 9.1	(313,191)	(90,778)
	Amortised cost		-	-
			(313,191)	(90,778)

41.7 Movement in financial assets

			31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
iv	**Impairment**			
	Loans & receivables	Note 9.1	(11,929)	(23,859)
			-	-
			(11,929)	(23,859)
v	**Fair value gain/(loss)**			
	Fair value through P/L	Note 8.1.1	(29,880)	(182,281)
	Fair value through OCI	Note 8.2.2	3,267,000	(2,952,000)
			-	-
			3,237,120	(3,134,281)

41.8 Purchase of property and equipment

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Addition for the year per movement schedule	1,232,374	334,347
Cash flow on addition to property and equipment	1,232,374	334,347

41.9 Sale of property and equipment

In thousands of Naira

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Costs of assets disposed	67,530	74,647
Accumulated depreciation on assets disposed	(67,530)	(73,260)
Proceeds on sale of disposed asset	(26,194)	(30,341)
Profit/ loss on disposal	(26,194)	(28,954)

Notes to the financial statements

For the Year Ended 31 December 2023

41.10 Cash payment to and on behalf of employees

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Staff cost	1,635,546	1,104,540
Director emolument	188,455	112,817
Pension contribution	32,368	33,892
Retirement benefits	32,889	118,702
Contract staff cost	276,502	213,637
Medical	49,815	47,448
	2,215,575	1,631,036

41.11 Cash and cash equivalents

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Cash in hand -	900	1,097
Balances with banks & other financial institutions -	5,458,433	4,187,345
	5,459,333	4,188,442

42 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:

42.1 Sale of insurance contracts

During the year, the Company had contracts with the following Directors (and close relations).

Name	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Chief Joshua Bernard Fumudoh	1,705	483
Mr. Olakunle Bomo Agbebi	374	404
Mr. Daniel Braie	394	-
	2,473	**887**

42.2 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.

The Chairman of the Board of Directors, Chief Joshua B. Fumudoh within the 2023 financial year acquired 30,132,348 units of the Company Shares from the secondary market.

43 Analysis of claims reserve based on nature

	31 Dec 2023			31 Dec 2022		
	Gross claims ₦'000	Reinsurance asset ₦'000	Net ₦'000	Gross claims ₦'000	Reinsurance asset ₦'000	Net ₦'000
Reported claims	7,337,827	3,815,654	4,150,273	6,732,056	3,339,551	3,392,505
IBNR	2,686,524	825,373	1,861,151	2,667,609	476,103	2,191,506
	10,024,351	**4,641,027**	**6,011,424**	**9,399,665**	**3,815,654**	**5,584,011**

Notes to the financial statements

For The Year Ended 31 December 2023

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

	31 Dec 2023 Reported claims	31 Dec 2023 Reinsurance asset for incurred claims	31 Dec 2023 Net	31 Dec 2022 Reported claims	31 Dec 2022 Reinsurance asset for incurred claims	31 Dec 2022 Net
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Balance at the beginning of the year	6,732,056	3,339,552	3,392,505	6,107,518	3,006,069	3,101,449
Movement during the year	605,771	(151,997)	757,768	624,538	333,483	291,056
Balance at the end of the year	**7,337,827**	**3,815,654**	**4,150,273**	**6,732,056**	**3,339,552**	**3,392,505**

Analysis of liability for remaining coverage (LRC) and incurred claims (LIC) as per class of business:

	31 Dec 2023 Reported claims	31 Dec 2023 Reinsurance asset for incurred claims	31 Dec 2023 Net	31 Dec 2022 Reported claims	31 Dec 2022 Reinsurance asset for incurred claims	31 Dec 2022 Net
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Motor	513,197	78,672	434,525	361,217	27,258	333,959
Fire	2,465,223	1,769,799	695,424	2,227,427	1,750,732	476,695
General accident	1,785,924	948,885	837,039	1,446,604	861,179	585,424
Engineering	244,675	121,206	123,469	257,967	175,637	82,330
Marine	804,048	263,081	540,967	795,180	417,018	378,162
Bond	-	-	-	-	-	-
Aviation	198,982	-	198,982	110,380	-	110,380
Oil & Gas	1,321,271	2,808	1,318,463	1,524,049	101,409	1,422,639
Agric	4,507	3,103	1,404	9,233	6,317	2,916
	7,337,827	**3,187,554**	**4,150,273**	**6,732,056**	**3,339,552**	**3,392,504**

The movement in liability for incurred but not reported claims (IBNR) reserves is shown below:

	31 Dec 2023 IBNR claims	31 Dec 2023 Reinsurance	31 Dec 2023 Net	31 Dec 2022 IBNR claims	31 Dec 2022 Reinsurance	31 Dec 2022 Net
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
At the beginning of the year	2,840,118	476,103	2,364,015	2,761,423	769,917	1,991,506
Movement during the year	(153,593)	349,270	(502,863)	78,695	(293,814)	372,509
At the end of the year	**2,686,525**	**825,373**	**1,861,152**	**2,840,118**	**476,103**	**2,364,015**

Analysis of liability for incurred claims IBNR per class of business:

	31 Dec 2023 Reported claims	31 Dec 2023 Reinsurance asset for incurred claims	31 Dec 2023 Net	31 Dec 2022 Reported claims	31 Dec 2022 Reinsurance asset for incurred claims	31 Dec 2022 Net
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Motor	513,197	78,672	434,525	361,217	27,258	333,959
Fire	2,465,223	1,769,799	695,424	2,227,427	1,750,732	476,695
General accident	1,785,924	948,885	837,039	1,446,604	861,179	585,424
Engineering	244,675	121,206	123,469	257,967	175,637	82,330
Marine	804,048	263,081	540,967	795,180	417,018	378,162
Bond	-	-	-	-	-	-
Aviation	198,982	-	198,982	110,380	-	110,380
Oil & Gas	1,321,271	2,808	1,318,463	1,524,049	101,409	1,422,639
Agric	4,507	3,103	1,404	9,233	6,317	2,916
	7,337,827	**3,187,554**	**4,150,273**	**6,732,056**	**3,339,552**	**3,392,504**

Notes to the financial statements

For the Year Ended 31 December 2023

The Liability Adequacy Test (LAT) as at 31 December 2021 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.

Hypothecation of Assets

	31 Dec 2023 Insurance fund	31 Dec 2023 Shareholders fund	31 Dec 2023 Total	31 Dec 2022 Insurance fund	31 Dec 2022 Shareholders fund	31 Dec 2022 Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Assets						
Cash and cash equivalents	5,157,393	350,000	5,507,393	4,088,442	100,000	4,188,442
Financial assets	13,262,477	22,562,716	35,825,193	6,452,217	19,530,367	25,982,584
Trade receivables	-	278,764	278,764	-	199,857.00	199,857
Reinsurance assets	5,559,453	-	5,559,453	4,903,079	-	4,903,079
Other receivables and prepayments	-	890,333	890,333	-	779,997	779,997
Investment properties	220,000	-	220,000	160,000	-	160,000
Intangible assets	-	33,101	33,101	-	20,844	20,844
Property and equipment	-	3,452,249	3,452,249	-	1,584,679	1,584,679
Right-of-use assets	-	13,509	13,509	-	21,744	21,744
Statutory deposit	-	700,000	700,000	-	700,000	700,000
Total assets	**24,199,324**	**28,280,672**	**52,479,996**	**15,603,738**	**22,915,744**	**38,541,226**
Liabilities						
Insurance contract liabilities	15,340,788	-	15,340,788	13,191,889	-	13,191,889
Trade payables	-	2,136,104	2,136,104	-	1,022,333	1,022,333
Other payables	-	1,667,015	1,667,015	-	399,250	399,250
Defined benefit obligations	-	168,130	168,130	-	84,322	84,322
Income tax liabilities	-	174,585	174,585	-	157,845	157,845
Total liabilities	**15,340,788**	**4,145,834**	**19,486,622**	**13,191,889**	**1,663,750**	**14,855,639**
GAP	**8,858,535**	**24,134,838**	**32,993,374**	**2,411,849**	**21,251,994**	**23,685,587**

44 Compensation of key management personnel

Key management personnel refers to those persons having authority and responsibility for planning, directing and controlling the activities of Linkage Assurance Plc. It comprises both executive and non-executive directors. The remuneration of directors during the year was as follows:

a. Directors

Remuneration paid to the company's directors (excluding pension contribution)

	31 Dec 2023	31 Dec 2022
	₦'000	₦'000
Short-term employee benefits:		
Fees and allowances	188,455	167,911
Long-term employee benefits:		
Post employment pension benefits	25,570	65,480
	214,025	**233,391**
b. Amount paid to the chairman	**41,903**	**20,463**
c. Amount paid to the highest paid director	**41,903**	**37,618**

Notes to the financial statements

For The Year Ended 31 December 2023

The number of key management personnel who received fees and other emoluments (excluding pension contributions and certain benefit) in the following ranges was:

Below	Number 2023	Number 2022
=N=1,000,000	1	3
=N=1,000,001 - =N=4,000,000	0	3
=N=4,000,001 - =N=7,000,000	2	3
=N=7,000,001 and above	7	6
	10	15

d. Employees

The average number of persons employed by the Linkage Assurance during the period was as follows:

	Number 2023	Number 2022
Executive directors	2	2
Management (Managers & above)	31	32
Non-management	121	144
	154	**178**

e. Compensation for the above staff:

The average number of persons employed by the Linkage Assurance during the period was as follows:

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Executive directors	48,541	52,579
Other staff (excluding executive directors)	688,852	716,194
	737,394	**768,773**

f. The number of employees of Linkage Assurance, other than Directors, who received emoluments in the following ranges (excluding pension contributions and certain benefits) were:

Emolument range	Number 31 Dec 2023	Number 31 Dec 2022
N500,000 - N1,000,000	15	14
N1,000,001 - N1,500,000	5	9
N1,500,001 - N2,000,000	7	9
N2,000,001 - N2,500,000	44	44
N2,500,001 - N3,000,000	17	17
N3,000,001 - Above	85	86
	173	**179**

45 Contravention

The Company was fined N7.4 million by NAICOM during the year (2022: Nil).

46 Events after the reporting date

There are no significant events after the reporting date which could have had a material effect on the financial affairs of the Company as at 31 December 2023 and on the profit or loss and other comprehensive income for the year ended.

47 Contingent liabilities

The Company is involved in pending litigations with claims of N28.83million (31 December 2022: N28.83million). Based on legal advice, the Directors are of the opinion that no liability will eventuate therefrom.

48 Commitments

The Company had no capital commitments at the reporting date.

Other National Disclosures

Value Added Statement

For the Year Ended 31 December 2023

	31 Dec 2023 ₦'000	%	31 Dec 2022 ₦'000	%
Insurance revenue	6,466,167	89	4,367,507	135
Investment income	9,067,151	124	5,037,736	156
Other income	2,673,629	37	399,260	12
Claims incurred, commissions paid and operating expenses (local)	(10,920,340)	(150)	(6,571,746)	(203)
Value added/(eroded)	**7,286,607**	**100**	**3,232,757**	**100**
Distribution:				
Employees and directors (staff cost)	1,635,546	22%	1,104,540	34
Government (taxes)	103,911	1%	76,196	2
Asset replacement (depreciation/amortisation)	265,556	4%	306,330	9
Expansion (retained on the business)	5,281,594	72%	1,745,691	54
Value added/(eroded)	7,286,607	**100%**	**3,232,756**	**100**

Financial Summary

	31 Dec 2023 ₦'000	Restated 31 Dec 2022 ₦'000	Restated 1 Jan 2022 ₦'000	31 Dec 2021 ₦'000	31 Dec 2020 ₦'000	31 Dec 2019 ₦'000
Statement of financial position						
Assets						
Cash and cash equivalents	5,507,393	4,188,442	3,468,721	3,476,697	3,592,711	1,609,222
Investment securities	35,825,193	25,982,584	27,295,045	27,584,351	25,144,141	23,398,173
Loan and receivables	382,113	249,121	141,658	-	-	-
Trade receivables	278,764	199,857	81,468	81,468	63,974	65,898
Reinsurance assets	5,559,453	4,903,079	4,779,584	4,639,643	2,445,920	1,121,787
Deferred acquisition cost	-	-	-	432,828	328,812	262,550
Other receivables and prepayments	890,333	779,997	308,434	308,434	501,131	408,303
Investment property	220,000	160,000	157,500	157,500	150,000	150,000
Intangible assets	33,101	20,844	36,866	36,866	1,199	7,319
Property and equipment	3,452,249	1,584,679	1,467,178	1,467,178	1,349,516	1,381,180
Right-of-use assets	13,509	21,744	25,221	25,221	-	-
Statutory deposit	700,000	700,000	500,000	500,000	300,000	300,000
Total assets	**52,862,109**	**38,790,347**	**38,261,674**	**38,710,185**	**33,877,405**	**28,704,432**
Liabilities						
Insurance contract liabilities	15,340,788	13,191,889	11,830,992	11,635,256	5,728,661	4,652,881
Trade payables	2,136,104	1,022,333	702,584	765,141	704,169	363,724
Provision and other payables	1,667,015	399,250	547,941	1,053,785	922,984	460,618
Provisions	343,000	343,000	346,000	-	219	61,923
Defined benefit obligations	168,130	84,322	89,660	89,660	62,981	49,846
Income tax liabilities	174,585	157,845	60,257	60,257	82,565	75,390
Total liabilities	**19,829,622**	**15,198,639**	**13,577,434**	**13,604,099**	**7,501,579**	**5,664,382**
Capital and reserves						
Issued and paid-up share capital	7,000,000	7,000,000	7,000,000	7,000,000	5,000,000	3,999,999
Share premium	560,294	560,294	560,294	560,294	729,044	729,044
Contingency reserve	4,452,316	3,395,997	2,882,618	2,882,618	2,547,773	2,068,770
Assets revaluation reserve	1,721,291	828,773	828,773	828,773	828,773	752,083
Re-measurement reserve	4,111	55,639	5,040	5,040	13,244	18,431
Fair value reserve	17,777,487	14,459,291	17,348,113	17,346,660	13,948,807	13,079,548
Retained earnings	1,516,988	(2,708,286)	(3,940,598)	(3,517,299)	3,308,185	2,392,175
Total equity	**33,032,487**	**23,591,708**	**24,684,240**	**25,106,086**	**26,375,826**	**23,040,050**
Total liabilities and equity	**52,862,109**	**38,790,347**	**38,261,674**	**38,710,185**	**33,877,405**	**28,704,432**
Financial summary-continued						
Statement of profit or loss and other comprehensive income						
Insurance revenue	14,835,202	12,506,552	11,161,499	11,161,499	8,331,841	6,518,964
Insurance service result before reinsurance contracts held	4,039,799	1,734,437	5,428,543	5,428,543	4,450,402	3,713,380
Insurance service result	261,595	(1,201,436)	(2,584,189)	(2,584,189)	825,589	409,240
Profit/(loss) before taxation	5,463,747	1,874,983	(3,878,914)	(3,878,914)	2,436,069	1,338,726
Taxation	(182,153)	(129,292)	(209,074)	(111,724)	(19,882)	(31,633)
Profit/(loss) after taxation	5,281,594	1,745,691	(3,990,638)	(3,990,638)	2,516,187	1,307,093
Transfer to contingency reserve	1,056,319	-	334,845	334,845	479,002	290,431
Dividend	-	-	(500,000)	(500,000)	-	-
Transfer to revenue reserve	4,225,275	1,745,691	(4,325,483)	(4,325,483)	2,037,185	1,016,662
Basic earnings per share (kobo)	37.7	12.5	(28.5)	(28.5)	24.0	18.2

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E-Dividend Mandate Form

For the Year Ended 31 December 2023

Apel Capital Registrars Limited

PASSPORT PHOTOGRAPH HERE

E-DIVIDEND MANDATE ACTIVATION FORM

Please complete all section of this form to make it eligible for processing and return to the address below

The Registrar,
Apel Capital Registrars Limited.
8, Alhaji Bashorun Street
Off Norman Williams Str, S.W Ikoyi Lagos.

I/We hereby request that henceforth, all my/our Dividend Payment(s) due to me/us from my/our holdings in all the companies ticked at the right hand column be credited directly to my/our bank detailed below:

BVN ______________________

BANK NAME ______________________

ACCOUNT NUMBER ______________________

ACCOUNT OPENING DATE ______________________

SHAREHOLDER'S ACCOUNT INFORMATION

Surname/Company name **First Name** **Other Name**

Address

City **State** **Country**

Previous Address(if any)

CHN (if any)

Mobile telephone 1 **Mobile telephone 2**

Email address

Signature(s) **Company seal (if applicable)**

Joint/Company's Signatories

Note: This service cost N150.

Tick	Name of Company	Shareholder's Acct NO.
	ADAS PROGRAMME LIMITED	
	AIICO BALANCED FUND	
	ANINO INT'L PLC	
	ARBICO PLC	
	CALIPHATE SUKUK SPV LIMITED	
	CHAPEL HILL DENHAM MONEY MARKET FUND	
	CITITRUST FINANCIAL SERVICES PLC	
	EUNISELL INTERLINKED PLC	
	FSL ASSET MANAGEMENT MUTUAL FUND	
	GTI BALANCED FUND	
	INTERNATIONAL BREWERIES PLC	
	JEWEL SUKUK SPV LIMITED	
	JILNAS NIGERIA PLC	
	KSIP FUNDING SPV LIMITED SERIES 1	
	KSIP FUNDING SPV LIMITED SERIES 2	
	LAGOS COMMODITIES & FUTURES EXCHANGE	
	LASACO ASSURANCE PLC	
	LEAD UNIT TRUST SCHEME	
	LINKAGE ASSURANCE PLC	
	MANZ SPV LIMITED	
	MASS TELECOM INNOVATION PLC	
	METAL SECURITY PRODUCTS LTD	
	MUTUAL BENEFITS ASSURANCE PLC	
	MUTUAL TRUST MICROFINANCE BANK LTD	
	NCR NIGERIA PLC	
	NEM INSURANCE PLC	
	OGC FOODS & BEVERAGES LIMITED	
	PARAMOUNT EQUITY FUND	
	PHARMA DEKO PLC	
	RED STAR EXPRESS PLC	
	RICHGREEN MASTER INVESTMENT LIMITED	
	SKYWAY AVIATION HANDLING CO. PLC	
	TAJ SUKUK ISSUANCE PROGRAMME SPV PLC	
	THE INITIATES PLC	
	THE NIGERIA FOOTBALL FUND	
	VITAL PRODUCTS LIMITED	

Address: 8, Alhaji Bashorun Street, Off Norman Williams Crescent, S.W. Ikoyi Lagos
Email: registrars@apel.ng | **Tel:** 07046126698

Proxy Form

NOTICE IS HEREBY GIVEN that the 30th Annual General Meeting of LINKAGE ASSURANCE PLC will hold on Wednesday, 31st July 2024 at, AGIP RECITAL HALL, MUSON CENTRE 8/9 Marina, Onikan, Lagos by 10:00 am to transact the following business:

I/We...
....being a member/members of the above named Company or falling him the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be
held on Wednesday, 31st July, 2024.

Dated this ....day of 2024
.
Signature of Shareholder...

Name of Shareholder...

PROXY

A member of the Company entitled to attend and vote at the Annual General Meeting can appoint a proxy to attend and vote instead of him/her.

A proxy need not be a member of the Company.
A proxy form is enclosed in the Annual Report. For the instrument of proxy to be valid, it must be completed, duly stamped for the purposes of this meeting. Duly completed proxy forms which must be deposited at the office of the Registrar, Apel Capital Registrars Ltd, 8, Alhaji Bashorun Street, off Norman Williams Crescent, Ikoyi, Lagos or registrars@apel.com.ng or the Registered Office of the Company, Linkage Plaza, Plot 20, Block 94, Providence Street, Off Adewunmi Adebimpe Lekki Phase 1, Lagos not less than forty-eight hours before the time of the meeting.

THIS CARD IS TO BE SIGNED AT THE

NUMBER OF SHARES		
RESOLUTIONS	**FOR**	**AGAINST**
ORDINARY BUSINESS 1. To receive and consider the Audited Financial Statements for the year ended 31 December 2023 together with the Reports of the Directors, Auditors, Audit Committee, and the Board Appraisal Report.		
2. To declare Dividend.		
3. To re-elect the following Directors retiring by Rotation: I. Mr. Maxwell Ebibai ii. Mrs. Funkazi Koroye-Crooks		
4. To authorize the Directors to fix the remuneration of the Auditors.		
5. Disclosure of the remuneration of Managers of the Company.		
6. To elect members of the Statutory Audit Committee.		
Special Business **To consider and if thought fit to pass the following Ordinary Resolutions:**		
1. That the remuneration of the Directors of the Company for the year ending December 31, 2023, be and is hereby fixed at N20m only.		
2. To appoint the Society for Corporate Governance Nigeria as Board Evaluation Consultant.		

3. That in accordance with the recommendation of the Directors, the sum of N700,000,000..00 (Seven Hundred Million Naira) of the Company's Retained Earning be and hereby capitalized for bonus issue and the said N700,000,000..00 (Seven Hundred Million Naira) divided into 1,400,000,000 (One Billion Four Hundred Million) ordinary shares of 50k each, be appropriated to the members whose names appear in the Register of members at the close of business on the of 15th of July, 2024, in the proportion of one (1) share for every Ten (10) shares registered in such member's name on that date, subject to the approval of the appropriate regulatory authorities, the shares so distributed being treated for all purposes as capital and not income, ranking pari passu with the existing shares issued pursuant to this resolution.		
4. That for the purpose of the Bonus shares, the Share Capital of the Company be and is hereby increased from N7, 000,000,000 (Seven Billion Naira) to N7,700,000,000 (Seven Billion Seven Hundred Million Naira) by the creation and addition thereto, of 1, 400,000,000 (One Billion Four Hundred Million) Ordinary Shares of 50 kobo each, such new shares to rank pari passu in all respects with the existing Ordinary Shares in the capital of the Company.		
5. That Clause 6 of the Memorandum of Association and Article 6 of the Articles of Association of the Company be and are hereby amended to reflect the new share capital of N7,700,000,000 (Seven Billion Seven Hundred Million Naira) divided into 15, 400,000,000 (Fifteen Billion Four Hundred Million) Ordinary shares of 50 kobo each.		
6. To consider and if thought fit, pass the following as special resolutions: That the Articles of Association of the Company be amended by insertion of a new Clause 55 (a) and (b) to read as follows: a. The Annual General Meeting or any other General Meeting of the Company may hold electronically by means of a tele-conference, videoconference, or other electronic/virtual communication means, which allows all those participating in the meeting to hear and speak to one another. (This is pursuant to provisions of Section 240 (2) of the Companies and Allied Matters Act, 2020, as amended by Section 11 of the Business Facilitation (Miscellaneous Provisions) Act 2022). b. A member of the Company or Proxy may participate in any general meeting via teleconference, video conference, and any other technological means that allows the participating member to hear and be heard. Any person so participating in person or by proxy shall be deemed to be present in person at the meeting and shall be entitled to vote via any electronic/virtual channel provided by the Company.		
Please indicate with “X” in the appropriate box how you wish your vote to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.		

ADMISSION FORM

Before posting the above form, tear off this part and retain it.

Please admit..to the Annual General Meeting of

Linkage Assurance Plc. to be held ....

Name of Shareholder...

Signature of Person attending ....

Signature of Shareholder...

Corporate Directory

For the Year Ended 31 December 2023

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