Linkage Assurance Plc
RC:162306

Unaudited Financial Statements
for the Period Ended
31 March, 2024

Table of contents

Corporate Information

Mission Statement	Linkage Assurance Plc. is in business to provide first class insurance and other financial services to the African Insurance market. To achieve this, it has deployed exemplary management, best in class information technology infrastructure and well trained and motivated work force as vehicle for achieving the superior returns expected by shareholders.
Board of Directors	
Chairman	Chief Joshua Bernard Fumudoh
Other Directors	Mr. Daniel Braie Mr. Okanlawon Adelagun Mr. Bernard Nicolaas Griesel Mrs. Funkazi Koroye-Crooks Mr. Pius Otia Mrs Valentina Marinho Mr. Maxwell Ebibai
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 Registrar No. 8 Alhaji Bashorun Street Ikoyi, Lagos.
Auditor	Ernst & Young 10th Floor, UBA House 57, Marina Marina, Lagos www.ey.com
Reinsurers	African Reinsurance Corporation, Lagos, Nigeria Swiss Reinsurance Company Ltd, Zurich, Switzerland Continental Reinsurance Plc, Lagos, Nigeria WAICA Reinsurance, Sierra Leone Arab Insurance Company, Bahrain Cathedral @ Underwriter Syndicates No. 2010 MMX, London ZEP-RE (PTA Reinsurance Company), Nairobi, Kenya Atrium Underwriting Limited @ Lloyd's Underwriter Syndicate, UK Hannover Ruck SE, Hannover, Germany
Principal Bankers	Access Bank Plc. Ecobank Nigeria Plc. FCMB Limited. Fidelity Bank Plc. First Bank of Nigeria Limited. Guaranty Trust Bank Plc. Heritage Bank Limited. Keystone Bank Limited. Polaris Bank Limited. Stanbic IBTC Bank Limited. Union Bank Plc. United Bank for Africa Plc. Unity Bank Plc. Zenith Bank Plc.
Actuary	O & A Hedge Actuarial Consulting
RC No.	BN2262019
FRC Registered No.	FRC/2019/00000012909

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

We the undersigned, hereby certify the following with regards to our unaudited financial statements for the period ended 31 March 2024 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
3 May 2024

Emmanuel Otitolaiye
Chief Financial Officer
FRC/2014/ICAN/00000008524
3 May 2024

FINANCIAL HIGHLIGHTS	**31 Mach 2024**	**31 March 2023**	**Changes**
	₦'000	**₦'000**	**(%)**
Comprehensive income statement			
Insurance service revenue	5,122,347	2,820,961	82
Insurance service expenses	(4,082,185)	(1,248,039)	227
Insurance service result	(683,339)	(76,642)	792
Investment and other income	2,866,643	1,012,907	183
Profit /(Loss) before taxation	769,372	(421,336)	283
Profit/(Loss) after taxation	730,903	(428,241)	271
Statement of financial position	**31 Mach 2024**	**31 Dec 2023**	
Total assets	59,559,248	53,181,979	12
Insurance contract liabilities	18,584,894	15,228,528	22

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 client’s 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.

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.

Notes to the financial statements

1 Corporate Information

1.1 Reporting entity

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

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

1.2. Principal activities

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

2 Basis of Preparation

2.1 Statement of compliance

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

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

2.2 Going concern

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

2.3 Basis of measurement

The financial statements have been prepared under the historical cost basis except for the following:

(i) Financial instruments at fair value through profit or loss are measured at fair value;
(ii) Available-for-sale financial assets are measured at fair value;
(iii) Land and buildings are carried at fair value;
(iv) Investment properties are measured at fair value;
(v) Insurance contract liabilities at fair value and
(vi) Defined benefit obligation measured at present value.

2.4 Use of judgments and estimates

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

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

(a) Judgments

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

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

(b) Assumptions and estimation uncertainties

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

(i) Note 13 - determining the fair value of investment properties on the basis of significant unobservable inputs.
(ii) Note 15 - determining the useful life of property and equipment.
(iii) Note 6.2 and 17- valuation of insurance contract liabilities: key actuarial assumptions.
(iv) Note 22 - measurement of defined benefits obligations; key actuarial assumptions.
(v) Note 8.1 - determining the fair value of unquoted equity instruments on the basis of significant unobservable inputs.

Notes to the financial statements

2.5 Functional and presentation Currency

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

3 Changes in accounting policies

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

4 Significant accounting policies

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

4.1 Cash and cash equivalents

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

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

4.2 Financial instruments

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

4.2.1 Classification of financial assets

The Company classifies its financial assets into the following categories:

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

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

Financial assets at fair value through profit or loss

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

Held to maturity

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

Loans and receivables

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

Available-for-sale financial assets (AFS)

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

Notes to the financial statements

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

4.2.2 *Non-derivative financial liabilities –Measurement*

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

4.2.3 Impairment of non derivative financial assets

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

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

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security because of financial difficulties, adverse changes in the status of borrowers or issuers, or observable data indicating that there is a measurable decrease in the expected cashflow from a group of financial assets.

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

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

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

4.2.4 De-recognition of financial assets

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

4.2.5 Financial liabilities

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

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

Notes to the financial statements

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

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

De-recognition

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

4.2.6 Offsetting financial instruments

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

4.3 Fair value measurement

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

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

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

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

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

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

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

4.4 Financial guarantee contracts

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

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

Notes to the financial statements

4.5 Trade receivables

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

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

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

4.6 Reinsurance

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

4.7 Amortisation of acquisition costs and revenue

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

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

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

Deferred Acquisition Revenue

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

4.8 Investment property

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

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

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

Investment properties are de-recognized either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the income statement in the year/period of retirement or disposal.

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

4.9 Intangible assets

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

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

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

Notes to the financial statements

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

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

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

4.10 Property and equipment

Recognition and measurement

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

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

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

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

Subsequent costs

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

Depreciation

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

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

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

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

Land is not depreciated.

De-recognition

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

4.11 Impairment of non-financial assets

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

Notes to the financial statements

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

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

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

4.12 Statutory deposit

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

4.13 Insurance contract liabilities

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

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

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

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

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

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

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

4.14 Leases

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

Notes to the financial statements

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

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

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

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

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.
Lease payments included in the measurement of the lease liability comprise the following:
– fixed payments, including in-substance fixed payments;
– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
– amounts expected to be payable under a residual value guarantee; and
– the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

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

As a Lessor

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

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

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

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

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract. The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

Notes to the financial statements

4.15 Provisions

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

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

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

4.16 Employee benefits

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

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognized for the amount expected to be paid under short-term cash, bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) **Post-employment benefits**

Defined contribution plans

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

Defined benefit plan

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

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

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

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

(iii) ***Termination benefits***

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

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

4.17 Taxation

Company Income Tax

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

Notes to the financial statements

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

Current tax

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

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

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

Minimum tax

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

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

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

Deferred tax

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

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

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

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

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

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

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

4.18 Other Assets

Other assets include cash advance, sundry receivables, withholding tax recoverable, etc. Other assets are carried at amortized cost using the effective interest rate less accumulated impairment losses.

Notes to the financial statements

Prepayments include amounts paid in advance by the Company on rent, staff benefits, vehicle repairs etc. Expenses paid in advance are amortized on a straight line basis to the profit and loss account.

4.19 Share capital and reserves

a. *Share capital*

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

Share premium

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

b. *Dividend*

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

c. *Contingency reserves*

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

d. *Asset revaluation reserve*

Subsequent to initial recognition, an item of property, plant and equipment and intangible asset carried using cost model, may be revalued to fair value. However, if such an item is revalued, the whole class of asset to which that asset belongs has to be revalued. The revaluation surplus is recognized in equity, unless it reverses a decrease in the fair value of the same asset which was previously recognized as an expense, in which case it is recognized in profit or loss. A subsequent decrease in the fair value is charged against this reserve to the extent that there is a credit balance relating to the same asset, with the balance being recognized in profit or loss.

e. *Fair value reserve*

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

f. *Re-measurement reserve*

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

4.20 Contingent liabilities and assets

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

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

4.21 Foreign currency translation

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

Transactions and balances

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

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

Notes to the financial statements

4.22 Insurance contracts

(a) Classification

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

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

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

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

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

(b) Recognition and measurement of insurance contracts

Premium income is recognized on assumption of risks.

(i) *Premiums*

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

(ii) *Unearned premium provision*

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

(iii) *Gross premium earned*

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

(iv) *Claims payable*

Claims incurred consist of claims and claims handling expenses paid during the financial year together with the movement in the provision for outstanding claims and incurred but not yet reported (IBNR) claims. Claims paid represent all payments made during the year, whether arising from events during that or earlier years/periods.
Claims and loss adjustment expenses are charged to income statement as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders.

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

(v) *Commissions and deferred acquisition costs*

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

(vi) *Liability adequacy test*

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

Notes to the financial statements

(vii) *Salvage and Subrogation Reimbursement*

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

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

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

4.23 Revenue

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

Revenue recognition

Insurance premium revenue

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

Commission earned

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

Investment income

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

Other operating income

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

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

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

4.24 Net claims expenses

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

(a) Claims

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

The Company does not discount its liabilities for unpaid claims. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Company and statistical analyses for the claims incurred but not reported, and to estimate the expected ultimate cost of more complex claims that may be affected by external factors. No provision has been made for possible claims under contracts that are not in existence at the end of the reporting period.

(b) Reinsurance claims

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

Notes to the financial statements

4.25 Underwriting expenses

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

4.26 Operating expense

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

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

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

4.27 Operating segments

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

The Company's reportable segments under IFRS 8 are therefore identified as follows: fire, accident, motor vehicle, engineering, oil and gas and others. The other segment relates to marine and aviation business class revenue which do not meet the quantitative threshold. (Refer to note 5).

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

4.28 Earnings per share

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

4.29 Securities Trading Policy

The Company has a Securities Trading Policy which governs the trading of the Company's Securities by Insiders. The Policy has been circulated to all Directors and employees and also uploaded on the Company's website. The Company has contacted the Directors and they confirmed complying with the Policy during the quarter under review.

IFRS 17: Insurance Contracts Accounting Policies

A. Key types of insurance contracts issued, and reinsurance contracts held.

Non-Life Business - The Company issues non-life insurance to individuals and commercial businesses. Non-life insurance products offered include Motor, Property, Marine,Aviation,Bond, Engineering,Oil and Gas, fire and General Accident. These products offer financial protection to policyholder's assets and indemnification of other parties against finacial loss prompted by the action of the policyholder.

The Company accounts for these contracts applying the principles underlying Internaltional Financial Reporting Standard (IFRS17) Insurance Contracts and other relevant International Account Standards(IAS). The Company also holds appropriate types of reinsurance contracts to mitigate risk exposure, including: proportional and non-proportional and facultative arrangement.

B. Definition and Classification

Products sold by the Company are classified as insurance contracts when the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder's finances.

The company's accounting and financial ssessment are made on a cohort basis on a contract-by-contract basis at the contract issue date. In making this assessment, the Company considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

The Company determines whether a contract contains significant insurance risk by assessing if an insured event could cause the Company to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

The Company does not issue any pure life insurance contracts or any life insurance contracts with direct participating features or any contract of insurance with investment component.The Company issues only non-life(General Business) insurance to individuals and commercial businesses.

C. Separating components from insurance and reinsurance contracts

The Company assesses its insurance and reinsurance products to determine whether they contain components which must be accounted for under another applicable IFRS rather than IFRS 17 (distinct non- insurance components). After separating any distinct components, the company applies IFRS 17 to all remaining components of the (host) insurance contract on a cohort basis right from initial recognition and subsequent recognition until expiration of insurance serviice on the contract.

Currently, the Company's products do not include distinct non insurance components such as investment components, goods and services, derivatives embeded that require separation.

D. Level of aggregation

Under IFRS 17 the company determines a granular grouping of individual contracts for the purpose of measuring insurance contract liability and in the recognition of profitability. The Company identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In grouping insurance contracts into portfolios, the Company considers the similarity of risks rather than the specific labelling of product lines. The Company has determined that all contracts within each product line, as defined for management purposes, have similar risks. Therefore, when contracts are managed together, they represent a portfolio of contracts.The company's insurance contracts portfolios are disaggregated into annual cohorts or cohorts of periods covering less than one year. Limiting groups to contracts issued within one year or less apart improves the transparency of profitability to be reported in the company's set of financial statements.

Each portfolio is subdivided into groups of contracts to which the recognition and measurement requirements of IFRS 17 are applied.

At initial recognition, the Company segregates contracts based on when they were issued. A cohort contains all contracts that were issued within a 12-month period. Each cohort is then further disaggregated into three groups of contracts:

- Contracts that are onerous on initial recognition
- Contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently
- Any remaining contracts

For short term contracts accounted for applying the PAA, the company determines that its contracts are not onerous on initial recognition, unless there are facts and circumstances indicating otherwise. As IFRS 17 does not define what "facts/circumstances" entail; the following are considered on their impact on expected cashflows and resulting profitability:

-Significant changes in external conditions including economic or regulatory changes.

- Changes to the organization or processes
- Changes in underwriting and pricing strategies
- Trends in experience and expected variability in cashflows

This consideration is only required for Liabilities for Remaining Coverage (LRC) and not Liabilities for Incurred Claims (LIC)which is already measured at the current fulfillment value. Fulfillment cashflows can be estimated at whichever aggregate level is deemed appropriate and then subsequently allocated into IFRS 17 portfolios and groups. The fact that incurred claims of a particular cohort are loss-making does not mean the LRC will also be onerous. Judgment is applied to determine whether each cohort's LRC will be similar to this incurred experience and hence onerous. For example, actions taken to improve profitability of a historically loss-making cohort may indicate that the cohort will be non-onerous going forward.

All the company's short-term contracts currently held have been assessed as having no possibility of becoming onerous. Though the Fire portfolio (non-Life) has historically been loss-making, the portfolio has been showing some improvement post-implementation of PRAN rates and other underwriting strategies such as removal of some toxic accounts etc. The Company expects that improvements will be sustained in future and therefore the cohort will be non-onerous. In subsequent periods, non-onerous contracts are re-assessed based on the likelihood of prevailing facts and circumstances leading to significant possibility of becoming onerous.

E, Reinsurance contracts held

Reinsurance contracts held(loss-occuring reinsurance contracts) are for one year or less, For Risk -attaching reinsurance contracts the company reasonably expects that the resulting measurement of the assets for remaining coverage would not differ materially from the result of of applying the accounting policies that are the same as underlying the measurement model for the insuramce contracts they protect. Reinsurance contracts are assessed for aggregation on an individual contract basis and are assessed separately from insurance contracts. The smallest unit of account is a reinsurance contract, even where this contract covers more than one type of insurance product. However, there are cases where a reinsurance contract covers separate and identifiable product lines which are only included in the same legal document for administrative convenience. These contracts have been separated into its different component,

If two or more reinsurance contracts are written on a particular product line, these may be grouped together in the same portfolio as they will be covering risks of the same nature and will be managed together. For example, the Surplus contracts (1&2) on Fire have been grouped together as they cover risks of the same nature and can be measured under the same measurement approach (PAA because they have a contract boundary of 1 year). While, facultative and excess of loss contracts are in separate groups; though they cover the same risks and are even managed together, differing measurement approaches as well as recognition requirements may apply.

F. Recognition

The Company recognizes groups of insurance contracts issued from the date when the first payment from a policyholder in the group becomes due. As Company adheres to the statutory "no premium no cover", the date premium is received from the policyholder will always be earlier or on the same date as the coverage period. This premium receipt date would then be used to separate the groups of insurance contracts into yearly cohorts. The contract groupings shall not be reassessed until they are derecognized.

G. Contract Boundaries

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 Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to

• 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 are not recognized. Such amounts relate to future insurance contracts.

H. Measurement of insurance contracts issued.

1. – Initial Measurement

The Company measures a group of contracts on initial recognition as the sum of the expected fulfilment cash flows within the contract boundary and the contractual service margin representing the unearned profit in the contracts relating to services that will be provided under the contracts

I. Fulfilment cash flows within contract boundary

The fulfilment cash flows are the current unbiased and probability-weighted estimates of the present value of the future cash flows, including a risk adjustment for non-financial risk. In arriving at a probability-weighted mean, the Company considers a range of scenarios to establish a full range of possible outcomes incorporating all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of expected future cash flows. The estimates of future cash flows reflect conditions existing at the measurement date including assumptions at that date about the future The Company estimates expected future cash flows for a group of contracts at a portfolio level and allocates them to the groups in that portfolio in a systematic and rational way.

When estimating future cash flows, the company includes all cash flows within the contract boundary including:

• Premiums and any additional cash flows resulting from those premiums.

• Reported claims that have not yet been paid, claims incurred but not yet reported, future claims expected to arise from the policy and potential cash inflows from recoveries on future claims covered by existing insurance contracts.

• An allocation of insurance acquisition cash flows attributable to the portfolio to which the issued contract belongs.

• Claim handling costs.
• Costs of providing contractual benefits in kind, such as home and vehicle repair

• Policy administration and maintenance costs including recurring commissions expected to be paid to intermediaries for policy administration services only (recurring commissions that are insurance acquisition cash flows are treated as such in the estimate of future cash flows)

• Transaction-based taxes

• An allocation of fixed and variable overheads directly attributable to the fulfilment of insurance contracts including overhead costs such as accounting, human resources, information technology and support, building depreciation, rent, and maintenance and utilities

• Costs incurred for performing investment activities that enhance insurance coverage benefits for the policyholder.

• Costs incurred for providing investment-related service and investment-return service to policyholders.

• Other costs specifically chargeable to the policyholder under the terms of the contract

The Company does not provide investment-return services in respect of contracts that it issues, nor does it perform investment activities for the benefit of policyholders.

The Company incorporates, 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.

The Company estimates the probabilities and amounts of future payments under existing contracts based on information obtained, including:

• Information about claims already reported by policyholders

• Other information about the known or estimated characteristics of the insurance contracts

• Historical data about the Company's own experience, supplemented, when necessary, with data from other sources. Historical data is adjusted to reflect current conditions.

• Current pricing information, when available

The measurement of fulfilment cash flows includes insurance acquisition cash flows which are allocated as a portion of premium to profit or loss (through insurance revenue) over the period of the contract in a systematic and rational way on the basis of the passage of time. The Company does not elect to accrete interest on insurance acquisition cash flows to be allocated to profit or loss.

J. Discount Rate

In line with IFRS17(59) (B), IAS8(36) the company adjusts the meaurement of the liability for incurred claims(LIC) for the impact of the time value of money and other financial risks regardless of whether the settlement of the claims is expected within 12 months or not.The time value of money is measured separately from expected future cash flows with changes in financial risks recognized in profit or loss at the end of each reporting period and the Company has elected an accounting policy to present the time value of money separately in profit or loss and other comprehensive income. The Company measures the time value of money using discount rates that reflect the liquidity characteristics of the insurance contracts and the characteristics of the cash flows, consistent with observable current market prices. They exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts (e.g., credit risk). For all insurance contracts the company agrees to adopt the modified general measurement model or PAA approach is used with determined interest rate (locked in rate) used to calculate the discounted future value or fulfilment at the date of inntial recognition of the group of insurance in line with IFRS17 Para B72b. The locked -in interest rates for accreting interest rate accruing on the value of the contracts at initial recognition and loss components changes as a result of changes in Fulfilment Cashflow(FCF) that relate to future years service .To derive the current discount rates which are judged to be used for the contracts cashflows, the Company uses the 'bottom-up approach' to estimate discount rates starting from a risk-free rate of assets(high quality bonds) with similar characteristics as the liability cashflows is important plus an illiquidity premium where applicable. Risk free rates are determined by reference to the yields of highly liquid FGN Bonds.Average fixed locked-in rate is used for the group of insurance contracts issued over the 12 months cohort period, where the average fixed locked in rate is take to be the simple arithemetic mean of geometric mean. The illiquidity premium is determined by reference to observable market rates, including sovereign debt, corporate debt and market swap rates.The company shall adopt the NAS commitee discount rate whenever, such becomes available.

K. Risk adjustment(RA) for non-financial risk

The risk adjustment measures the compensation it would require for bearing the uncertainty about the amount and timing of cash flows arising from insurance contracts, other than financial risk, separately as an adjustment for non-financial risk, The Company chooses a technique which alligns with the principles of risk adjustment and disclose significant judgement which has been made in determining the risk adjustment and the equivalent confidence level used.
The Company adopts a stochastic reserving approach to determine the best etimate(BEL) of its Liability for incurred claims BY running thousands of scenarios by assuming a relevant claim distribution using Bootstrap Mack method. Confidence level (Value at Risk) approach is then applied to the measurement of the risk adjustment for non-financial risks.
A full IFRS 17 liability distribution is generated across all non-financial risks and the risk adjustment is calculated as the difference between the best estimate liability (BEL) and the liability value at the chosen confidence level. This is allocated to all the company's insurance contracts. Diversification benefits are derived from a study of the negative correlation that exists among the different non-financial variables impacting the cash flows from the portfolios of the Company and results in lower economic capital being necessary to absorb the residual level of uncertainty.The consideration for risk adjustment excludes operational risks but include persistency and expense risks.

L. Contractual Service Margin (CSM)

As Section 4.4.3 of NAICOM guidance is about the Current Service Margin (CSM) and explaining how locked in rates work. The company considers the calculation of current service margin (CSM) as irrelevant in its case , as it adopts the premium allocation approach (PAA) approach for non-life insurers. Under PAA there is no CSM (said otherwise, the CSM is zero under PAA), The CSM is a component of the overall carrying amount of a group of insurance contracts representing unearned profit that the Company will recognize as it provides insurance contract services over the coverage period.

1. Methodology: Premium Allocation Approach (PAA)

PAA approach: At initial recognition, the Company measures the carrying amount of the liability for remaining coverage (LRC) is measured at the premiums received on initial recognition minus any insurance acquistion cashflows allocated to the group of contracts at that date, and adjusted for any amount arisring from derecognition of any assets or liabilities previously recognized for cash flows related to the group(including assets for insurance acquisition cashflows). The company has not chosen to expense insurance acquisition cashflows when they are incurred. Subsequently , the carrying amount of the LRC is increased by any premiums received and the amortization of insurance acquisition casflows recognised as expenses and decreased by amount recognised as insurance revenue for services provided and any additional insurance acquistion cashflows allocated after ainitial recognition. On intial recognition the company expects that the time between providing each part of the services and the related premium due date is no more than a year.

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the copmpany recognises a loss in profit or loss and increase the liability for remaining coverage to the extent that the current estimates of the fulfilment cashflows that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage. The fulfilment cashflows are discounted (at current rates) if the liability for incurred claims is also discounted. The company recognises the liability for incurred claims of a group of insurance contracts at the amount of the fulfilment cashflows relating to incurred claims. The future cashflows are discounted (at current rates) unless they are expected to be paid in one year or less from the date the claims are incurred.

If a loss -recovery component is created for group of reinsurance contracts measured under the PAA, then the company adjusts the carrying amount of the assets for remaining coverage instead of adjusting the profit element.

If any of the Company 's contracts is onerous, the Company recognizes a loss on initial recognition. This results in the carrying amount of the liability for the group being equal to the fulfilment cash flows, and the profit of the company on that contracts being nil. A loss component is recognized for any loss on initial recognition of the group of insurance contracts.

2. Premium Allocation Approach(PAA) – Subsequent Measurement

In estimating the total future fulfilment cash flows, the Company distinguishes between those relating to already incurred claims and those relating to future service. At the end of each reporting period, the carrying amount of the group of insurance contracts will reflect a current estimate of the liability for remaining coverage (LRC) as at that date and a current estimate of the liability for incurred claims (LIC).

The LRC represents the Company’s obligation to investigate and pay valid claims under existing contracts for insured events that have not yet occurred, amounts that relate to other insurance contract services not yet provided (i.e. provision of investment-return and investment-related services) and investment components and other amounts not related to insurance contract services that have not yet been transferred to the LIC.

The company measures the liability for remaining coverage at each subsequent reporting date as follows:Sum of:

(a) Previous carrying amount,

(b) Premium received in the period

(c) Amortisation of insurance acquisition cashflows

(d) Adjustment to a financing component

Less:

(e)Insurance cashflow,

(f) insurance revenue recognised and

(g) investment paid or transferred to the liability for incurred claims

The LIC includes the Company’s liability to pay valid claims for insured events that have already incurred, other incurred insurance expenses arising from past coverage service and the liability for claims incurred but not yet reported. It also includes the company’s liability to pay amounts the Company is obliged to pay the policyholder under the contract. This includes repayment of investment components, when a contract is derecognized. The current estimate of LIC comprises the fulfilment cash flows related to current and past service allocated to the group at the reporting date.

3, PAA Eligibility Calculation and Materiality

The company determine that its businesses satisfies the criteria for adopting the use of the simplified measuremnt model(PAA) as follows:

(a) That such simplification would produce a measurement of the liability for remaining coverage that would not differ materially from that produced applying the General Model; or

(b) That the coverage period of each contract in the group is one year or less.

In determinng the level of materiality, the company has taken a view that if the total volume of premiums in a cohort of contracts with coverage period of more than one year is less than 10%, then this would be deemed as immaterial to the justification of using the simplied measurement model PAA- statistically insignificant in line with paragraph 5,2,2 of Guidance note on IFRS17 issued by NAICOM .

The company has opt to test the PAA eligibility for the entire group(population) of contracts instead of just a sample within the population of insurance contracts, using a quantitative assessment approach involving application of simplified mathematical approach.

4, Insurance acquisition cash flows

In line with IFRS17(59)(a), 97(c) the company chooses to amortize acquisition cashflows over the contracts' coverage period, provided that the coverage period of each contract in the group at initial recognition is no more than one year. The Company includes insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to either the individual contracts in a group, the group itself or the portfolio of insurance contracts to which the group belongs.

The Company estimates, at a portfolio level, insurance acquisition cash flows not directly attributable to the group but directly attributable to the portfolio. The Company then allocates them to the group of newly written and renewed contracts on a systematic and rational basis.

The Company applies judgement in determining the inputs used in the methodology to systematically and rationally allocate insurance acquisition cash flows to groups of insurance contracts. This includes judgements about whether insurance contracts are expected to arise from renewals of existing insurance contracts and, where applicable, the amount to be allocated to groups including future renewals and the volume of expected renewals from new contracts issued in the period.

In the current and prior years, the Company did not allocate any insurance acquisition cash flows to future groups of insurance contracts, as it did not expect any renewal contracts to arise from new contracts issued in the period.

In the current and prior year, the Company did not identify any facts and circumstances indicating that the assets may be impaired.

Changes in fulfilment cash flows

At the end of each reporting period, the Company updates the fulfilment cash flows for both LIC and LRC to reflect the current estimates of the amounts, timing and uncertainty of future cash flows, as well as discount rates and other financial variable.

The Company has an accounting policy choice which calculates changes in fulfilment cash flows at the end of a reporting period for changes in non-financial assumptions, changes in discount rates and financial assumptions. The Company first calculates the changes in discount rates and financial assumptions on the fulfilment cash flows (as expected at the beginning of the period) and then calculate changes on those cash flows from the change in non-financial assumptions.

Experience adjustments are the difference between:

• The expected cash flow estimates at the beginning of the period and the actual cash flows for premiums received in the period (and any related cash flows paid such as insurance acquisition cash flows and insurance premium taxes)

• The expected cash flow estimates at the beginning of the period and the actual incurred amounts of insurance service expenses in the period (excluding insurance acquisition expenses)

Experience adjustments relating to current or past service are recognized in profit or loss. For incurred claims (including incurred but not reported) and other incurred insurance service expenses, experience adjustments always relate to current or past service. They are included in profit or loss as part of insurance service expenses.

Experience adjustments relating to future service are included in the LRC by adjusting the CSM. The release of the CSM depends on whether the contract does not participate, indirectly, or directly participates in the performance of the specified underlying items.

At the end of each reporting period, the Group re-estimates the LRC fulfilment cash flows, updating for changes in assumptions relating to financial and non-financial risks.

Adjustments to the CSM

The following changes in fulfilment cash flows are considered to be related to future service and adjust (or 'unlock') the CSM of the group of insurance contracts:

• Experience adjustments relating to the premiums received in the period that relate to future service, and any related cash flows such as insurance acquisition cash flows and premium-based taxes measured at the 'locked in' discount rates applicable when the contracts in the group were initially recognized.

• The change in the estimate of the present value of expected future cash flows in the liability for remaining coverage, related to non-financial variables, measured at the 'locked in' discount rates applicable when the contracts in the group were initially recognized. All financial variables are locked in at initial recognition.

• Changes in the risk adjustment for non-financial risk relating to future service. The Company has elected not to disaggregate the change in the risk adjustment for non-financial risk between:

• a change related to non-financial risk and

the effect of the time value of money and changes in the time value of money.

• Differences between the amount of investment components that were expected to be payable in the period and the amount of investment components that actually became payable. The amount of investment components expected to be payable in the period is measured at the discount rates applicable before it became payable.

The following adjustments do not relate to future service and thus do not adjust the CSM:

• Changes in fulfilment cash flows for the effect of the time value of money and the effect of financial risk and changes thereof.

- Changes in the fulfilment cash flows relating to the LIC.
- Experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows)

Any further increases in fulfilment cash flows relating to future coverage are recognized in profit or loss as they occur, increasing the loss component of the group of insurance contracts. Any subsequent decreases in fulfilment cash flows related to future coverage do not adjust the CSM until the loss component of the group is fully reversed through profit or loss.

At the end of the reporting period, the carrying amount of the CSM for a group of insurance contracts without direct participating features is the carrying amount at the beginning of the period adjusted for:

- The effect of any new contracts added to the group.
- Interest accreted on the carrying amount of the CSM measured at the discount rates determined at initial recognition.
- The changes in fulfilment cash flows related to future service, except:
- Increases in fulfilment cash flows that exceed the carrying amount of the CSM, giving rise to a loss that results in the group of contracts becoming onerous or more onerous.
- Decreases in fulfilment cash flows that reverse a previously recognized loss on a group of onerous contracts.
- The effect of any currency exchange differences on the CSM
- The amount recognized as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining coverage period.

Recognition of the CSM in profit or loss

An amount of the CSM is released to profit or loss in each period during which the insurance contract services are provided.

In determining the amount of the CSM to be released in each period, the Company follows three steps:

- Determine the total number of coverage units in the group. The amount of coverage units in the group is determined by considering the quantity of benefits provided under the contract and the expected coverage period for each contract.
- Allocate the CSM at the end of the period (before any of it is released to profit or loss to reflect the insurance contract services provided in the period) equally to each of the coverage units provided in the current period and expected to be provided in the future
- Recognize in profit or loss the amount of CSM allocated to the coverage units provided during the period.

lapse or surrender and new contracts are added to the group. The total number of coverage units depends on the expected duration of the obligations that the Company has from its contracts. These can differ from the legal contract maturity because of the impact of policyholder behavior and the uncertainty surrounding future insured events.

By determining a number of coverage units, the Company exercises judgement in estimating the likelihood of insured events occurring and policyholder behavior to the extent that they affect expected period of coverage in the group, the different levels of service offered across periods and the 'quantity of benefits' provided under a contract.

Premium Experience Adjustment: Where premium experience adjustments relate to current/ past service and are treated at the end of the period, this will be immediately recognized in the P&L as insurance revenue.

Insurance acquisition cash flows

IFRS 17 defines insurance acquisition cash flows as cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs. These include direct and indirect costs incurred in originating insurance contracts, including cashflows related to unsuccessful efforts to obtain new business.

Under the PAA, an entity can choose to immediately expense insurance acquisition cash flows in the P&L when incurred if and only if each insurance contract in a group has a coverage period of one year or less. The company has opted not to expense acquisition cash flows immediately when incurred. Alternatively, an entity can recognize insurance acquisition cash flows in the measurement of liability for remaining coverage (LRC) and amortize insurance acquisition cash flows in the P&L (systematically - in line with earning pattern of premium revenue OR passage of time, with the later being the method adopted by the Company).

The exiting IFRS 4 approach is to recognize a separate deferred acquisition cost (DAC) assets for costs associated with writing new insurance contracts (e.g., commissions paid to brokers). Under IFRS 17, if acquisition costs are paid before the related insurance groups are recognized, an entity shall recognize an asset. These assets are derecognized when the group of insurance contracts are recognized. If insurance acquisition cash flows are expected to be paid after the related group is recognized, then they are included as part of the measurement of insurance contracts (LRC).

IFRS 17 allows for the deferral of acquisition costs to smooth out the recognition of profits. Paid acquisition costs are an asset that is amortized (or derecognized) when they are included in the measurement of the related group of insurance contracts. Company has chosen to defer all insurance acquisition cash flows and recognize them over the coverage period of contracts or groups they are attributed to. Therefore, acquisition costs and related revenue are recognized over the same periods and in the same pattern, based on the passage of time.

It must be noted that IFRS 17 requires allocation to future renewals if the acquisition cashflows are judged to support future renewals. Also the expensing acquisition costs policy choice only applies for contracts with coverage period one year or less.

For contracts measured under PAA in the Company, insurance acquisition costs comprise of costs:

that are directly attributable to individual contracts or groups of contracts in a portfolio that are not directly attributable to individual contracts but, directly attributable to the portfolio of insurance contracts to which the group belongs; with the costs being allocated to groups on a systematic and rationale method e.g., Activity-Based Costing method or based on GWP proportions or claims cost etc.

4. Onerous contracts

if at any time during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, then the company determines the loss component and recgnizes the loss immediately. The Company considers an insurance contract to be onerous if the expected fulfilment cash flows allocated to the contract, any previously recognized acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total result in a net cash outflow.

On initial recognition of group of insurance insurance contracts under PAA, the carrying amount of the liability for remaining coverage is reduced by any insurance acquistion flows at that date. However, the company has adopted an accounting policy that recognizes insurance acquisition as expenses when it incurs those costs, provided that the coverage period of each contract in the group on initial recgnition is no more than one year.In assesing whether a contract is onerous, the company only considers cashflows that could potentially affect the measurement of the group and consequently exclude any acquisition cashflows that would be exepensed. The onerous assessment is done on an individual contract level assessing future expected cash flows on a probability-weighted basis including a risk adjustment for non-financial risk. Contracts expected on initial recognition to be loss-making are grouped together and such groups are measured and presented separately. Once contracts are allocated to a group, they are not re-allocated to another group, unless they are substantively modified.

On initial recognition, the CSM of the group of onerous contracts is nil and the group's measurement consists entirely of fulfilment cash flows. A net outflow expected from a group of contracts determined to be onerous is considered to be the group's 'loss component'. It is initially calculated when the group is first considered to be onerous and is recognized at that date in profit or loss. The amount of the group's loss component is tracked for the purposes of presentation and subsequent measurement.

After the loss component is recognized, the Company allocates any subsequent changes in fulfilment cash flows of the LRC on a systematic basis between the loss component and the LRC excluding the loss component. For groups of onerous contracts, without direct participating features, the Company uses locked-in discount rates. They are determined at initial recognition to calculate the changes in the estimate of future cash flows relating to future service (both changes in a loss component and reversals of a loss component).

For all issued contracts, other than those accounted for applying the PAA, the subsequent changes in the fulfilment cash flows of the LRC to be allocated are:

- Insurance finance income or expense
- Changes in risk adjustment for non-financial risk recognized in profit or loss representing release from risk in the period.
- Estimates of the present value of future cash flows for claims and expenses released from the LRC because of incurred insurance service expenses in the period.

The Company determines the systematic allocation of insurance service expenses incurred based on the percentage of loss component to the total fulfilment cash outflows included in the LRC, including the risk adjustment for non- financial risk, excluding any investment component amount.

For contracts that are measured under PAA, the assumption is that there are no onerous contracts at initial recognition, unless facts and circumstances indicate otherwise. If the measurement of the LIC results in a loss-making group, this does not translate to the LRC being onerous. In this case, the group will be assessed as to whether its LRC will be similar to the incurred experience and hence considered to be onerous. For example, actions taken to improve profitability on the fire portfolio which has been historically loss-making may indicate that the LRC will have a different loss experience.

If facts and circumstances indicate that a group of contracts is onerous during the coverage period, the onerous liability is calculated as the difference between:

the carrying amount of the liability for remaining coverage; and

the FCF that relates to remaining coverage similar to what is needed under the GMM.

This difference is recognized as a loss and shall increase the liability for remaining coverage.

I. Measurement of Reinsurance contracts issued.

1. Recognition

Proportional reinsurance contracts held will be first recognized on the later of the beginning of the coverage period of the reinsurance contract or the date that the first underlying insurance contract in the treaty is initially recognized.

For example, if we enter a surplus fire reinsurance contract on 1 January 2022 and the first fire insurance policy in the treaty is written in February 2022, then the date of recognition of the surplus reinsurance contract will be February 2022. Though the contract agreement is in place in January, cashflows on the contract don't start until February.

Non-Proportionate reinsurance coverage will be recognized at the beginning of the coverage period of the contract.

2. Reinsurance contracts held measured under the PAA.

The company applies the same accounting policies to measure its group of reinsurance contracts ,adapted where nececsary to reflect features that differ from those of insurance contracts.Reinsurance contracts held are generally assets, rather than liabilities. They are separate from underlying insurance contracts; however, they correspond with them.To ensure that the impact of resinurance is smoothened out over the period of the underlying contracts, the company has a policy to recognising reinsurance contract held over the coverage period as each underlying contract is recognized. If a loss-recovery component is created for a group of reinsurance contracts measured under the PAA, then the company adjusts the carrying amount of asset for remaining coverage instead of adjusting CSM(irrelevenat under PAA). All reinsurance contracts with contract boundaries not exceeding one year are automatically considered to meet PAA eligibility. Most of the company's Surplus reinsurance contracts are immediately eligible for PAA as they are written on a clean-cut basis. At the end of the period, the reinsurer withdraws from the contract and the reinsurance held portfolio (including outstanding recoveries and ceded portion of unexpired premiums) is transferred to a new reinsurer.

A smaller number of surplus reinsurance contracts and all Facultative contracts are written on an underwriting year basis. This basis extends the contract boundary beyond one year as coverage of contracts ceded to the treaty may continue even after the underwriting year has ended.

For example, if an insurance contract incepted in May 2022 and cedes to the Marine Hull Surplus reinsurance treaty (which incepted 1 January 2022); the contract boundary extends till May 2023 when the insurance contract will expire. So, the contract boundary for the reinsurance contract is beyond one year i.e.. 1 Jan 2022 – May 2023.

The company incurs incremental administrative costs that are insurance services expenses, namely cashflows that relate directly to the fulfilment of the underlying insurance contracts issued and are to be included in the measurement of the reinsurnce contracts assets. The company treats the actual incurred cost as insurance service expense.Where the reinsurance contracts held covers a group of onerous underlying insurance contracts, the Company adjusts the carrying amount of the asset for remaining coverage and recognizes a gain when, in the same period, it reports a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The recognition of this gain results in the recognition for the loss recovery component of the asset for the remaining coverage of a group of reinsurance contracts held.

Methods of Presenting Reinsurance Premiums and Recoveries from Reinsurance Contracts Held

For reinsurance contracts held, inline with IFRS17.86, the conpany has accounting policy of presenting income or expenses from reinsurance contracts held (other than insurance finance income or expenses) as separate amounts: the amounts recovered from the reinsurer and allocation of the premiums paid.Both the recovered amount and the allocated premiums paid together should give a net amount equal to the equivalent single amount option.The allocation of premium paid is not used as a reduction to premium revenue for the reinsurance contracts held.

Accounting for Fixed Commissions by the Reinsurer.

The company treats ceding commission that are not contingent on claims as a reduction in premiums. Reinsurance Contracts may included fixed ceding commission payable to the company.

J. Modification and Derecognition

The Company derecognizes the original contract and recognizes the modified contract as a new contract, if the terms of insurance contracts are modified and the following conditons are met:

• If the modified terms were included at contract inception and the Group would have concluded that the modified contract:

· Is outside of the scope of IFRS 17
– Results in a different insurance contract due to separating components from the host contract
– Results in a substantially different contract boundary
– Would be included in a different group of contracts.

• The original contract met the definition of an insurance contract with direct participating features, but the modified contract no longer meets the definition.

• The original contract was accounted for applying the PAA, but the modified contract no longer meets the PAA eligibility criteria for that approach.

If the contract modification meets any of the conditions, the compaby performs all assessments applicable at initial recognition, derecognizes the original contract and recognizes the new modified contract as if it was entered for the first time.

If the contract modification does not meet any of the conditions, the Group treats the effect of the modification as changes in the estimates of fulfilment cash flows.

For insurance contracts accounted for applying the General Model, a change in the estimates of fulfilment cash flows results in a revised end of period CSM (before the current period allocation). A portion of the revised end of period CSM is allocated to the current period, as is the revised CSM amount applied from the beginning of the period but reflecting the change in the coverage units due to the modification during the period.

This portion is calculated using updated coverage unit amounts determined at the end of the period and weighted to reflect the fact that the revised coverage existed for only part of the current period.

For insurance contracts accounted for applying the PAA, the Company adjusts insurance revenue prospectively from the time of the contract modification.

The Company derecognizes an insurance contract when, and only when the contract is:

• Extinguished (when the obligation specified in the insurance contract expires or is discharged or cancelled)

• Modified and the derecognition criteria are met.
· When the Group derecognizes an insurance contract from within a group of contracts, it:

• Adjusts the fulfilment cash flows allocated to the group to eliminate the present value of the future cash flows and risk adjustment for non-financial risk relating to the rights and obligations that have been derecognized from the group.

- Adjusts the CSM of the Company for the change in the fulfilment cash flows (unless it relates to the increase or reversal of the loss component)

- Adjusts the number of coverage units for expected remaining insurance contract services to reflect the coverage units derecognized from the Company and recognizes in profit or loss in the period the amount of CSM based on that adjusted number.

When the Company transfers an insurance contract to a third party and that results in derecognition, the Company adjusts the CSM of the group from which the contract has been derecognized for the difference between the change in the carrying amount of the group caused by the derecognized fulfilment cash flows and the premium charged by the third party for the transfer.

When the Company derecognizes an insurance contract due to modification, it derecognizes the original insurance contract and recognizes a new one. The Company adjusts the CSM of the Company from which the modified contract has been derecognized for the difference between the change in the carrying amount of the Company as a result of adjustment to fulfilment cash flows due to derecognition and the premium the Company would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium actually charged for the modification.

K. Presentation

The Company has presented separately in the company's statement of financial position the carrying amount of portfolios of insurance contracts that are assets and those that are liabilities, and the portfolios of reinsurance contracts held that are assets and those that are liabilities.

The Company disaggregates the amounts recognized in the consolidated statement of profit or loss and other comprehensive income into an insurance service result sub-total that comprises insurance revenue and insurance service expenses and, separately from the insurance service result, the 'net insurance finance income or expenses' sub-total. The Group has voluntarily included the net insurance finance income or expenses line in another sub- total: net insurance and investment result, which also includes the income from all the assets backing the Company's insurance liabilities.

The Company includes any assets for insurance acquisition cash flows recognized before the corresponding groups of insurance contracts are recognized in the carrying amount of the related portfolios of insurance contracts issued.

1. Insurance Revenue

The company measures the insurance revenue for each period as the expected premium receipts for providing services in the period, The company allocates the expected premium receipts to each period on the following bases: - certain property contracts: the expected timing of incurred insurance service expenses and other contracts : the passage of time. As the Company provides insurance services under a group of insurance

For groups of insurance contracts measured under the General Model, insurance revenue consists of the sum of the changes in the LRC due to:

- The insurance service expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:

o Amounts allocated to the loss component.

o Amounts that relate to transaction-based taxes collected on behalf of third parties.
o Insurance acquisition expenses.
o Amounts relating to risk adjustment for non-financial risk.
- The change in the risk adjustment for non-financial risk, excluding:

o Changes that relate to future service that adjust the CSM.
o Amounts allocated to the loss component.
- The amount of CSM for the services provided in the period.
- Other amounts, such as experience adjustments for premium receipts that relate to current or past service, if any Insurance revenue also includes the portion of premiums that relate to recovering those insurance acquisition cash flows included in the insurance service expenses in each period.

Both amounts are measured in a systematic way on the basis of the passage of time.

When applying the PAA, the Company recognizes insurance revenue for the period based on the passage of time by allocating expected premium receipts including premium experience adjustments to each period of service.

At the end of each reporting period, the Company considers whether there was a change in facts and circumstances indicating a need to change, on a prospective basis, the premium receipt allocation due to changes in the expected pattern of claim occurrence.

2. Insurance service expenses

Insurance service expenses arising from insurance contracts issued are recognized in the profit or loss generally as they are incurred. The compay's insurance expenses comprises:

- Incurred claims and other insurance service expenses Changes in the LIC related to claims and expenses incurred in the period excluding repayment of investment components.(if any)

- Changes in the LIC related to claims and expenses incurred in prior periods (related to past service)

- Other directly attributable insurance service expenses incurred in the period.
- Amortization of insurance acquisition cash flows, which is recognized at the same amount in both insurance service expenses and insurance contract revenue.

- Loss component of onerous groups of contracts initially recognized in the period.

- Changes in the LRC related to future service that do not adjust the CSM, because they are changes in the loss components of onerous groups of contracts.

3. Income or expenses from reinsurance contracts held.

The Company presents income or expenses from a group of reinsurance contracts held and reinsurance finance income or expenses in profit or loss for the period separately. Income or expenses from reinsurance contracts held are split into the following two amounts:

- Amount recovered from reinsurers.
- An allocation of the premiums paid.

The Company presents cash flows that are contingent on claims as part of the amount recovered from reinsurers. Ceding commissions that are not contingent on claims of the underlying contracts are presented as a deduction in the premiums to be paid to the reinsurer which is then allocated to profit or loss.

The Company establishes a loss recovery component of the asset for the remaining coverage for a group of reinsurance contracts held. This depicts the recovery of losses recognized on the initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The loss recovery component adjusts the CSM of the group of reinsurance contracts held. The loss recovery component is then adjusted to reflect:

- Changes in the fulfilment cash flows of the underlying insurance contracts that relate to future service and do not adjust the CSM of the respective groups to which the underlying insurance contracts belong to.
- Reversals of loss recovery component to the extent those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held.
- Allocations of the loss recovery component against the amounts recovered from reinsurers reported in line with the associated reinsured incurred claims or expenses.

4. Insurance finance income and expenses

Insurance finance income or expenses present the effect of the time value of money and the change in the time value of money, together with the effect of financial risk and changes in financial risk of a group of insurance contracts and a group of reinsurance contracts held.

The use of OCI presentation for insurance finance income and expenses

The Company has an accounting policy choice to present all the period's insurance finance income or expenses in profit or loss or to split the amount between profit or loss and other comprehensive income (OCI). When considering the choice of presentation of insurance finance income or expenses, the Group examines the assets held for that portfolio and how they are accounted for.

Currently the Company present all the period's insurance finance income or expenses in the profit or loss.

The Company does not write participating contracts and does need to reassess its accounting policy choice in respect of such policies.

Comparatives are not restated.

When applying the PAA, the Company does not discount the liability for remaining coverage to reflect the time value of money and financial risk for its non-life policies with a coverage period of one year or less. For those claims that the Company expects to be paid within one year or less from the date of occurrence, the Company does not adjust future cash flows for the time value of money and the effects of financial risks. However, claims expected to take more than one year to settle are discounted applying the discount rate at the time the incurred claim is initially recognized.

L. Contracts existing at transition date.

On transition date, 1 January 2023, the Group:

- Has identified, recognized and measured each group of insurance contracts as if IFRS 17 had always applied (unless impracticable).
- Has identified, recognized and measured assets for insurance acquisition cash flows as if IFRS 17 had 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.
- Derecognized any existing balances that would not exist had IFRS 17 always applied.
- Recognized any resulting net difference in equity.

In determining the appropriate transition approach, the following were considered:

- the coverage period of the in-force policies
- the availability of historical data and assumptions driving measurement and the ability to obtain these without undue cost and effort.

TRANSITION POLICY

The Company shall apply IFRS 17 retrospectively.

Full Retrospective Approach

On transition to IFRS 17, the Company applied the full retrospective approach unless impracticable to do so.

The Company has applied the full retrospective approach on transition to all short-term contracts in force at the transition date.

To do this, at the transition date, we have identified, recognized and measured each group of insurance contracts as if IFRS 17 had always applied; and derecognized any existing balances that would not exist had IFRS 17 always applied; and finally recognized any resulting net difference in equity.

The Company has aggregated contracts issued more than one year apart in determining groups of insurance contracts under the fair value approach at transition as it did not have reasonable and supportable information to aggregate groups into those including only contracts issued within one year.

2.25.1 Investment income

Investment income consists of dividend, interest and rent received, movements in amortized cost on debt securities and other loans and receivables, realized gains and losses, and unrealized gains and losses on fair value assets.

Interest income

Interest income is recognized in the statement of profit or loss as it accrues and is calculated by using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognized as an adjustment to the effective interest rate of the instrument.

Dividend income

Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

Rental income

Rental income is recognized on an accrual basis.

Realized gains and losses

Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortized cost and are recorded on occurrence of the sale transaction.

Unrealised gains and losses

Unrealized gains or losses represent the difference between the carrying value at the year end and the carrying value at the previous year end or purchase value during the year, less the reversal of previously recognized unrealized gains and losses in respect of disposals during the year.

2.26 Benefits, claims and expenses recognition

2.26.1 Insurance benefits and claims

Insurance claims include all claims occurring during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

Reinsurance claims

The Company recognises reinsurance claims when the related gross insurance claims are recognised according to the terms of the relevant contracts.

2.26.2 Underwriting expenses

Underwriting expenses refer to all expenses, inclusive of net commissions, that are applicable to the servicing of net premiums written. These expenses encompass all that are incurred by an insurance company.

Underwriting expenses for insurance contracts are recognised as expense when incurred, with the exception of acquisition costs which are recognised on a time apportionment basis in respect of risk.

Acquisition costs comprise all direct and indirect costs arising from the writing of insurance contracts.

Other underwriting expenses are those incurred in servicing existing policies/contract. These expenses are charged in the accounting period in which they are incurred.

2.26.3 Other expenses

All other operating expenses are recognized directly in profit or loss and when incurred.

2.27 Related parties

Related parties include the company and other connected entities. Directors, their close family members and any employes who is able to exert a significant influence on the operating policies of the Company, are also considered to be related parties. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the entity.

2.28 Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or the Company has a present obligation as a result of past events which is not recognised because it is not probable that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise of legal claims under arbitration or Court process in respect of which a liability may crystallise.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are never recognised but are disclosed in the financial statements when they arise.

Initial recognition and measurement
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 in exchange for consideration.

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.

i) 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). The cost of a right-of-use asset at inception of the lease includes an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The Company incurs the obligation for those costs at the commencement date or as a consequence of having used the underlying asset during a particular period.

Right-of-use assets are subsequently 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 (Real Estate 2 to 5 years). 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 Property and equipment - (Note 2.13).

The Company's lease arrangements are majorly real estate leases which include leases of office spaces. These lease arrangements do not contain an obligation to dismantle and remove the underlying asset, restore the site on which it is located or restore the underlying asset to a specified condition.

In the financial statements for the current and prior periods, no right of use (ROU) asset is recognized because of the application of short term lease exception.

ii) 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 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 its incremental borrowing rate at the lease commencement date where the interest rate implicit in the lease is not clearly stated in the lease contract. 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.

iii) Short-term leases and leases of low-value assets
The Company applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor
Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Tenant deposits
Tenant deposits are initially recognised at fair value and subsequently measured at amortised cost. Any difference between the initial fair value and the nominal amount is included as a component of operating lease income and recognised on a straight-line basis over the lease term.

3. Critical accounting judgments and key sources of estimation uncertainty
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.

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 recognized in financial statements.

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 years ahead.

Determining the lease term of contracts with renewal and termination options – Company as lessee
The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Company included the renewal period as part of the lease term for leases of office spaces and plant and machinery with shorter non-cancellable period (i.e., three to five years) where this is expressly stated in the lease contract or enforceable at law per the lease contract. The Company typically exercises its option to renew for these leases because there will be a significant negative effect on its operation if a replacement asset is not readily available. The renewal periods for leases of office spaces are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Property lease classification – Company as lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Product classification and contract liabilities

The Company's Non-life insurance contracts are classified as insurance contracts. As permitted by IFRS 4, assets and liabilities of these contracts are accounted for under previously applied GAAP.

Insurance contracts are those contracts when 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. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

Key sources of estimation uncertainty

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 discussed below:

Valuation of liabilities of non-life insurance contracts

Estimates are made for both the expected ultimate cost of claims reported and claims incurred but not reported (IBNR) at the statement of financial position date. The estimate of IBNR is generally subject to a greater degree of uncertainty than that for reported claims. The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as the Chain Ladder, Stochastic reserving (Bootstrap) and Bornheutter-Ferguson methods.

The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development.

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

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

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.

Impairment under IFRS 9
The impairment requirements of IFRS 9 apply to all debt instruments that are measured at amortised cost. The determination of impairment loss and allowance moves from the incurred credit loss model whereby credit losses are recognised when a defined loss event occurs under IAS 39, to expected credit loss model under IFRS 9, where expected credit losses are recognised upon initial recognition of the financial asset based on expectation of potential credit losses at the time of initial recognition.

Staged Approach to the Determination of Expected Credit Losses
IFRS 9 outlines a three-stage model for impairment based on changes in credit quality since initial recognition. These stages are as outlined below:

Stage 1: The Company recognises a credit loss allowance at an amount equal to the 12 months expected credit losses. This represents the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date, assuming that credit risk has not increased significantly after the initial recognition.

Stage 2: The Company recognises a credit loss allowance at an amount equal to the lifetime expected credit losses (LTECL) for those financial assets that are considered to have experienced a significant increase in credit risk since initial recognition. This requires the computation of ECL based on Lifetime probabilities of default that represents the probability of a default occurring over the remaining lifetime of the financial assets. Allowance for credit losses is higher in this stage because of an increase in credit risk and the impact of a longer time horizon being considered compared to 12 months in stage 1.

Stage 3: The Company recognises a loss allowance at an amount equal to life-time expected credit losses, reflecting a probability of default (PD) of 100% via the recoverable cash flows for the asset. For those financial assets that are credit impaired. The Company's definition of default is aligned with the regulatory definition. The treatment of the loans and other receivables in stage 3 remains substantially the same as the treatment of impaired financial assets under IAS 39 except for the portfolios of assets purchased or originated as credit impaired.

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 portfolios 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:

- The contractual cash flows that are due to the Company under the contract; and
- 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, interest rate, Gross Domestic Product (GDP) and collateral values, and the effect on Probability of Default (PDs), Exposure at Defaults (EADs) and Lost Given Defaults (LGDs)
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

Expected lifetime:
The expected life time of a financial asset is a key factor in determine the life time expected credit losses. Lifetime expected credit losses represents default events over the expected life of a financial asset. The company measures expected credit losses considering the risk of default over the maximum contractual period (including any borrower's extension option) over which it is exposed to credit risk.

4. Standards issued but not yet effective
The 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. The Company intends to adopt these standards, if applicable, when they become effective.

4.1 Standards issued and effective on or after 1 January 2022
4.1.1 IFRS 17 Insurance contracts
A comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure, which replaces IFRS 4 Insurance Contracts.

IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. Retrospective application is required.

However, if full retrospective application for a group of insurance contracts is impracticable, then the entity is required to choose either a modified retrospective approach or a fair value approach.

IFRS 17 is a comprehensive standard for insurance contracts covering recognition and measurement, presentation and disclosure, which replaces IFRS 4 Insurance Contracts.

In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies for measurement purposes, IFRS 17 provides a comprehensive model (the general model) for insurance contracts, supplemented by the variable fee approach for contracts with direct participation features that are substantially investment-related service contracts, and the premium allocation approach mainly for short-duration which typically applies to certain non-life insurance contracts.

The main features of the new accounting model for insurance contracts are, as follows:

- The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cash flows).
- A Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts. The CSM represents the unearned profitability of the insurance contracts and is recognised in profit or loss over the service period (i.e., coverage period).
- Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining contractual service period.
- The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice.
- The recognition of insurance revenue and insurance service expenses in the statement of comprehensive income based on the concept of services provided during the period.
- Amounts that the policyholder will always receive, regardless of whether an insured event happens (non-distinct investment components) are not presented in profit or loss, but are recognised directly on the statement of financial position.
- Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense.
- Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts.

The company is in compliance with IFRS 17 implementation which is effective 1st January,2023.

4.1.2 Amendments to IAS 1 - Classification of liabilities as current or non-current
The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clañfy what IAS 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

In May 2021, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to 1 January 2023.

The effective date is 1 January 2022 (possibly deferred to 1 January 2023).

The impact of this amendment on the Company financial statements is currently under assessment.

Shareholding Structure/Free Float Status				
Description	31-Mar-24		31-Dec-23	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	14,000,000,000	100%	14,000,000,000	100%
Substantial Shareholdings (5% and above)				
Bayelsa State Ministry of Finance Incorporated	7,480,787,548	53.43%	7,480,787,548	53.43%
Stanbic IBTC Nominees	1,858,165,841	13.27%	1,858,165,841	13.27%
Apel Asset Limited-Nominee	709,459,330	5.07%	709,459,330	5.07%
Total Substantial Shareholdings	10,048,412,719	71.77%	10,048,412,719	71.77%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
Chief Joshua B. Fumudoh				
Mr. Tamunoye Alazigha				
Mrs.Funkazi Koroye-Crooks				
Mr. Maxwell Ebibai				
Mr. Olakunle Agbebi				
Mr. Bernard Griesel				
Mr. Daniel Braie				
Mr. Okanlawon Adelagun				
Total Directors' Shareholdings				
Other Influential Shareholdings				
Free Float in Units and Percentage	3,951,587,281	28.23%	3,951,587,281	28.23%
Free Float in Value	₦ 1,975,793,640.50		₦ 1,975,793,640.50	
(A) Linkage Assurance Plc with a free float percentage of 28.23%.as at 31 March 2024, is compliant with The Exchange's free float requirements for companies listed on the Main Board.				
(B) Linkage Assurance Plc with a free float value of N1,975,793,640.50 as at 31 December 2023, is compliant with The Exchange's free float requirements for companies listed on the Main Board.				

Statement of financial position
As at 31 March 2024

In thousands of Naira

Assets	**Note**	**31 Mach 2024**	**31 Dec 2023**	**Changes %**
Cash and cash equivalents	7	5,721,629	5,485,795	4
Financial assets	8	38,709,686	36,774,578	5
Trade receivable	9	2,418,182	278,764	
Reinsurance contract assets	10	7,093,353	5,559,320	28
Other receivables and prepayments	11	1,120,490	651,488	72
Right-of-use assets	12	11,449	13,508	(15)
Investment property	13	220,000	220,000	-
Intangible assets	14	52,104	46,277	13
Property and equipment	15	3,512,355	3,452,249	2
Statutory deposit	16	700,000	700,000	-
Total assets		**59,559,248**	**53,181,979**	**12**
Liabilities				
Insurance contract liabilities	17	18,584,894	15,228,528	22
Trade payables	19	5,081,571	2,136,103	138
Other payables	20	845,121	1,991,014	(58)
Defined benefit obligations	22	62,986	85,399	(26)
Income tax liabilities	23	318,386	279,917	14
Total liabilities		**24,892,959**	**19,720,962**	**26**
Equity				
Authorized share capital	25	15,000,000	7,000,000	-
Issued and fully paid share capital	25.1	7,000,000	7,000,000	-
Share premium	26	560,294	560,294	-
Contingency reserve	27	4,136,865	3,885,984	6
Retained earnings	28	2,309,181	1,829,158	-
Assets revaluation reserve	29	1,721,291	1,721,291	-
Re-measurement reserve	30.2	55,639	55,639	-
Fair value reserve	30.1	17,704,599	17,766,355	-
Insurance Finance Reserve	30.3	1,178,420	642,296	
Total equity		**34,666,289**	**33,461,017**	**4**
Total liabilities and equity		**59,559,248**	**53,181,979**	**12**
		-	-	

The financial statements were approved on 3 May 2024 and signed on behalf of the Board of Directors by:

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

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

Emmanuel Otitolaiye
Chief Financial Officer
FRC/2014/ICAN/00000008524

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

Statement of profit or loss and other comprenhensive income
for the period ending 31 March 2024

In thousands of Naira	Note	31 Mach 2024	31 March 2023	Changes %
Insurance revenue	31	5,122,347	2,820,961	
Insurance service expenses	32	(4,082,185)	(1,248,039)	
Insurance service result for insurance contracts issued		**1,040,163**	**1,572,922**	**-34**
Allocation of reinsurance premiums	33	(1,815,695)	(1,174,274)	
Amounts recoverable from reinsurers for incurred claims	34	92,193	(475,289)	0
Net income or expense from reinsurance contracts held		**(1,723,502)**	**(1,649,564)**	**4**
Insurance service result		**(683,339)**	**(76,642)**	**792**
				0
Investment income:				
Interest revenue calculated using the effective interest method	36 (i)	454,318	221,007	-
Other interest and similar income		657,931	557,159	(18)
Net fair value gains/(losses) on financial assets at fair value through profit or loss		(37,535)	(1,303)	2781
		1,074,714	**776,863**	
Insurance finance expenses for insurance contracts issued	36 (ii)	(515,844)	(398,595)	
Reinsurance finance income for reinsurance contracts held		203,607	(312,359)	
Net insurance financial result		**(312,238)**	**(710,954)**	
Other income and expense:				
Other income	37	1,791,929	236,044	
Other operating expense	38	(1,101,694)	(646,647)	
Profit /(Loss) before taxation		**769,372**	**(421,336)**	**283**
Income taxes	23.1	(38,469)	(6,905)	457
Profit/(Loss) after taxation		**730,903**	**(428,241)**	**271**
Other comprehensive income net of tax				
Items that will be reclassified subsequently to profit or loss:				
Net fair value gain/(loss) on available-for-sale financial assets	38 (i)	39	1,657,371	
Net fair value gain on Equity mutual funds			-	
Net Insurance finance income for insurance contracts issued	36 (ii)	536,124	(422,948)	
		536,163	1,234,423	
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit obligation		-	-	-
Gain on revaluation of property and equipment		-	-	-
Deferred tax on property and equipment		-	-	-
Other comprehensive (loss)/income, net of taxes		**536,162**	**1,234,423**	-
Total comprehensive income for the year		**1,267,065**	**806,182**	**(57)**
Basic and diluted earnings per share (kobo)	40	**5.2**	**(3.1)**	-

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

Statement of cash flows
for the period ending 31 Dec 2023

	Note	31 Mach 2024	31 Dec 2023
		₦'000	₦'000
Cash flows from operating activities			
Premiums received from policy holders	44(b)	5,947,097	16,218,450
Premiums received in advance	19.1	40,134	35,531
Deposit without details	20.2(a)	1,055,132	669,197
Reinsurance payments	44(d)	(3,877,681)	(6,417,320)
Claims paid	35	(822,766)	(4,492,148)
Reinsurance claim recoveries	44(c)	157,160	2,075,868
Salvage recovery	44(c)	17,593	81,870
Commission paid	44(e)	(1,299,453)	(4,226,319)
Maintenance expenses paid	41	(172,756)	-
Commission received	44(f)	499,828	1,503,197
Cash payment to and on behalf of employees	44(l)	(333,842)	(2,257,576)
Other operating cash payments	44(a)	(3,304,030)	(2,287,223)
Corporate tax paid	23	(38,595)	(103,292)
Net cash used in operating activities		(2,132,179)	800,235
Cash flows from Investing activities			
Purchase of properties and equipment	44(i)	(185,344)	(1,232,374)
Purchase of intangible assets	14	(9,138)	(31,713)
Proceeds from sale of property and equipment	44(j)	52,914	26,194
Purchase of investment securities	44(h)	(678,998)	(7,140,144)
Proceeds from sale of investment securities	44(h)	28,779	326,389
Proceeds from redemption - HTM	8.6	830,701	616,233
Loan repayments	44(h)	17,853	17,854
Addition to deposit in escrow account with CBN			
Dividend received	37	-	3,414,223
Rental income received	39	-	6,500
Interest received	44(g)	612,363	2,260,710
Net cash from investing activities		669,130	(1,736,126)
Financing activities			
Net (decrease) / increase in cash and cash equivalents		(1,463,049)	(935,891)
Cash and cash equivalents at the beginning of the period		5,485,795	4,236,501
Impact of exchange difference on cash held		1,698,883	2,185,185
Cash and cash equivalents at end of the period	7	5,721,629	5,485,795

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

Statement of changes in equity
for the period ending 31 March 2024

In thousands of naira	Share capital	Share premium	Contingency Reserve	Asset revaluation reserve	Re-measure ment reserve	Fair value reserve	Insurance Finance Reserve	Retained earnings	Total
At 1 January 2024	7,000,000	560,294	3,885,984	1,721,291	55,639	17,766,355	642,296	1,829,159	33,461,017
Comprehensive income									
(Loss)/Profit for the year	-	-	-	-	-	-	536,124	730,903	1,267,027
Other comprehensive income:									
Net fair value changes on AFS financial assets	-	-	-	-	-	(61,756)		-	(61,756)
Total comprehensive income	-	-	-			**(61,756)**	**536,124**	**730,903**	1,205,271
Gain on revaluation of property and equipment				-					
Transfer from share premium		-							
Transfer to contingency reserve	-	-	-	-	-	-		(250,881)	(250,881)
Transfer from retained earnings	-	-	250,881	-		-		-	250,881
	-	-	250,881	-	-	-		(250,881)	1,205,270.9
At 31 March 2024	**7,000,000**	**560,294**	**4,136,865**	**1,721,291**	**55,639**	**17,704,599**	**1,178,420**	**2,309,183**	**34,666,291**

Statement of changes in equity for the year ended 31 December 2023

In thousands of naira	Share capital	Share premium	Contingency Reserve	Asset revaluation reserve	Re-measure ment reserve	Fair value reserve	Insurance Finance Reserve	Retained earnings	Total
At 1 January 2023	7,000,000	560,294	3,395,997	828,773	55,639	14,423,389		(2,387,009)	23,877,083
Comprehensive income									
Profit for the year	-	-	-	-	-	-		4,706,152	4,706,152
Other comprehensive income:									
Net Insurance finance income for insurance contracts issued							642,296.4		
Remeasurement of defined benefit obligation	-	-	-	-	-	-		-	-
Net fair value changes on AFS financial assets	-	-	-	-	-	3,342,966		-	3,342,966
Net fair value gain on Equity mutual funds	-	-	-	-	-	-		-	-
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**3,342,966**	**642,296**	**4,706,152**	**8,691,414**
Gain on revaluation of property and equipment		-	-	892,518	-	-			892,518
Transfer from share premium	-	-	-	-	-	-		-	-
Transfer from retained earnings	-	-	489,987	-	-	-		-	489,987
Transfer to contingency reserve	-	-	-	-	-	-		(489,987)	(489,987)
	-	-	489,987	892,518	-	-		(489,987)	892,518
Transactions with owners of the Company									
At 31 December 2023	**7,000,000**	**560,294**	**3,885,984**	**1,721,291**	**55,639**	**17,766,355**	**642,296**	**1,829,156**	**33,461,015**

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

Notes to the financial statements

5. Segment reporting

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

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

The following is an analysis of the Company's revenue and result by reportable segment
for the period ending 31 March 2024

Income:	**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**
Insurance revenue	834,073	403,945	1,225,752	358,102	256,410	5,272	203,124	1,832,337	3,333	5,122,347
Insurance service expense excl. acq. cash flows when incu	(488,593)	(520,136)	(714,045)	(254,906)	(180,991)	(1,620)	(792,782)	(1,126,686)	(2,426)	(4,082,185)
Insurance Service Result for insurance contract held	**345,480**	**(116,191)**	**511,707**	**103,197**	**75,418**	**3,652**	**(589,658)**	**705,651**	**907**	**1,040,163**
Allocation of reinsurance premium	-503,365	39,322	-36,164	-153,104	-146,998	-297	-137,183	-871,748	-6,159	(1,815,695)
Amount Recoverable from reinsuere for incured cla	-147,922	153,569	19,407	22,470	2,139	0	14,865	27,398	266	92,193
Net Income or Expenses from reinsurance contract	-651,287	192,891	-16,756	-130,634	-144,858	-297	-122,318	-844,350	-5,892	-1,723,502
Insurance Service Result	**(305,808)**	**76,700**	**494,951**	**(27,438)**	**(69,440)**	**3,355**	**(711,975)**	**(138,699)**	**(4,985)**	**(683,339)**
										-

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.

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

- NOTES INSURANCE -Insurance revenue	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL&GAS	AGRIC	Total
wrt insurance revenue	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Liabilities for remaining coverage bop	692,442.22	319,718.65	1,358,950.01	224,522.80	77,235.25	9,029.41	211,971.74	987,497.53	2,087.98	3,883,455.58
Liabilities for remaining coverage eop	879,448.46	477,592.73	1,804,264.37	364,332.63	128,979.51	7,633.90	331,866.84	2,517,323.31	6,394.55	6,517,836.28
	- 187,006.24	- 157,874.08	- 445,314.36	- 139,809.83	- 51,744.26	1,395.52	- 119,895.10	- 1,529,825.78	- 4,306.57	(2,634,380.70)
Premiums received	1,060,743.00	595,667.00	1,725,848.00	524,896.00	323,025.00	3,543.00	347,156.00	3,773,440.00	8,372.00	8,362,690.00
Amortisation of insurance acq. cash flows	285,219.55	145,523.22	413,317.03	148,155.45	94,964.50	1,514.62	87,095.20	818,567.32	1,783.10	1,996,140.00
Insurance acquisition cash flows	- 324,883.55	- 179,371.22	- 468,099.03	- 175,139.45	- 109,835.50	- 1,181.62	- 111,232.20	- 1,229,844.32	- 2,515.10	(2,602,102.00)
Insurance revenue	834,072.76	403,944.92	1,225,751.64	358,102.17	256,409.74	5,271.52	203,123.90	1,832,337.22	3,333.43	5,122,347.30
- NOTES INSURANCE - Insurance service expense -										-
wrt insurance service expense										-
Liabilities for incurred claims bop	3,540,086.00	2,412,397.00	1,012,733.00	1,133,512.00	342,318.00	2,734.00	365,584.00	2,521,777.00	13,927.00	**11,345,068.00**
Liabilities for incurred claims eop	3,487,974.88	2,481,257.80	978,820.03	1,085,138.85	391,844.73	2,749.07	996,101.96	2,629,205.24	13,965.20	**12,067,057.76**
	52,111.12	**- 68,860.80**	**33,912.97**	**48,373.15**	**- 49,526.73**	**- 15.07**	**- 630,517.96**	**- 107,428.24**	**- 38.20**	**(721,989.76)**
Interest accreted (incl. change of rates) to insurance contra	- 74,656.00	- 93,021.00	- 30,700.00	- 59,360.00	- 13,013.00	- 17.00	- 12,421.00	- 84,913.00	- 432.00	**(368,533.00)**
Amortisation of insurance acq. cash flows	- 285,219.55	- 145,523.22	- 413,317.03	- 148,155.45	- 94,964.50	- 1,514.62	- 87,095.20	- 818,567.32	- 1,783.10	**(1,996,140.00)**
Claims and other expenses paid	- 180,828.77	- 212,731.26	- 303,940.48	- 95,763.27	- 23,487.03	- 73.19	- 62,747.53	- 115,777.52	- 172.95	**(995,522.00)**
										-
Insurance service expense subtotal	**- 488,593.20**	**- 520,136.27**	**- 714,044.54**	**- 254,905.58**	**- 180,991.27**	**- 1,619.88**	**- 792,781.69**	**- 1,126,686.07**	**- 2,426.25**	**(4,082,184.76)**
Acquisition cash flows recognised when incurred	-	-	-	-	-	-	-	-	-	-
Insurance service result before reinsurance contracts held	**345,479.56**	**- 116,191.35**	**511,707.10**	**103,196.59**	**75,418.48**	**3,651.63**	**- 589,657.79**	**705,651.14**	**907.18**	**1,040,162.54**
NOTES INSURANCE - Allocation of reinsurance Premium										
wrt insurance revenue										-
Assets for remaining coverage bop	469,946.00	194,112.00	7,567.00	162,065.00	-	1,016.00	104,804.00	384,370.00	135.00	1,324,015.00
Assets for remaining coverage eop	598,788.85	273,978.74	21,539.36	194,087.62	377,775.34	591.95	254,201.10	1,475,669.56	1,114.48	3,197,746.98
	128,842.85	79,866.74	13,972.36	32,022.62	377,775.34	- 424.05	149,397.10	1,091,299.56	979.48	1,873,731.98
Premiums paid	- 632,208.00	- 40,545.00	- 50,136.00	- 185,127.00	- 524,773.00	127.00	- 286,580.00	- 1,963,047.38	- 7,138.00	(3,689,427.38)
										-
Allocation of reinsurance premium	- 503,365.15	39,321.74	- 36,163.64	- 153,104.38	- 146,997.66	- 297.05	- 137,182.90	- 871,747.82	- 6,158.52	(1,815,695.40)
wrt insurance service expense										-
Assets recoverable on incurred claims bop	2,058,437.00	1,237,097.00	134,563.00	482,468.00	56,850.00	-	186,920.00	376,947.00	8,357.00	4,541,639.00
Assets recoverable for incurred claims eop	1,837,039.66	1,248,755.37	115,315.25	477,045.20	56,770.41	-	194,675.34	376,493.04	8,344.15	4,314,438.40

Notes to the financial statements

	- 221,397.34	11,658.37	- 19,247.75	- 5,422.80	- 79.59	-	7,755.34	- 453.96	- 12.85	(227,200.60)
Interest accreted	44,374.00	47,929.00	5,626.00	24,559.00	2,219.00	-	6,510.00	13,145.00	279.00	144,641.00
Amounts received	29,101.00	93,982.00	33,029.00	3,334.00	-	-	600.00	14,707.00	-	174,753.00
Amounts recoverable from reinsurers	- 147,922.34	153,569.37	19,407.25	22,470.20	2,139.41	-	14,865.34	27,398.04	266.15	92,193.40
										-
Net income from reinsurance contracts held	- 651,287.49	192,891.11	- 16,756.39	- 130,634.19	- 144,858.26	- 297.05	- 122,317.56	- 844,349.78	- 5,892.37	- 1,723,502.00
Insurance Service result	- 305,807.93	76,699.76	494,950.70	- 27,437.60	- 69,439.78	3,354.58	- 711,975.35	- 138,698.64	- 4,985.19	- 683,339.46

March 2023

Insurance Rev	**FIRE**	**ACCIDENT**	**MOTOR**	**MARINE**	**AVIATION**	**BOND**	**ENGINEERING**	**OIL&GAS**	**AGRIC**	**Total**
wrt insurance revenue	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Changes in Liability for remaining coverage	-358,074	-279,936	-479,805	-149,669	-16,486	-1,037	-115,170	-949,233	17,915	-2,331,495
Premiums received	1,016,899	617,071	1,118,536	355,468	132,378	1,707	246,762	2,037,120	2,103	5,528,044
Amortisation of insurance acq. cash flows	217,366	125,183	231,704	72,217	-10,177	355	50,283	404,362	12,274	1,103,566
Insurance acquisition cash flows	-252,191	-182,111	-233,900	-96,433	-36,420	-454	-65,054	-611,600	-992	-1,479,154
Insurance revenue	624,000	280,207	636,535	181,583	69,295	571	116,821	880,649	31,300	2,820,961
Insurance serv eexpense										
Liabilities for incurred claims bop	3,499,755	1,868,651	688,663	1,146,627	216,899	2,989	342,940	2,715,795	13,077	10,495,395
Liabilities for incurred claims eop	2,813,952	1,897,733	777,862	1,201,025	223,918	3,008	376,984	2,487,471	11,220	9,793,173
	685,802	-29,082	-89,199	-54,398	-7,019	-19	-34,043	228,323	1,856	702,222
Amortisation of insurance acq. cash flows	-217,366	-125,183	-231,704	-72,217	10,177	-355	-50,283	-404,362	-12,274	-1,103,566
Claims and other expenses paid	-92,506	-231,749	-211,433	-125,434	-44,291	-49	-66,431	-73,753	-1,049	-846,695
Insurance service expense										
Insurance service expense	375,930	(386,014)	(532,336)	(252,049)	(41,133)	(422)	(150,757)	(249,791)	(11,467)	(1,248,039)
Assets for remaining coverage bop	519,436	139,852	59,649	121,353	31,197	1,264	160,295	262,858	51,266	1,347,170
Assets for remaining coverage eop	643,831	295,498	46,082	193,305	236,993	1,310	227,554	894,896	27,562	2,567,030
Change in prepaid asset LRC	124,395	155,646	(13,567)	71,952	205,796	45	67,259	632,038	(23,704)	1,219,860
Premiums received	(391,132)	(254,299)	(18,739)	(159,307)	(315,502)	(249)	(137,504)	(1,122,023)	4,621	(2,394,134)
Allocation of reinsurance premium	(266,737)	(98,653)	(32,306)	(87,355)	(109,706)	(204)	(70,245)	(489,985)	(19,083)	(1,174,274)
Assets recoverable on incurred claims bop	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 eop	1,239,283	765,150	111,419	398,232	30,183	-	173,358	256,088	6,031	2,979,745
Change in prepaid asset LIC	(664,530)	(117,559)	76,988	(34,725)	0	0	(4,570)	(90,296)	(1,220)	(835,911)
Amounts received	49,879	144,768	16,641	121,065	474	0	27,075	77	643	360,622
Amounts recoverable from reinsurers	(614,651)	27,209	93,629	86,340	474	0	22,505	(90,219)	(577)	(475,289)
Net income/(expense) from reinsurance contracts held	- 881,387.71	- 71,443.92	61,322.83	- 1,015.63	- 109,232.11	- 203.71	- 47,740.27	- 580,203.54	- 19,659.75	- 1,649,563.81
Insurance service result	**118,542**	**(177,251)**	**165,521**	**(71,481)**	**(81,070)**	**(55)**	**(81,676)**	**50,655**	**173**	**(76,642)**

Notes to the financial statements

6 Capital and Risk Management

6.1 Capital Management – Objectives, Policies and Approaches.

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

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

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

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

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

The Company has had no significant changes in its policies and processes to its capital structure during the period.

Analysis of shareholders funds		
In thousand of Naira	**31 Mach 2024**	**31 Dec 2023**
Total assets	59,559,248	52,903,215
Less: Total liabilites	24,892,959	19,442,204
Shareholders funds as at year end	**34,666,289**	**33,461,011**
Adjustment for non-capital items	52,104	46,277
Available capital resources	**34,614,185**	**33,414,734**
Changes in available capital	4%	40%

The Company's available capital is based on the shareholders'equity/fund as adjusted to reflect the full economic capital base available to absorb any unexpected volatility in results of operations. Thus, available capital resources, after adjusting for non-capital assets, is N26,543,674,000 (2021: N24,636,392,000) amounting to a decrease over the comparative period.

The Minimum Capital Requirement

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

In thousands of naira	**31 Mach 2024**	**31 Dec 2023**
Total shareholders' funds	34,666,289	33,461,011
Regulatory required capital	3,000,000	3,000,000
Excess over minimum capital	31,666,289	30,461,011
Capitalisation rate	1156%	1115%

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

The solvency margin requirement

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

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

Notes to the financial statements

The Company's solvency margin is as follows:

	In thousands of naira	31 Mach 2024	31 Dec 2023
	Assets		
	Cash and cash equivalents	5,721,629	5,485,795
	Financial assets	19,795,250	16,910,813
	Other receivables and prepayment	245,130	198,173
	Reinsurance contract assets	7,093,353	5,559,320
	Property and equipment	2,379,024	2,375,873
	Intangible Assets	52,104	46,277
	Investment Property	220,000	160,000
	Statutory deposit	700,000	700,000
	Total admissible assets	**38,624,673**	**31,436,251**
	Liabilities		
	Insurance contract liabilities	18,584,894	15,228,528
	Trade payables	5,081,571	1,857,339
	Other payables	845,121	1,991,020
	Defined benefit obligations	62,986	85,399
	Income tax liabilities	318,386	279,917
	Total admissible liabilities	**24,892,958**	**19,442,203**
	Excess of total admissible assets over admissible liabilities (solvency margin)	**13,731,715**	**11,994,048**
	Higher of (a) and (b):		
	Gross premium income	5,728,309	14,961,242
	Less: Reinsurance expense	(1,815,695)	(7,922,913)
	Net premium	3,912,614	7,038,329
(a)	**15% of net premium**	586,892	1,055,749
(b)	**Minimum paid up capital**	3,000,000	3,000,000
	The higher thereof:	**3,000,000**	**3,000,000**
	Excess of solvency margin over minimum capital base	**10,731,715**	**8,994,048**
	Solvency margin ratio	**458%**	**400%**

6.2 Insurance risk

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

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

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

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

(b) Management of insurance risk

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

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

Notes to the financial statements

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

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

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

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

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

Line of business	**31 Mach 2024**			**31 March 2023**		
In thousands of naira	**Gross premium**	**Reinsurance**	**Net**	**Gross premium**	**Reinsurance**	**Net**
Fire	1,060,743	(634,837)	425,906	1,016,899	(383,757)	633,142
Accident	595,667	(232,441)	363,226	617,071	(134,957)	482,114
Motor	1,725,848	(45,707)	1,680,141	1,118,536	(52,928)	1,065,608
Marine	524,896	(202,837)	322,059	355,468	(127,708)	227,760
Aviation	323,025	(528,758)	(205,733)	132,378	(110,195)	22,183
Bond	3,543	-	3,543	1,707	(290)	1,417
Engineering	347,156	(270,692)	76,464	246,762	(87,645)	159,117
Oil & Gas	3,773,440	(1,996,650)	1,776,790	2,037,120	(504,731)	1,532,389
Agric	8,372	(5,861)	2,511	2,103	(25,176)	-
	8,362,690	**(3,917,783)**	**4,444,907**	**5,528,044**	**(1,427,387)**	**4,123,730**

(d) **Key Assumptions**

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

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

(e) **Sensitivity Analysis**

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

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

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

Line of business	**31 Mach 2024**			**31 December 2023**		
In thousands of naira	**Liability for incurred claims**	**asset for incurred claims**	**Net liabilities**	**Liability for incurred claims**	**asset for incurred claims**	**Net liabilities**
Motor	1,215,330	136,106	1,079,224	871,587	116,869	754,718
Fire	3,677,818	1,653,959	2,023,859	3,089,303	1,820,592	1,268,711
General accident	2,380,074	1,251,324	1,128,750	2,058,249	1,093,519	964,730
Engineering	992,186	216,138	776,048	301,910	164,627	137,283
Marine	1,339,677	585,983	753,694	1,094,401	426,648	667,752
Bond	4,858	-	4,858	2,411	-	2,411
Aviation	485,503	100,444	385,059	314,383	50,222	264,161
Oil & Gas	3,355,253	663,324	2,691,929	2,279,728	333,066	1,946,662
Agric	20,367	11,665	8,702	12,379	7,384	4,995
	13,471,067	**4,618,943**	**8,852,122**	**10,024,351**	**4,012,928**	**6,011,424**

Notes to the financial statements

7 Cash and cash equivalents

Cash and cash equivalents comprise:

	31 Mach 2024	31 Dec 2023
	₦'000	₦'000
Cash in hand	603	900
Balances with banks & other financial institutions (see (a) below)	5,784,281	5,558,159
	5,784,884	5,559,059
Allowance for impairment (see (b) below)	(63,256)	(73,265)
Cash and bank balance as at year end	**5,721,629**	**5,485,795**

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

(b) Allowance for impairment

Balance as at the beginning of the year	73,266	127,421
Reversal	-	(11,843)
Write off (see (i) below)	(10,010)	(42,313)
Balance as at the end of the year (see '(c) below for details)	**63,256**	**73,266**

(ii) This relates to short term investments in Moribund banks – Profound Finance & Investment (N9.4m) and Capital Trust Investmet & Asset N0.6m) that were previously impaired but now written-off the books completely.

(c) Amount relates to short term investments with Resort Savings and Loans N63.3million which are fully impaired and their recoverability are in doubt.

8 Financial assets

The Company's financial assets comprise fair value through profit or loss financial assets, available-for-sale financial assets, loans and receivables and unquoted equity at cost.

	31 Mach 2024	31 Dec 2023
	₦'000	₦'000
Fair value through profit or loss (note 8.1)	3,064,140	2,443,132
Available-for-sale (note 8.2)	20,180,730	21,320,723
Loans and receivables (note 8.5)	284,698	248,770
Held to maturity (note 8.6)	15,180,118	12,761,953
	38,709,686	**36,774,578**

Financial instrument classification

In thousands of Naira	31 Mach 2024				
	Fair Value through Profit or Loss	**Available for Sale**	**Loans and Receivables**	**Held to Maturity**	**Total**
- Listed	3,064,140	2,158,703	-	810,410	6,033,253
- Unlisted	-	18,022,027	-	14,369,708	32,391,735
- Other financial assets	-	-	284,698	-	284,698
	3,064,140	20,180,730	284,698	15,180,118	38,709,686
Within one year	3,064,140	-	284,698	15,180,118	18,528,956
More than one year	-	20,180,730	-	-	20,180,730
	3,064,140	20,180,730	284,698	15,180,118	38,709,686

Financial instrument classification

In thousands of Naira	31 Dec 2023				
	Fair Value through Profit or Loss	**Available for Sale**	**Loans and Receivables**	**Held to Maturity**	**Total**
- Listed	2,443,132	3,298,694	-	810,410	6,552,236
- Unlisted	-	18,022,027	-	11,951,543	29,973,570
- Other financial assets	-	-	248,770	-	248,770
	2,443,132	21,320,721	248,770	12,761,953	36,774,576
Within one year	2,443,132	-	248,770	12,761,953	9,535,278
More than one year	-	21,320,721	-	-	19,870,365
	2,443,132	21,320,721	248,770	12,761,953	29,405,643

8.1 Fair value through profit or loss

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

In thousands of Naira	31 Mach 2024	31 Dec 2023
Balance as at the beginning of the year	2,443,132	1,637,485
Addition during the year	224,983	1,130,041
Disposal during the year	28,779	(326,389)
	2,696,894	2,441,137
Fair value gain	367,246	1,995
Balance as at the end of the year	**3,064,140**	**2,443,132**

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

Notes to the financial statements

8.2 Available for sale

Available for sale financial assets comprise:

In thousands of Naira	31 Mach 2024	31 DEC 2023
Unquoted equities - at FVTOCI (see (a) below)	17,943,000	17,943,000
Equity mutual funds	1,266,294	1,456,954
Bonds at FVTOCI	892,409	1,841,740
Unquoted equities - at cost	79,027	79,027
	20,180,730	**21,320,723**

Reconciliation of carrying amount

In thousands of naira	31 Mach 2024	31 DEC 2023
Balance as at the beginning of the year	**21,320,723**	16,918,365
Additions during the year	(1,139,992)	1,135,358
Fair value gain/(loss)	-	3,267,000
Balance as at the end of the period	**20,180,731**	**21,320,723**

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

Summary of Significant Assumptions

Description	31 Mach 2024	31 DEC 2023
Growth in gross income (GI)	16	16
Operating expenses / Gross income %	32	32
Depreciation and	2	2
Effective tax rate (Tax / Profit	32	32
Capital expenditure / Gross income % over the next 5	28, 2, 2, 2, 2	28, 2, 2, 2, 2
Perpetual growth rate %	5.2	5.2
Period counts over the next 5 years	0.5, 1.5, 2.5, 3.5, 4.5	0.5, 1.5, 2.5, 3.5, 4.5
Expected market rate of	31.16	31.16
Risk-free rate %	14	14
Market risk premium %	17.16	17.16
Beta	1	1
Weighted average cost of	31.16	31.16
Equity value of Stanbic IBTC	177.293	177.293
Illiquidity discount %	20	20
Value of Linkage Assurance	N14.676 billion	N14.676 billion

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

Sensitivity Analysis

At 31 March 2024

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

At 31 December 2023

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

Notes to the financial statements

8.5 Loans and receivables at March 2024

In thousands of Naira	Gross Amount ₦'000	Impairment ₦'000	Carrying Amount ₦'000
Loan to staff	260,761	-	260,761
Loan to policy holders	13,655	(13,655)	-
Ex-staff loans	59,446	(35,509)	23,937
	333,862	**(49,164)**	**284,698**

Loans and receivables at Dec. 2023

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

(a) Breakdown of Due from third parties

Name of third parties *In thousand of Naira*	31 Mach 2024 ₦'000	31 DEC 2023 ₦'000
Lease Fin. - Olumegbon	-	297
Tsf Fin. - Lease Fin.	-	927
Pine Hill Leasing	69,796	94,708
Lease-Glc Resources	-	4,374
Konikolo Trust Fund	-	49,087
Sunfair Comm. Prod. Ltd	-	1,500
Aquila Leasing Ltd.	-	-
Credite Capital Finance and Invest	26,544	38,635
Stanbic IBTC Bank Plc- CP	-	-
Total	**96,340**	**189,528**

(b) Impairment allowance

In thousands of Naira	31 Mach 2024	31 DEC 2023
Balance at the beginning of the year	(49,164)	(117,279)
Movement during the period	-	68,115
Balance at the end of the year	**(49,164)**	**(49,164)**

Loans and receivables are measured at amortised cost using the effective interest rate. The effective interest rate for the purpose of staff loan valuation is the applicable market lending rates at the time of availment. The impairment allowance of N117 million consists of N68 million impairment on due from third parties, N13.65 million on Loans to policy holders and N35.51million on ex-staff loans.

8.6 Held to maturity

In thousands of Naira	31 Mach 2024	31 DEC 2023
Balance at the beginning of the year	12,818,138	7,777,272
Redemption/Repayment during the year	830,701	(616,233)
	13,648,839	**7,161,039**
Additions during the period	1,531,279	5,657,099
	15,180,118	**12,818,138**
Impairment loss	-	(56,186)
Balance at the end of the year	**15,180,118**	**12,761,952**

9 Trade receivables

In thousands of Naira	31 Mach 2024	31 DEC 2023
Due from broker	2,418,182	278,764
	2,418,182	**278,764**

10 Reinsurance assets

In thousands of Naira	31 Mach 2024	31 DEC 2023	Changes during the year
Reinsurance asset for remaining coverage (note 10(a))	3,190,216	1,316,484	1,873,732
Reinsurance asset for loss component (note 10 c)	7,532	7,532	
Reinsurance asset for Risks Adjustments (note 10 (d))	520,863	528,707	
Reinsurance asset for incurred claims (note 10(b))	3,793,570	4,012,927	(219,357)
Deferred commission revenue (see (i) below)	(418,828)	(306,330)	
	7,093,353	**5,559,320**	**1,654,375**

(i) Deferred commission revenue represents the acquisition commission income received in advance on insurance contract policies ceded to

Notes to the financial statements

(a) Movement in reinsurance asset on remaining coverage excluding loss component

In thousands of Naira	**31 Mach 2024**	**31 DEC 2023**
Balance at the beginning of the year	1,316,483	1,159,893
Additions during the year	1,873,733	156,590
Balance at the end of the year	**3,190,216**	**1,316,483**

(b) Movement in reinsurance asset on incurred claims

In thousands of Naira	**31 Mach 2024**	**31 DEC 2023**
Balance at the beginning of the year	4,012,926	3,815,655
Movement during the year (see note 17.1(a))	(219,356)	197,271
Balance at the end of the year	**3,793,570**	**4,012,926**

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

(c) Movement in reinsurance asset for loss component

In thousands of Naira	**31 Mach 2024**	**31 DEC 2023**
Balance at the beginning of the year	7,532	187,277
Additions during the year	-	(179,745)
Balance at the end of the year	**7,532**	**7,532**

(d) Movement in reinsurance asset for risks Adjustments

In thousands of Naira	**31 Mach 2024**	**31 DEC 2023**
Balance at the beginning of the year	528,707	-
Additions during the year	(7,844)	528,707
Balance at the end of the year	**520,863**	**528,707**

Movement in deferred commission revenue

In thousands of Naira	**31 Mach 2024**	**31 DEC 2023**
Balance at the beginning of the year	306,330	259,747
Additions during the year	112,498	46,583
Balance at the end of the year	**418,828**	**306,330**

11 Other receivables and prepayments

In thousands of Naira	**31 Mach 2024**	**31 DEC 2023**
Prepayments (see (a) below)	629,889	297,168
Other receivables (see (b) below)	490,601	356,922
	1,120,490	654,090
Allowance for impairment	-	(2,602)
	1,120,490	**651,488**

(a) Prepayments

In thousands of Naira	**31 Mach 2024**	**31 DEC 2023**
Prepaid staff benefits (see (i) below)	245,130	198,173
Deposits with stock broker (see (ii) below)	-	2,602
Prepaid rent	12,452	10,543
Other prepaid expenses (see (iii) below)	372,307	85,850
	629,889	**297,168**

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

(b) Other receivables

In thousands of Naira	**31 Mach 2024**	**31 DEC 2023**
Withholding tax recoverable	188,289	162,088
Sundry receivables (see (i) below)	302,312	194,834
	490,601	356,922
Allowance for impairment	-	(2,602)
	490,601	**354,320**

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

Movement in allowance for impairment

In thousands of Naira	**31 Mach 2024**	**31 DEC 2023**
Balance at the beginning of the year	2,602	2,602
Reversal*	(2,602)	-
Balance at the end of the year	**-**	**2,602**

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

Notes to the financial statements

12 Right-of-use assets

	31 Mach 2024	31 DEC 2023
Cost	**N'000**	**N'000**
Balance at the beginning of the year	**35,387**	35,387
Balance at the end of the year	**35,387**	**35,387**
Accumulated Amortisation		
Balance at the beginning of the year	**21,877**	13,642
Charge for the year	2,059	8,235
Balance at the end of the year	**23,936**	**21,877**
Carrying amount		
Balance at the end of the year	**11,449**	**13,508**

13 Investment properties

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

S/N	Location of asset	Carrying amount as at 1 January 2022	Additions	Disposals	Reclassification	Fair value gain/(loss)	Carrying amount as at 31 Dec 2022
		N'000	N'000	N'000	N'000	N'000	N'000
1	No. 9C Shekinah Green Estate, Apo District, Abuja.	110,000	-	-	-	-	110,000
2	No. 11C Shekinah Green Estate, Apo District, Abuja.	110,000	-	-	-	-	110,000
		220,000	-	-	-	-	220,000

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

(b) Reconciliation of carrying amount

In thousands of Naira	31 March 2024	31 DEC 2023
Balance at the beginning of the year	220,000	160,000
Fair value gain/(loss)	-	60,000
Balance at the end of the year	**220,000**	**220,000**

(c) Measurement of fair values

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

In thousands of Naira	31 March 2024	31 DEC 2023
Level 1	-	-
Level 2	-	-
Level 3	220,000	220,000
	220,000	**220,000**

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.	-Rentals for similar property -Rate of development in the area -Quality of the building and repairs. -Influx of people and/or businesses to the area	The estimated fair value would increase (decrease) if the rate of development in the area increases (decreases), quality of the building increases (decreases), influx of people and/or business to the area increases (decreases).

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

14 Intangible assets

In thousands of Naira	31 March 2024	31 DEC 2023
Cost		
Balance at the beginning of the year	120,113	88,400
Addition during the year	9,138	31,713
Disposal during the year	-	0
Balance at the end of the year	**129,250**	**120,113**
Accumulated Amortisation		
Balance at the beginning of the year	73,836	67,556
Charge for the year	3,310	6,280
Disposal during the year	-	-
Balance at the end of the year	77,147	73,836
Net Book Value		
Balance at the end of the year	**52,104**	**46,277**

Notes to the financial statements

15 Property and equipment

31 Mach 2024

In thousands of Naira	Land	Buildings	Motor Vehicles	Office furniture & fittings	Office Machinery & Equipment	Building (Work in progress)	Total
Cost/valuation							
At 1 January 2024	1,439,150	581,182	1,988,558	167,999	320,938	275,880	4,773,706
Additions	-	-	67,228	23,772	18,326	76,018	185,344
Reclassification						(9,138)	(9,138)
Revaluation Surplus	-	-	-	-		-	-
Disposal	-	-	(71,235)	-	-	-	(71,235)
31 March 2024	1,439,150	581,182	1,984,551	191,771	339,264	342,761	4,878,677
Accumulated depreciation							
At 1 January 2024	-	103,957	824,688	157,202	235,611	-	1,321,458
Charge for the year	-	3,046	99,195	2,538	11,322	-	116,101
Disposal	-	-	(71,235)	-	-	-	(71,235)
31 March 2024	-	107,003	852,648	159,740	246,934	-	1,366,323
Carrying amount							
31 March 2024	1,439,150	474,180	1,131,903	32,031	92,329	342,761	3,512,355
At 31 December 2023	1,439,150	477,225	1,163,870	10,797	85,326	275,880	3,452,249

Property and equipment
At 31 December 2023

In thousands of Naira	Land	Buildings	Motor Vehicles	Office furniture & fittings	Office Machinery & Equipment	Building (Work in progress)	Total
Cost/valuation							
At 1 January 2023	847,420	287,818	1,023,951	165,404	305,892	85,861	2,716,345
Additions	-	804	1,016,857	2,595	30,326	181,792	1,232,374
Revaluation Surplus	591,730	292,561	-	-		8,227	892,518
Reclass from investment propertie	-	-	-	-	-	-	-
Disposal	-	-	(52,250)	-	(15,280)	-	(67,530)
At 31 December 2023	1,439,150	581,182	1,988,558	167,999	320,938	275,880	4,773,706
Accumulated depreciation							
At 1 January 2023	-	99,246	671,610	150,732	210,080	-	1,131,667
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	824,688	157,202	235,611	-	1,321,458
Carrying amount							
At 31 December 2023	1,439,150	477,225	1,163,870	10,797	85,326	275,880	3,452,249
At 31 December 2022	847,420	188,572	352,341	14,674	95,811	85,861	1,584,678

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

Class of PPE	31 March 2024			31 December 2023		
In thousands of Naira	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Land	-	-	1,439,150	-	-	1,439,150
Building	-	-	474,180	-	-	477,225
Building (work in progress)	-	-	342,761	-	-	275,880
	-	**-**	**2,256,091**	**-**	**-**	**2,192,255**

In December 2020, the Company's land and buildings were revalued. The Company engaged the services of an independent valuer, Andy Bassey & Associate Estate Surveyors & Valuers (FRC/2012/NIESV/00000000363). The Company revalues its land and buildings every three years as stated in its accounting policy.

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 2023: nil)

d) There was no item of property and equipment that has been pledged as security for borrowings as at the period ended 31 March 2024 (December 2023: nil)

e) An impairment assessment was conducted and no impairment indicator was identified.

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

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

Notes to the financial statements

		31 Mach 2024	31 DEC 2023
16	**Statutory deposit**	**₦'000**	**₦'000**
	Statutory deposit with CBN	700,000	700,000

The statutory deposit represents the Company's deposit with the Central Bank of Nigeria in compliance with the Insurance Act of Nigeria. The amount is not available for the day-to-day funding operations of the Company. It is therefore regarded as restricted cash. Subsequent to year end, a deposit of N200 million was made by the Company to the Central Bank of Nigeria on 23 June 2022 to increase its statutory deposit from N500 million to N700 million.

		31 Mach 2024	31 DEC 2023
17	**Insurance contract liabilities**	**₦'000**	**₦'000**
	Liability for incurred claims (note 17.1(a))	10,764,543	10,024,351
	RISK ADJUSTMENT RESERVE - LIC	1,302,513	1,320,718
	Liabiity for remaining coverage (excluding loss component) (note 17.5)	7,837,317	4,596,976
	Liability for Loss Component	14,226	14,226
		19,918,599	15,956,271
	Amortised acquisition cash flow cost (see note 17.3)	(1,333,705)	(727,743)
	Total insurance contract liabilities	**18,584,894**	**15,228,528**

17.1 Analysis of liability for incurred claims (LIC) based on nature

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

	31 Mach 2024			31 DEC 2023		
In thousands of Naira	**Reported LIC**	**Reinsurance asset for incurred claims**	**Net**	**Reported LIC**	**Reinsurance asset for incurred claims**	**Net**
Balance at the beginning of the year	10,024,351	4,012,927	6,011,424	9,572,174	3,815,655	5,756,519
Movement during the year	740,192	(219,357)	959,549	452,177	197,272	254,905
Balance at the end of the year	**10,764,543**	**3,793,570**	**6,970,973**	**10,024,351**	**4,012,927**	**6,011,424**

(b) Analysis of liability for incurred claims (LIC) per class of business:

	31 Mach 2024			31 DEC 2023		
In thousands of Naira	**Gross LIC**	**Reinsurance asset for incurred claims**	**Net**	**Gross LIC**	**Reinsurance asset for incurred**	**Net**
Motor	854,272	97,909	756,363	871,587	116,869	754,718
Fire	3,049,092	1,603,166	1,445,926	3,089,303	1,820,592	1,268,711
General accident	2,105,722	1,106,690	999,032	2,058,249	1,093,519	964,730
Engineering	934,525	172,717	761,808	301,910	164,627	137,283
Marine	1,047,162	422,416	624,746	1,094,401	426,648	667,753
Bond	2,429	-	2,429	2,411	-	2,411
Aviation	369,243	50,222	319,021	314,383	50,222	264,161
Oil & Gas	2,389,661	333,066	2,056,595	2,279,728	333,066	1,946,662
Agric	12,437	7,384	5,053	12,379	7,384	4,995
	10,764,543	**3,793,570**	**6,970,973**	**10,024,351**	**4,012,927**	**6,011,424**

The Liability Adequacy Test (LAT) as at 31 December 2023 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.

Notes to the financial statements

17 .2 Asset for acquisition cost cash flow

Asset for acquisition cost cash flow represents commissions on unearned premium relating to the unexpired period of risks and comprise:

In thousands of Naira	**31 Mach 2024**	**31 DEC 2023**
Motor	217,570	162,788
Fire	191,922	152,258
Accident	103,797	69,949
Engineering	76,473	52,336
Marine	78,192	51,208
Bond	1,611	1,944
Aviation	33,977	19,106
Oil & Gas	628,978	217,701
Agric	1,185	453
	1,333,705	**727,743**

17.2a Movement in the asset for acquisition costs cash flow

In thousands of Naira	**31 Mach 2024**	**31 DEC 2023**
Balance at the beginning of the year	727,743	543,059
(Decrease) / increase during the year (see note 36.1)	605,962	184,684
Balance at the end of the year	**1,333,705**	**727,743**

17 .3 **RISK ADJUSTMENT RESERVE - LIC**

	31 Mach 2024	**31 DEC 2023**
RISK ADJUSTMENT LIC- ACCIDENT	350,416	354,149
RISK ADJUSTMENT LIC - ENGINEERING	62,716	63,674
RISK ADJUSTMENT LIC - MARINE	38,278	39,112
RISK ADJUSTMENT LIC- MOTOR	138,854	141,145
RISK ADJUSTMENT LIC- FIRE	443,256	450,783
RISK ADJUSTMENT LIC- OIL & GAS	239,544	242,049
RISK ADJUSTMENT LIC- AVIATION	27,601	27,935
RISK ADJUSTMENT LIC - BOND	320	323
RISK ADJUSTMENT LIC- AGRIC	1,528	1,548
	1,302,513	**1,320,718**

17 .4 **Liability for Loss Component**

	31 Mach 2024	**31 DEC 2023**
RESERVE FOR AURR - ACCIDENT	14,226.00	14,226
RESERVE FOR AURR - ENGINEERING	-	-
RESERVE FOR AURR - MARINE	-	-
RESERVE FOR AURR - MOTOR	-	-
RESERVE FOR AURR - FIRE	-	-
RESERVE FOR AURR - OIL & GAS	-	-
RESERVE FOR AURR - AVIATION	-	-
RESERVE FOR AURR - BOND	-	-
RESERVE FOR AURR- AGRIC	-	-
	14,226	**14,226**

Notes to the financial statements

17.5 Breakdown of liability for remaining coverage (LRC) per class of business:

In thousands of Naira	31 Mach 2024 Liability for remaining coverage	31 Mach 2024 Reinsurance Held on remaining coverage	31 Mach 2024 Net	31 DEC 2023 Liability for remaining coverage	31 DEC 2023 Reinsurance Held on remaining coverage	31 DEC 2023 Net
Motor	1,748,409	21,539	1,726,870	1,521,739	7,567	1,514,172
Fire	1,011,495	598,790	412,705	844,701	469,947	374,754
General accident	567,164	266,447	300,717	375,441	186,580	188,861
Engineering	408,340	254,202	154,138	264,308	104,805	159,503
Marine	274,003	194,088	79,915	275,732	162,065	113,667
Bond	1,952,076	592	1,951,484	10,974	1,016	9,958
Aviation	596,438	377,775	218,663	96,342	-	96,342
Oil & Gas	1,271,813	1,475,669	(203,856)	1,205,198	384,370	820,828
Agric	7,579	1,114	6,465	2,541	134	2,407
	7,837,317	**3,190,216**	**4,647,101**	**4,596,976**	**1,316,484**	**3,280,492**

(a) The movement in the liability for remaining coverage is shown below:

In thousands of Naira	31 Mach 2024 Liability for remaining coverage	31 Mach 2024 Reinsurance asset for remaining coverage	31 Mach 2024 Net	31 DEC 2023 Liability for remaining coverage	31 DEC 2023 Reinsurance asset for remaining coverage	31 DEC 2023 Net
Balance at the begining of the year	4,596,976	1,324,018	3,272,958	3,239,553	1,347,171	1,965,215
Movement	3,240,341	1,866,198	1,374,143	1,357,423	(23,153)	1,380,576
Balance at the end of the year	**7,837,317**	**3,190,216**	**4,647,101**	**4,596,976**	**1,324,018**	**3,272,958**

The movement in the liability for loss component is shown below:

In thousands of Naira	31 Mach 2024 Liability for Loss Component	31 Mach 2024 Reinsurance asset for loss component	31 Mach 2024 Net	31 DEC 2023 Liability for Loss Component	31 DEC 2023 Reinsurance asset for loss component	31 DEC 2023 Net
Balance at the begining of the year	14,226	7,532	6,694	381,593	187,277	194,316
Movement	0	-	0	(367,367)	(179,745)	(187,622)
Balance at the end of the year	**14,226**	**7,532**	**6,695**	**14,226**	**7,532**	**6,694**

18 Hypothecation

-4596976
-

In thousands of Naira	31 Mach 2024 Insurance fund	31 Mach 2024 Shareholders fund	31 Mach 2024 Total	31 DEC 2023 Insurance fund	31 DEC 2023 Shareholders fund	31 DEC 2023 Total
Assets						
Cash and cash equivalents	5,371,629	350,000.00	5,721,629	5,135,795	350,000	5,485,795
Financial assets	16,712,188	21,997,498	38,709,686	13,983,520	22,791,060	36,774,580
Reinsurance assets	7,093,353	-	7,093,353	5,559,320	-	5,559,320
Other receivables and prepayments	-	1,120,490	1,120,490	-	651,488	651,488
Investment properties	-	220,000	220,000	-	220,000	220,000
Intangible assets	-	52,104	52,104	-	71,710	71,710
Property and equipment	-	3,512,355	3,512,355	-	3,452,249	3,452,249
Statutory deposit	-	700,000	700,000	-	700,000	700,000
Total assets	29,177,170	27,952,447	57,129,617	24,678,635	28,236,507	52,915,142
Liabilities						
Insurance contract liabilities	18,584,894	-	18,584,894	15,228,528	-	15,228,528
Trade payables	-	5,081,571	5,081,571	-	1,857,339	1,857,339
Other payables	-	845,121	845,121	-	1,991,020	1,991,020
Defined benefit obligations	-	62,986	62,986	-	85,399	85,399
Income tax liabilities	-	318,386	318,386	-	279,917	279,917
Total liabilities	18,584,894	6,308,064	24,892,958	15,228,528	4,213,675	19,442,203
GAP	10,592,276	21,644,383	32,236,659	9,450,107	24,022,832	33,472,939

Notes to the financial statements

19 Trade payables

	31 Mach 2024	31 DEC 2023
	₦'000	₦'000
Insurance payables (note 19.1)	5,762,686	2,797,802
Due from Reinsurers	(681,115)	(661,699)
	5,081,571	**2,136,103**

19.1 Insurance payables

	31 Mach 2024	31 DEC 2023
	₦'000	₦'000
Commission payables to brokers	1,885,832	435,902
Premium received in advance	40,134	35,531
Due to re-insurers (see 'a' below)	3,689,439	2,196,508
Other payables to agents and brokers (see 'b' below)	147,281	129,861
	5,762,686	**2,797,802**

Movement in insurance payables	31 Mach 2024	31 DEC 2023
	₦'000	₦'000
Balance at the beginning of the year	2,797,802	1,140,673
Addition in the year	2,964,884	1,657,129
Balance at the end of the year	**5,762,686**	**2,797,802**

(a) This is a payable to reinsurance companies as at 31 March 2024

(b) This represents business acquisition costs payable to agents and brokers as at 31 March 2024 (Dec. 2023: N129.9million)

19.2 Analysis of debtors in days

In thousands of Naira	31 Mach 2024	31 DEC 2023
Within 30 days	(2,418,182)	-
	(2,418,182)	**-**

20 Other payables

	31 Mach 2024	31 DEC 2023
	₦'000	₦'000
Due to Auditors	10,085	5,382
NAICOM levy	83,627	163,329
Expenses payable (see note 20.1)	1,250,159	746,532
Other payables (see note 20.2a)	(841,750)	732,771
	502,121	1,648,014
Provision for litigation (see note 20.2b)	343,000	343,000
	845,121	**1,991,014**

	31 Mach 2024	31 DEC 2023
	₦'000	₦'000
Deferred commission income as at 1 January	306,330	259,747
Fees and commission received during the year	1,573,117	1,507,202
Fees and commission earned during the year	(1,460,619)	(1,460,619)
Deferred commission income at the end of the period	418,828	306,330

20.1 Expenses payable

	31 Mach 2024	31 DEC 2023
	₦'000	₦'000
Expenses accrued (see (i) below)	1,250,159	746,532
	1,250,159	**746,532**

(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 March 2024.

20.2 Other liabilities

(a) Other payables

	31 Mach 2024	31 DEC 2023
	₦'000	₦'000
National Housing Fund (NHF)	1,025	1,025
Pension for Life agents/Company	604	604
Deposit without details (see (c) below)	(1,055,132)	669,197
Withholding Tax Payables	1,887	623
Sundry payables	209,866	61,328
	(841,750)	**732,777**

Notes to the financial statements

(b) Provisions

	31 Mach 2024	31 DEC 2023
	₦'000	₦'000
Provision for litigation (see (i) below)	343,000	343,000

(i) Included in provision for litigation is additional provision of N243 million which represents estimated outflow from a judgment delivered against the Company during the year. The case is being handled by Hybrid Solicitors with FRC number FRC/2021/00000013862; and solicitor's response was duly signed by Adepate Demilade with FRC number FRC/2021/002/00000022694. The total estimated liability as at March 2024 is N346million (Dec. 2023: N346million). The case is currently being appealed at the Court of Appeal.

22 Defined benefit obligations

	Defined benefit liability		Fair value of plan assets		Defined benefit liability / (asset)	
	31 Mach 2024	31 Dec 2023	31 Mach 2024	31 DEC 2023	31 Mach 2024	31 DEC 2023
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
At the beginning of the year	200,479	186,753	(115,081)	(102,432)	85,399	84,321
Current service cost	-	-	-	-	-	-
Past service cost	-	-	-	-	-	-
Interest cost (income)	-	-	-	-	-	-
Contribution by employer	-	42,000	(3,762)	-	(3,762)	42,000
Benefits paid by the employer	(18,651)	(28,274)		(12,648)	(18,651)	(40,922)
Actuarial (gain)/loss on liability arising from:					-	-
- Assumptions	-	-	-	-	-	-
- Experience	-	-	-	-	-	-
At the end of the year	**181,827**	**200,479**	**(118,843)**	**(115,080)**	**62,986**	**85,399**

The Company operates a defined benefit plan for qualifying employees on services rendered. With effect from 1 January 2014, employees who have served at least 5 years are entitled to a gratuity on a defined benefit scale which is graduated. The new benefit formula applies to benefit accruing from services rendered in the prior and future years. The Company commenced funding of plan in 2017.

Actuarial valuation of the defined benefit obligation was carried out by O&A Hedge Actuarial Consulting with FRC number FRC/2019/00000012909. The valuation report was signed by Layemo B. Abraham with FRC number FRC/2016/NAS/00000015764.

23 Income tax liabilities

In thousands of Naira	31 Mach 2024	31 DEC 2023
At the beginning of the period	279,917	157,845
Charge for the year (note 23.1)	38,469	225,365
Back duty assessment	127	62,121
Payment during the period	(127)	(165,413)
At the end of the period	**318,386**	**279,917**

23.1 Tax charge

In thousands of Naira	31 Mach 2024	31 DEC 2023
Income tax (CIT)	38,469	287,486
Minimum tax expense	-	-
Tertiary education tax	-	-
NITDA Levy	-	-
Police Trust Fund levy	-	-
	38,469	287,486
Back duty assessment		
Tax expense/(credit)	38,469	287,486
	38,469	**287,486**

24 Deferred taxation

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Notes to the financial statements

		31 Mach 2024	31 DEC 2023
25	**Share capital**	**₦'000**	**₦'000**
	Authorized - ordinary shares of 50k each (30,000,000,000 units)	**15,000,000**	**15,000,000**

25.1	**Issued and fully paid**	**31 Mach 2024**	**31 DEC 2023**
	Authorised - ordinary shares of 50k each (14,000,000,000 units)	**₦'000**	**₦'000**
	At the beginning of the year	**7,000,000**	**7,000,000**
	At the end of the year	**7,000,000**	**7,000,000**

26	**Share premium**	**31 Mach 2024**	**31 DEC 2023**
		₦'000	**₦'000**
	At the end of the year	**560,294**	**560,294**

27	**Contingency reserve**	**31 Mach 2024**	**31 DEC 2023**
		₦'000	**₦'000**
	At the beginning of the year	3,885,984	3,395,997
	Transfer from retained earnings (see Note 28)	250,881	489,987
	At the end of the year	**4,136,865**	**3,885,984**

Contingency reserve for general insurance business is calculated in accordance with section 21(2) and 22(1)(b) of the Insurance Act of Nigeria, as the higher of 3% of gross premiums and 20% of net profit for the year.

28	**Retained earnings**	**31 Mach 2024**	**31 DEC 2023**
		₦'000	**₦'000**
	At the beginning of the year	1,829,158	(2,387,008)
	Profit for the year	730,903	4,706,152
	Transfer to contingency reserve (see Note 27)	(250,881)	(489,987)
	At the end of the year	**2,309,181**	**1,829,158**

29	**Assets revaluation reserve**	**31 Mach 2024**	**31 DEC 2023**
		₦'000	**₦'000**
	At the beginning of the year	1,721,291	828,773
	Revaluation gain/(loss) on property and equipment	-	892,518
	At the end of the year	**1,721,291**	**1,721,291**

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.

30 Other reserves

Other reserves include fair value and re-measurement reserves. The fair value reserve comprises the cumulative net change in the fair value of the Company's available-for-sale investments while the re-measurement reserve comprises the actuarial gains and losses on defined benefits post employment plan. These are presented below:

30.1	**Fair value reserve**	**31 Mach 2024**	**31 DEC 2023**
		₦'000	**₦'000**
	Balance as at January 1	**17,766,355**	**14,423,389**
	Fair value gain/ (loss) during the year (See Note 8.2)*	(61,756)	**3,342,966**
	Balance as at 31 December	**17,704,599**	**17,766,355**

30.2	**Re-measurement reserve**	**31 Mach 2024**	**31 DEC 2023**
		₦'000	**₦'000**
	Balance as at January 1	**55,639**	**55,639**
	Balance as at 31 December	**55,639**	**55,639**

30.3	**Insurance finance reserve**	**₦'000**	**₦'000**
		₦'000	**₦'000**
	Balance as at January 1	**642,296**	
	Addition	**536,124**	**642,296**
	Balance as at 31 October	**1,178,420**	**642,296**

Notes to the financial statements

31 Insurance Service revenue (note 31 a)	2024	2023
	₦'000	₦'000
Changes in Liability for remaining coverage	(2,634,381)	(2,331,495)
Amortisation of insurance acq. cash flows	1,996,140	1,103,566
Insurance acquisition cash flows	(2,602,102)	(1,479,154)
Premiums received	8,362,690	5,528,044
Insurance revenue (see note 31a below)	5,122,347	2,820,961

31a Insurance Service revenue (see notes 31a (i-iii)

	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	Total
Insurance Service revenue 2024	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Liability For remainaing coverage at beginning	692,442	319,719	1,358,950	224,523	77,235	9,029	211,972	987,498	2,088	3,883,456
Liability For remainaing coverage at end	879,448	477,593	1,804,264	364,333	128,980	7,634	331,867	2,517,323	6,395	6,517,836
Changes Liability for remaining coverage	(187,006)	(157,874)	(445,314)	(139,810)	(51,744)	1,396	(119,895)	(1,529,826)	(4,307)	(2,634,381)
Premiums received	1,060,743	595,667	1,725,848	524,896	323,025	3,543	347,156	3,773,440	8,372	8,362,690
Amortisation of insurance acq. cash flows	285,220	145,523	413,317	148,155	94,965	1,515	87,095	818,567	1,783	1,996,140
Insurance acquisition cash flows	(324,884)	(179,371)	(468,099)	(175,139)	(109,836)	(1,182)	(111,232)	(1,229,844)	(2,515)	(2,602,102)
Insurance revenue	**834,073**	**403,945**	**1,225,752**	**358,102**	**256,410**	**5,272**	**203,124**	**1,832,337**	**3,333**	**5,122,347**

Insurance Service revenue 2023	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
Changes Liability for remaining coverage	-358,074	-279,936	-479,805	-149,669	-16,486	-1,037	-115,170	-949,233	17,915	(2,331,495.11)
Premiums received	1,016,899	617,071	1,118,536	355,468	132,378	1,707	246,762	2,037,120	2,103	5,528,044.00
Amortisation of insurance acq. cash flows	217,372	125,183	193,128	72,217	35,415	355	50,283	403,486	6,128	1,103,566.00
Insurance acquisition cash flows	(252,198)	(182,111)	(233,900)	(96,433)	(36,420)	(454)	(65,054)	(611,600)	(985)	(1,479,154.00)
Insurance revenue	623,999	280,207	597,959	181,583	114,887	571	116,821	879,773	25,161	2,820,961

Liability For remainaing coverage excluding loss companent at beginning

2024	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
31ai Liability For remainaing coverage excluding loss companent at beginning	844,700	375,441	1,521,738	275,731	96,341	10,973	264,308	1,205,199	2,541	4,596,972
Liability For remainaing coverage excluding loss companent at the end	1,071,370	567,163	2,021,834	442,525	162,957	9,245	408,340	3,146,301	7,580	7,837,315
Movement	226,670	191,722	500,096	166,794	66,615	(1,729)	144,032	1,941,103	5,039	3,240,343

2023										
Liability For remainaing coverage excluding loss companent at beginning	610,725	265,385	977,286	158,204	48,822	2,409	170,938	569,716	54,475	2,857,960
Liability For remainaing coverage excluding loss companent at the end	1,003,625	602,250	1,497,863	332,089	66,314	3,545	300,878	1,727,062	31,417	5,565,043
Movement	392,900	336,864	520,577	173,885	17,491	1,136	129,941	1,157,347	(23,058)	2,707,083

31aii Loss companent

2024	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
loss component at beginning		14,226								14,226
loss component at the end	-	14,226	-	-	-	-	-	-	-	14,226
Movement	-	-	-	-	-	-	-	-	-	-

2023	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
loss component at beginning	174,386	64,773	-	24,949	-	-	52,330	59,443	5,713	381,594
loss component at the end	174,386	64,773	-	24,949	-	-	52,330	59,443	5,713	381,594
Movement	-	-	-	-	-	-	-	-	-	-

Notes to the financial statements

Asset for acquisition cash flows

2024

		FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
31a (iii)	**Asset for acquisition cash flows at the beginning**	152,258	69,949	162,788	51,208	19,106	1,944	52,336	217,701	453	727,743
	Asset for acquisition cash flows at the beginning	191,922	103,797	217,570	78,192	33,977	1,611	76,473	628,978	1,185	1,333,705
	Changes in asset for acquisition cash flows	(39,664)	(33,848)	(54,782)	(26,984)	(14,871)	333	(24,137)	(411,277)	(732)	(605,962)

Acquisition cash flows	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
Changes in asset for acquisition cash flows	(39,664)	(33,848)	(54,782)	(26,984)	(14,871)	333	(24,137)	(411,277)	(732)	(605,962)
Acquistion cash flow	188,605	109,213	185,013	94,068	62,885	683	63,731	754,688	1,256	1,460,142
Business Acquisition expenses	136,279	70,158	283,086	81,071	46,951	499	47,501	475,156	1,259	1,141,960
Total	285,220	145,523	413,317	148,155	94,965	1,515	87,095	818,567	1,783	1,996,140

2023	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
Acquistion cash flow	160,551	117,590	122,554	64,178	22,133	293	44,986	407,424	315	940,024
Changes in asset for acquisition cash flows	(34,826)	(56,928)	(40,772)	(24,216)	(1,005)	(99)	(14,771)	(208,114)	5,143	(375,588)
Business Acquisition expenses	91,647	64,521	111,346	32,255	14,287	161	20,068	204,176	670	539,130
Total	217,372	125,183	193,128	72,217	35,415	355	50,283	403,486	6,128	1,103,566

Premiums received

	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
Gross Premium - 2024	1,060,743	595,667	1,725,848	524,896	323,025	3,543	347,156	3,773,440	8,372	8,362,690
Gross Premium - 2023	1,016,899	617,071	1,118,536	355,468	132,378	1,707	246,762	2,037,120	2,103	5,528,044

32	Insurance service expenses (note 32 a)	2024	2023
		₦'000	₦'000
	Changes to liabilities for incurred claims	(721,990)	702,222
	Interest accreted (incl. change of rates) to insurance contracts	(368,533)	-
	Claims and other expenses paid	(995,522)	(846,695)
	Amortisation of insurance acquisition cash flows	(1,996,140)	(1,103,566)
	Insurance revenue (See note 32 a below)	(4,082,185)	(1,248,039)

32 a	Insurance service expense	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
	2024	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
	Liabilities for incurred claims at the beginning	3,540,086	2,412,397	1,012,733	1,133,512	342,318	2,734	365,584	2,521,777	13,927	**11,345,068**
	Liabilities for incurred claims at the end	3,487,975	2,481,258	978,820	1,085,139	391,845	2,749	996,102	2,629,205	13,965	**12,067,058**
	Changes to liabilities for incurred claims	**52,111**	**-68,861**	**33,913**	**48,373**	**-49,527**	**-15**	**-630,518**	**-107,428**	**-38**	**-721,990**
	Interest accreted (incl. change of rates) to insurance contracts	(74,656)	(93,021)	(30,700)	(59,360)	(13,013)	(17)	(12,421)	(84,913)	(432)	**-368,533**
	Claims Paid	(158,916)	(200,426)	(268,288)	(84,920)	(16,814)	-	(55,576)	(37,826)	-	**-822,766**
	Other Expenses	(21,913)	(12,305)	(35,652)	(10,843)	(6,673)	(73)	(7,172)	(77,952)	(173)	**-172,756**
	Claims and other expenses paid	**(180,829)**	**(212,731)**	**(303,940)**	**(95,763)**	**(23,487)**	**(73)**	**(62,748)**	**(115,778)**	**(173)**	**-995,522**
	Amortisation of insurance acquisition cash flows	(285,220)	(145,523)	(413,317)	(148,155)	(94,965)	(1,515)	(87,095)	(818,567)	(1,783)	(1,996,140)
	Total for Insurance contracts issued	**-488,593**	**-520,136**	**-714,045**	**-254,906**	**-180,991**	**-1,620**	**-792,782**	**-1,126,686**	**-2,426**	**-4,082,185**

Notes to the financial statements

2023	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
Changes to liabilities for incurred claims	**685802.24**	**(29081.53)**	**(89199.25)**	**(54397.98)**	**(7019.15)**	**(18.53)**	**(34043.41)**	**228323.27**	**1856.31**	702,222
Interest accreted (incl. change of rates) to insurance contracts										
Claims Paid	(63,278)	(214,013)	(179,284)	(115,217)	(40,486)	0	(59,338)	(15,201)	(989)	(687,806)
Other Expenses	(29,228)	(17,736)	(32,149)	(10,217)	(3,805)	(49)	(7,093)	(58,552)	(60)	(158,889)
Claims paid and other expenses	**(92,506)**	**(231,749)**	**(211,433)**	**(125,434)**	**(44,291)**	**(49)**	**(66,431)**	**(73,753)**	**(1,049)**	**(846,695)**
Amortisation of insurance acquisition cash flows	(217,372)	(125,183)	(193,128)	(72,217)	(35,415)	(355)	(50,283)	(403,486)	(6,128)	(1,103,566)
Total for Insurance contracts issued	**375,925**	**(386,014)**	**(493,760)**	**(252,049)**	**(86,725)**	**(422)**	**(150,757)**	**(248,915)**	**(5,322)**	**(1,248,039)**

	2024	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
32a(i)	Liability for Incurred claims at beginning	2,465,223	1,785,924	513,198	804,047	198,982	-	244,674	1,321,271	4,507	7,337,826
	Liability for incurred claims at the end	2,415,993	1,856,490	478,908	754,346	247,984	-	875,724	1,424,069	4,507	8,058,021
	Movement	(49,230)	70,566	(34,290)	(49,701)	49,002	-	631,050	102,798	-	720,195

2023	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
Liability for Incurred claims at beginning	2,227,427	1,446,604	361,217	795,180	110,380	-	257,967	1,524,049	9,233	6,732,056
Liability for incurred claims at the end	1,534,368	1,474,133	448,476	847,302	116,847	-	291,592	1,289,761	7,356	6,009,834
Movement	(693,059)	27,528	87,259	52,122	6,468	-	33,624	(234,287)	(1,877)	(722,222)

	2024	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
32a(ii)	Liability for incurred cmails But Not Reported (IBNR) at beginning	624,080	272,325	358,390	290,353	115,401	2,412	57,235	958,457	7,872	2,686,525
	Liability for incurred claims But Not Reported (IBNR) at the end	628,726	274,352	361,058	292,515	116,260	2,430	57,661	965,592	7,931	2,706,525
	Movement	4,646	2,027	2,668	2,162	859	18	426	7,135	59	20,000

2023	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
Liability for incurred claims But Not Reported (IBNR) at beginning	1,030,538	220,584	275,527	323,220	78,229	2,668	59,501	846,928	2,923	2,840,118
Liability for incurred claims But Not Reported (IBNR) at the end	1,037,795	222,137	277,467	325,496	78,780	2,687	59,920	852,892	2,943	2,860,118
Movement	7,257	1,553	1,940	2,276	551	19	419	5,964	20	20,000

	2024	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
32a(iii)	Liability for Risk Adjustment at beginning	450,783	354,148	141,145	39,112	27,935	322	63,675	242,049	1,548	1,320,717
	Liability for Risk Adjustment at the end	443,256	350,415	138,854	38,278	27,601	319	62,717	239,544	1,528	1,302,512
	Movement	(7,527)	(3,733)	(2,291)	(834)	(334)	(3)	(958)	(2,505)	(20)	(18,205)

2023	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
Liability for Risk Adjustment at beginning	241,790	201,463	51,919	28,227	28,290	321	25,472	344,818	921	923,221
Liability for Risk Adjustment at the end	241,790	201,463	51,919	28,227	28,290	321	25,472	344,818	921	923,221
Movement	-	-	-	-	-	-	-	-	-	-

32a(iv) Claims and other expenses paid

2024	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
Claims Paid	158,916.00	200,426.00	268,288.00	84,920.00	16,814.00	-	55,576.00	37,826.00	-	822,766
Other attributed expenses	21,913	12,305	35,652	10,843	6,673	73	7,172	77,952	173	172,756
Claims and other expenses paid	180,829	212,731	303,940	95,763	23,487	73	62,748	115,778	173	995,522

Notes to the financial statements

2023	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
Claims Paid	63,278	214,013	179,284	115,217	40,486	-	59,338	15,201	989	687,806
Other attributed expenses	29,228	17,736	32,149	10,217	3,805	49	7,093	58,552	60	158,889
Claims and other expenses paid	92,506	231,749	211,433	125,434	44,291	49	66,431	73,753	1,049	846,695

Analysis of asset for remaining coverage per class

33 Allocation of reinsurance premiums

	2024	2023
	₦'000	₦'000
Changes in Asset for remaining coverage and Loss componet	1,873,732	1,219,860
Reinsurance Premiums paid	(3,689,427)	(2,394,134)
Total allocation of reinsurance premiums (See note 33a below)	(1,815,695)	(1,174,274)

33 a Allocation of reinsurance premiums 2024

2024	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
Asset for remaining coverage	469,946	194,112	7,567	162,065	0	1,016	104,804	384,370	135	**1,316,483**
Asset for remaining coverage	598,789	273,979	21,539	194,088	377,775	592	254,201	1,475,670	1,114	**3,190,215**
Changes in Asset for remaining coverage	128,843	79,867	13,972	32,023	377,775	-424	149,397	1,091,300	979	**1,873,732**
Reinsurance Premiums paid	-632,208	-40,545	-50,136	-185,127	-524,773	127	-286,580	-1,963,047	-7,138	**-3,689,427**
Allocation of reinsurance premium	**-503,365**	**39,322**	**-36,164**	**-153,104**	**-146,998**	**-297**	**-137,183**	**-871,748**	**-6,159**	**-1,815,695**

2023	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
Changes in Asset for remaining coverage excluding loss componet	124,395	155,646	-13,567	71,952	205,796	45	67,259	632,038	-23,704	1,219,860
Changes in Asset for Loss Componet										
Changes in Asset for remaining coverage and Loss componet	124,395	155,646	-13,567	71,952	205,796	45	67,259	632,038	-23,704	1,219,860
Reinsurance Premiums paid	-391,132	-254,299	-18,739	-159,307	-315,502	-249	-137,504	-1,122,023	4,621	-2,394,134
Allocation of reinsurance premium	**-266,737**	**-98,653**	**-32,306**	**-87,355**	**-109,706**	**-204**	**-70,245**	**-489,985**	**-19,083**	**-1,174,274**

33a(i)

2024	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
Asset for remaining coverage excluding loss componet at beginning	469,946	186,580	7,567	162,065	-	1,016	104,804	384,370	135	1,316,483
Asset for remaining coverage excluding loss componet at the end	598,789	266,447	21,539	194,088	377,775	592	254,201	1,475,670	1,114	3,190,215
Movement	128,843	79,867	13,972	32,023	377,775	(424)	149,397	1,091,300	979	1,873,732

2023	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
Asset for remaining coverage excluding loss componet at beginning	417,532	105,558	59,649	111,695	31,197	1,264	130,966	254,174	47,858	1,159,893
Asset for remaining coverage excluding loss componet at the end	541,927	261,204	46,082	183,647	236,993	1,310	198,225	886,212	24,154	2,379,753
Movement	124,395	155,646	- 13,567	71,952	205,796	45	67,259	632,038	- 23,704	1,219,860

33a(ii) **Change in asset for loss component**

2024	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
Asset for Loss Component at beginning		7,532								
Asset for Loss Component at the end		7,532								
Movement	-	-	-	-	-	-	-	-	-	-

Notes to the financial statements

2023	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
Asset for Loss Component at beginning	101,904	34,294	-	9,658	-	-	29,329	8,684	3,408	187,277
Asset for Loss Component at the end	101,904	34,294	-	9,658	-	-	29,329	8,684	3,408	187,277
Movement	-	-	-	-	-	-	-	-	-	-

33a(iii) **Analysis of reinsurance premium allocation**

2024	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
Reinsurance contract issued	634,837	278,917	45,707	202,837	528,758	-	270,692	1,996,650	5,861	3,964,259
Comission Income	2,629	238,372	(4,429)	17,710	3,985	127	(15,888)	33,603	(1,277)	274,832
Net Expenses for Reinsurance contract issued	632,208	40,545	50,136	185,127	524,773	(127)	286,580	1,963,047	7,138	3,689,427

2023	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
Reinsurance contract issued	508,152	290,603	39,361	199,660	315,991	335	154,904	1,136,769	1,472	2,647,247
Comission Income	117,020	36,304	20,622	40,353	489	86	17,400	14,746	6,093	253,113
Net Expenses for Reinsurance contract issued	391,132	254,299	18,739	159,307	315,502	249	137,504	1,122,023	(4,621)	2,394,134

34 Amount Recoverable from reinsurers for incured claims

	2024	2023
	₦'000	₦'000
Changes in Assets recoverable for incurred claims	(227,201)	(835,911)
Interest accreted	144,641	-
Recovery received	174,753	360,622
	92,193	(475,289)

34a Amount Recoverable from reinsurers for incured claims

	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
Amount Recoverable from reinsurers for incured claims - 2024	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Asset Recoverable on Incurred claims at beginning	2,058,437	1,237,097	134,563	482,468	56,850	-	186,920	376,947	8,357	4,541,639
Asset Recoverable on Incurred claims at end	1,837,040	1,248,755	115,315	477,045	56,770	-	194,675	376,493	8,344	4,314,438
	(221,397)	11,658	(19,248)	(5,423)	(80)	-	7,755	(454)	(13)	(227,201)
Interest accreted	44,374	47,929	5,626	24,559	2,219	0	6,510	13,145	279	144,641
Recovery received	29,101	93,982	33,029	3,334	0	0	600	14,707	0	174,753
Amounts recoverable from reinsurance held	(147,922)	153,569	19,407	22,470	2,139	-	14,865	27,398	266	92,193

Amount Recoverable from reinsurers for incured claims - 2023	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
Movement in Asset for incurred claims	(664,530)	(117,559)	76,988	(34,725)	0	0	(4,570)	(90,296)	(1,220)	**-835,911**
Movement in Asset for Risk Adjustmnet	0	0	0	0	0	0	0	0	0	**0**
Movement in Assets recoverable for incurred claims	-664,530	-117,559	76,988	-34,725	0	0	-4,570	-90,296	-1,220	**-835,911**
Recovery received	49,879	144,768	16,641	121,065	474	0	27,075	77	643	**360,622**
Amounts recoverable from reinsurance held	**-614,651**	**27,209**	**93,629**	**86,340**	**474**	**0**	**22,505**	**-90,219**	**-577**	**-475,289**

34a(i) **Asset for incurred claims**

2024	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
Asset for incurred claims at beginning	1,769,800	948,885	78,672	263,081	-	-	121,205	2,808	3,102	3,187,553
Asset for incurred claims at the end	1,552,374	962,057	59,712	258,849	-	-	129,296	2,808	3,102	2,968,196
Movement	(217,426)	13,172	(18,960)	(4,232)	-	-	8,091	-	-	(219,357)

2023	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
Asset for incurred claims at beginning	1,750,732	861,179	27,258	417,019	-	-	175,637	101,410	6,317	3,339,552
Asset for incurred claims at the end	1,086,202	743,620	104,246	382,294	-	-	171,067	11,114	5,097	2,503,641
Movement	- 664,530	- 117,559	76,988	- 34,725	-	-	- 4,570	- 90,296	- 1,220	- 835,911

Notes to the financial statements

34a(ii) **Asset for Incurred claim But Not Reported (IBNR)**

2024	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
Asset for incurred claims But Not Reported (IBNR) at beginning	50,792	144,634	38,198	163,568	50,221	-	43,421	330,259	4,282	825,375
Asset for incurred claims But Not Reported (IBNR) at the end	50,792	144,634	38,198	163,568	50,221	-	43,421	330,259	4,282	825,375
Movement	-	-	-	-	-	-	-	-	-	-

2023	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
Asset for incurred claims But Not Reported (IBNR) at beginning	153,081	21,530	7,173	15,938	30,183	-	2,291	244,974	934	476,104
Asset for incurred claims But Not Reported (IBNR) at the end	153,081	21,530	7,173	15,938	30,183	-	2,291	244,974	934	476,104
Movement	-	-	-	-	-	-	-	-	-	-

34a(iii) **Asset for Risk Adjustmnet**

2024	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
Asset for risk adjustment at beginning	237,845	143,578	17,693	55,819	6,629	-	22,294	43,880	973	528,711
Asset for risk adjustment at the end	233,874	142,065	17,405	54,629	6,549	-	21,959	43,426	960	520,867
Movement	(3,971)	(1,513)	(288)	(1,190)	(80)	-	(335)	(454)	(13)	(7,844)

34a(iii) **Analysis of amount recoverable on incurred claims**

2024	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
Treaty and Fac	26,696	42,614	8,450	1,404	-	-	661	32,122	-	111,947
Other Recovery	2,405	51,368	24,579	1,930	-	-	(61)	(17,415)	-	62,806
Recovery Received	29,101	93,982	33,029	3,334	-	-	600	14,707	-	174,753

2023	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL & GAS	AGRIC	TOTAL
Treaty and Fac	49,826	95,156	8,664	69,056	474	-	26,485	77	643	250,381
Other Recovery	53	49,612	7,977	52,009	-	-	590	-	-	110,241
Recovery Received	49,879	144,768	16,641	121,065	474	-	27,075	77	643	360,622

35 Analysis of other attributable expenses

	2024	2023
	₦'000	₦'000
Staff costs (see note 38)	87,081	88,226
Directors' emoluments (see note 38)	5,495	10,349
Retirement benefit cost (see note 38)	5,911	7,494
Other operating expenses (note 38)	74,269	52,819
	172,756	**158,888**

The above expenses represent part of the entity's operating expenses that were allocated to operations. Non-specific operating expense of the entity are allocated between operational and administrative expenses in the ratio 40:60 respectively.

36 Investment income

	2024		2023
	₦'000		₦'000
Interest income	707,469		277,753
Investment income per statement of profit or loss and OCI	707,469	-	277,753
Investment income for hypothecation	**707,469**	**-**	**277,753**

Notes to the financial statements

36 (i)	Investment and other income	2024	2023
		N'000	N'000
	Interest revenue calculated using the effective interest method	454,318	221,007
	Other interest and similar income	657,931	557,159
	Net fair value gains/(losses) on financial assets at fair value through profit or loss	(37,535)	(1,303)
		1,074,714	**776,863**

36 (ii)	Net Insurance finance result	2024	2023
		N'000	N'000
	Insurance finance expenses total	424,029	- 288,006
	Insurance finance from which OCI	939,873	- 312,359
		- 515,844	**24,353**
	Insurance Finacce income for reinsurance contracts issued	**- 200,143**	
	from which through OCI	**403,750**	**- 422,948**
		203,607	**- 398,595**
	Interest accreted to Insurance contracts	**- 424,029**	
	Interest accreted to reinsurance contracts	**200,143**	**- 312,359**
		- 223,886	**- 312,359**

36 (iii)	Hypothecation of investment income	2024	2023
		₦'000	₦'000
	Investment income that relate to policyholders (note 37.2)	95,106	84,979
	Investment income that relate to shareholders (note 37.3)	612,363	362,732
		707,469	**4,708,923**

36(iv)	Investment income that relate to policy holders	2024	2023
		₦'000	₦'000
	Income from money market	95,106	84,979
		95,106	**84,979**

36 (v)	Investment income that relate to shareholders	2024	2023
		₦'000	₦'000
	Income from money market	103,636	27,958
	Income from bonds	227,810	152,447
	Other investment income	280,917	182,327
		612,363	**4,445,991**

36 (vi)	Net fair value gains/(loss) on financial assets at fair value through profit or loss	2024	2023
		₦'000	₦'000
	Fair value change on FVTPL securities	**367,246**	**93,109**
	This includes fair value losses on investments in bonds and equity securities.		

37	Other operating (loss)/income (net)	2024	2023
		₦'000	₦'000
	Sundry income	2,597	1,127
	Gain on sale of property & equipment	52,914	9,716
	Exchange gains (see (a) below)	1,736,418	225,201
		1,791,929	**236,044**

Notes to the financial statements

38 Maintenance and management expenses

Maintenance and management expenses comprise:

	2024			2023		
In thousands of Naira	**Maintenance Expenses**		**Management Expenses**	**Maintenance Expenses**		**Management Expenses**
Staff cost	87,081		130,621	88,226		132,339
Director emoluments	5,495		8,242	10,349		15,524
Pension contribution	3,105		4,658	3,294		4,940
Retirement benefits	2,806		4,209	4,200		6,300
Outsourcing cost	29,773		44,659	22,974		34,462
Advertising & publicity	5,626		8,440	3,608		5,413
Marketing expenses	3,290		4,936	3,454		5,181
Medical	5,277		7,916	4,427		6,641
Staff training & development	14,759		22,138	6,758		10,138
Corporate Expense	15,543			11,597		-
AGM expenses			6,250			3,000
Bank charges			30,700			15,352
Depreciation on PPE			119,059			54,528
Amortisation on ROU			2,059			2059
Diesel and fuel			76,111			22,017
Entertainment			1,164			1,358
Industrial training fund			-			- 5,653
Insurance expenses			25,348			7,170
Insurance supervision fee			94,131			66,350
Legal and secretarial expenses			6,613			16,125
Retail agents expenses			10,917			6,365
Lighting & heating			3,334			2,973
Maintenance expense			30,064			29,889
Newspapers & periodicals			96			405
Postage and telephone			11,195			8,072
Consultancy expenses			125,295			44,193
Rent & rate			8,099			8,171
Stationaries			3,586			2,804
Subscriptions, contributions & donations			22,856			14,676
Transport and business travels			9,029			3,289
Withholding tax & VAT			160,535			42,100
Audit fee			4,703			4,281
Rebranding expenses			57,511			51,661
Others			57,220			24,525
Total	**172,756**		**1,101,694**	**158,889**	0	**646,647**

38 (i) Emplyees benefits

	2024		**2023**
	₦'000		**₦'000**
Short-term benefits	229,420	-	1,657,371
Post-employment benefits	7,763		32,368
	237,183	-	**1,689,739**

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

	31 Mach 2024	31 March 2023
	₦'000	₦'000
Fair value gain / (loss) in available-for-sale investments - unquoted equities	61,756	15,000
Fair value gain on Equity Mutual Funds	-	1,034
	61,756	**16,034**

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 Mach 2024	31 March 2023
Profit attributable to ordinary shareholders (N'000)	**730,903**	**46,671**
Weighted average number of ordinary shares	**14,000,000**	**14,000,000**
Basic and diluted earnings per share (Kobo)	**5.2**	**0.3**

Cashflow reconciliation

a) Other operating cash payments

In thousands of Naira	31 Mach 2024	31 Dec 2023
	₦'000	₦'000
Management expenses (less staff expenses)	(940,607)	(1,738,359)
Adjustment for items not involving movement of cash:		
Changes in unearned premium	(3,240,341)	(473,238)
Depreciation and amortisation expense	119,059	222,886
Amortisation on ROU	2,059	7,337
Impairment gain	-	39,311
Exchange gain/(loss)	1,698,883	(300,281)
Sundry loss/(income)	2,597	(5,013)
Profit/(Loss) on sale of PPE	52,914	(28,954)
Asset derecognition	-	1,194
Current service cost	-	18,938
Net interest cost		13,697
Fair value gain or loss on securities	-	
Revaluation gain on investment properties	-	-
Operating cash flows before movements in working capital	**(2,305,436)**	**(2,242,482)**
Changes in trade payables	2,945,468	414,279
Changes in trade payables (Provision for Litigation)	-	(3,000)
Changes in insurance contract liabilities	-	-
Changes in defined benefit obligation	22,413	
Changes in company income tax liabilities	(38,469)	
Other sundry (payable)/receivable	(3,035,098)	82,850
Changes in Other receivables and prepayment	(469,002)	(471,563)
Changes in outstanding claims	721,987	-
Changes in other payables	(1,145,893)	206,977
	(3,304,030)	**(2,012,939)**

b) Premium received from policy holders

In thousands of Naira	31 Mach 2024	31 Dec 2023
	₦'000	₦'000
Trade receivable at 1 January	278,764	199,857
Gross premium written during the year	8,126,649	14,784,198
Trade receivable at end of the period	(2,418,182)	(278,764)
Premium received in advance	(40,134)	(35,531)
	5,947,097	**14,669,760**

c) **Recovery and recoverable from reinsurers**	**31 Mach 2024**	**31 Dec 2023**
In thousands of Naira	**₦'000**	**₦'000**
Reinsurance claims recoveries (note 35(a))	157,160	1,155,073
Salvage recovery (note 35)	17,593	121,099
	174,753	**1,276,172**

d) **Reinsurance premium paid**	**31 Mach 2024**	**31 Dec 2023**
In thousands of Naira	**₦'000**	**₦'000**
Reinsurance premium cost (note 33.1)	3,900,031	5,100,153
Facultative outwards (note 33.1)	64,228	874,782
Due to reinsurers as at end of the period	(3,689,439)	(714,068)
Movement in treaty premium surplus	3,602,861	481,525
	3,877,681	**5,742,392**

e) **Commission paid**	**31 Mach 2024**	**31 Dec 2023**
In thousands of Naira	**₦'000**	**₦'000**
Commission payable to brokers at 1 January	435,902	264,463
Commission cost	1,460,142	2,615,057
Business acquisition cost (Note 36.1)	1,141,960	1,772,127
Commission payable to brokers at 31 December	(1,885,832)	(435,902)
Other payables to agents and brokers	147,281	10,574
	1,299,453	**4,226,319**

f) **Commission received**	**31 Mach 2024**	**31 Dec 2023**
In thousands of Naira	**₦'000**	**₦'000**
Deferred commission revenue at 1 January	(306,330)	(159,844)
Deferred commission revenue at current period	418,828	306,330
Movement	112,498	99,903
Commission income earned during the year	377,577	1,042,246
Profit Comm. & Comm. Adjustment	-	-
Lead underwriting commission	9,753	19,111
Commission income received during the year	**499,828**	**1,161,261**

g) **Interest received**	**31 Mach 2024**	**31 Dec 2023**
In thousands of Naira	**₦'000**	**₦'000**
Interest income earned during the year	707,469	1,391,271
Interest received during the year	**707,469**	**1,391,271**

h) **Movement in financial assets** **31 Mach 2024**

In thousands of Naira	**Fair value through P/L**	**Available for sale**	**Loans & receivables**	**Held to maturity**	**Total Movement**
Addition	224,983	(1,139,992)	62,728	1,531,279	678,998
Disposals/redempetion	28,779	-	-	830,701	859,480
Loan repayment	-	-	(17,853)	-	(17,853)
Impairment	-	-	11,929	-	11,929
Fair value (loss)/gain	367,246	-	-	-	367,246
	621,008	**(1,139,992)**	**56,804**	**2,361,980**	**1,899,800**

Movement in financial assets **31 Dec 2023**

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

i) Purchase of property and equipment

In thousands of Naira	31 Mach 2024 ₦'000	31 Dec 2023 ₦'000
Addition for the year per movement schedule	185,344	334,346
Cash flow on addition to property and equipment	**185,344**	**334,346**

j) Sale of property and equipment

In thousands of Naira	31 Mach 2024 ₦'000	31 Dec 2023 ₦'000
Costs of assets disposed	71,235	74,647
Accumulated depreciation on assets disposed	(71,235)	(73,260)
Proceeds on sale of disposed asset	(26,194)	(30,341)
Profit/(Loss) on disposal	**(26,194)**	**(28,954)**

k) Finance lease obligation

In thousands of Naira	31 Mach 2024 ₦'000	31 Dec 2023 ₦'000
Balance at the beginning of the year	-	-
Payments made during the year	-	-
Balance at the end of the year (see note 21)	-	-

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

In thousands of Naira	31 Mach 2024 ₦'000	31 Dec 2023 ₦'000
Staff cost	217,702	662,724
Director emolument	13,737	67,690
Pension contribution	7,763	20,335
Retirement benefits	7,015	71,221
Contract staff cost	74,432	128,182
Medical	13,193	28,469
	333,842	978,622

Cash and cash equivalents

	31 Mach 2024 ₦'000	31 Dec 2023 ₦'000
Cash in hand	900	1,097
Balances with banks & other financial institutions	5,484,893	4,258,410
	5,485,793	**4,259,507**

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:

Sale of insurance contracts

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

Notes to the financial Statements

47 Contravention

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

48 Other related party transactions

Linkage Assurance Plc is represented on the Board of IBTC Pension Manager by a member of the key management personnel. IBTC Pension Managers is one of the Pension Funds Administrators (PFAs) to some of the Company's staff.

49 Events after the reporting period

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

50 Commitments

The Company had no capital commitments at the reporting date.

Statement of Value Added
For the period ending

	31 March 2024		31 December 2023	
	₦'000	**%**	**₦'000**	%
Net premium	2,038,882	182	7,038,329	(174)
Investment income	1,074,714	96	5,674,933	(73)
Other income	1,791,929	160	4,010,956	(36)
Claims incurred, commissions paid and operating expenses (local)	(3,782,869)	(337)	(9,777,239)	383
Value added	**1,122,656**	**100**	**6,946,979**	**100**
Distribution:				
Employees and directors (staff cost)	237,183	21	1,689,739	(31)
Government (taxes)	38,469	3	287,486	(1)
Asset replacement (depreciation)	116,101	10	263,602	(6)
Contingency reserve	250,881	23	489,987	1
Expansion (retained on the business)	480,022	43	4,216,165	138
	1,122,656	**100**	**6,946,979**	**100**

Financial Summary

	31 Mach 2024 ₦'000	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000	31 Dec 2021 ₦'000	31 Dec 2020 ₦'000
Statement of financial position					
Assets					
Cash and cash equivalents	5,721,629	5,485,795	4,236,501	3,476,699	3,592,711
Financial assets	38,709,686	36,774,578	26,469,021	27,584,351	25,144,141
Trade receivables	2,418,182	278,764	199,857	81,468	63,974
Reinsurance contract assets	7,093,353	5,559,320	5,281,166	4,639,643	2,445,920
Deferred acquisition cost	-	-	543,059	432,828	328,812
Other receivables and prepayments	1,120,490	651,488	779,997	333,655	501,131
Right-of-use assets	11,449	-	160,000	-	-
Investment property	220,000	220,000	20,844	157,500	150,000
Intangible assets	52,104	46,277	1,584,679	36,866	1,199
Property and equipment	3,512,355	3,452,249	21,744	1,467,178	1,349,516
Statutory deposit	700,000	700,000	700,000	500,000	300,000
Total assets	**59,559,248**	**53,168,471**	**39,996,868**	**38,710,188**	**33,877,403**
Liabilities					
Insurance contract liabilities	18,584,894	15,228,528	12,811,727	11,635,256	5,728,661
Trade payables	5,081,571	2,136,103	1,140,673	765,141	704,169
Provision and other payables	845,121	1,991,014	1,001,996	1,053,785	922,984
Finance lease obligations	-	-	-	-	219
Retirement benefit obligations	62,986	85,399	84,321	89,659	62,981
Income tax liabilities	318,386	279,917	157,845	60,257	82,565
Deferred tax liabilities	-	-	-	-	-
Total liabilities	**24,892,959**	**19,720,963**	**15,196,562**	**13,604,098**	**7,501,579**
Capital and reserves					
Issued and paid-up share capital	7,000,000	7,000,000	7,000,000	7,000,000	5,000,000
Share premium	560,294	560,294	560,294	560,294	729,044
Contingency reserve	4,136,865	3,885,984	3,395,997	2,882,618	2,547,773
Retained earnings	2,309,181	1,829,158	(1,463,786)	(3,517,298)	3,308,185
Assets revaluation reserve	1,721,291	1,721,291	828,773	828,773	828,773
Re-measurement reserve	55,639	55,639	55,639	5,040	13,244
Fair value reserve	17,704,599	17,766,355	14,423,389	17,346,660	13,948,807
Total equity	**33,487,869**	**32,818,721**	**24,800,306**	**25,106,087**	**26,375,826**
Total liabilities and equity	**58,380,828**	**52,539,684**	**39,996,868**	**38,710,184**	**33,877,405**
Statement of profit or loss					
Premium received	8,362,690	12,979,789	12,979,789	11,161,499	8,331,841
Insurance revenue	5,122,347	6,611,555	7,077,688	5,428,543	4,450,402
Insurance service result	(683,339)	218,195	506,162	(2,584,189)	825,589
(Profit/(loss) before taxation	769,372	2,452,716	2,696,182	(3,878,914)	2,436,069
Taxation	(38,469)	(122,857)	(129,291)	(111,724)	(19,882)
(Profit/(loss) before taxation	730,903	2,329,859	2,566,891	(3,990,638)	2,516,187
Transfer to contingency reserve	250,881	465,972	513,379	334,845	479,002
Dividend	-	-	-	(500,000)	-
Transfer to revenue reserve	480,022	2,329,859	2,566,891	(3,825,483)	2,037,185
Basic earnings per share (kobo)	5.2	16.6	18.3	(28.5)	24.0