



Unaudited Financial Statements
for the Period Ended
31 December, 2024

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Corporate Information

Company Registration Number	162306
Date of Incorporation	Tuesday, March 26, 1991
Tax Identification Number:	01334256-0001
Company Type	Public Limited Liability Company
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.ev.com
Reinsurers	African Reinsurance Corporation, Lagos, Nigeria Swiss Reinsurance Company Ltd, Zurich, Switzerland Continental Reinsurance Plc, Lagos, Nigeria WAICA Reinsurance, Sierra Leone Arab Insurance Company, Bahrain Cathedral @ Underwriter Syndicates No. 2010 MMX, London ZEP-RE (PTA Reinsurance Company), Nairobi, Kenya Atrium Underwriting Limited @ Lloyd's Underwriter Syndicate, UK Hannover Ruck SE, Hannover, Germany
Principal Bankers	Access Bank Plc. Ecobank Nigeria Plc. FCMB Limited. Fidelity Bank Plc. First Bank of Nigeria Limited. Guaranty Trust Bank Plc. Heritage Bank Limited. Keystone Bank Limited. Polaris Bank Limited. Stanbic IBTC Bank Limited. Union Bank Plc. United Bank for Africa Plc. Unity Bank Plc. Zenith Bank Plc.
Actuary	O & A Hedge Actuarial Consulting
FRC Registered No.	FRC/2012/0000000000339

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 December 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
30 Jan 2025



Dr. Emmanuel Otitolaiye
Chief Financial Officer
FRC/2014/ICAN/00000008524
30 Jan 2025

FINANCIAL HIGHLIGHTS	31 Dec 2024	31 Dec 2023	Changes
	₦'000	₦'000	(%)
Comprehensive income statement			
Insurance revenue	22,528,892	14,835,202	52
Insurance service expenses	(14,680,995)	(10,795,403)	36
Insurance service result before reinsurance contracts held	7,847,897	4,039,799	94
Insurance service result	527,776	261,595	102
Investment and other income	9,164,741	8,719,864	5
Profit before taxation	5,298,982	5,463,744	(3)
Profit after taxation	5,034,033	5,281,591	(5)
Statement of financial position			
	31 Dec 2024	31 Dec 2023	
Total assets	59,081,584	52,862,109	12
Insurance contract liabilities	17,950,780	15,340,788	17

Our Performance

Insurance revenue grew by 52% to N22.5billion as at December 2024 from N14.8billion recorded in prior year. The Company achieved an investment income of N9.2billion against an income of N8.7billion in the prior year. Profit before tax stood at N5.2billion. The major driver is investment income which was buoyed by the dividend income of N2.1billion received from Stanbic IBTC Pension Managers Ltd.

Outlook

As an organization, we shall continue to refine our strategy in line with our strategic focus for the year and theme. Our theme for 2024 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

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

The Company’s high standard in corporate policies and governance are designed to encourage transparency in all its activities as well as ensure the protection of the long-term interest of all stakeholders.

1.1 Principal activity

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

1.2 Basis of presentation and preparation

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

a) Statement of compliance

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

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

b) Basis of measurements

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

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

2 Changes in accounting policies and disclosures

2.1 New and amended standards and interpretations

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

2.1.1 Insurance contracts and insurance contract liabilities

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods on or after 1 January 2023.

The Company has restated comparative information for 2022 applying the transitional provisions to IFRS17.

The nature of the changes in accounting policies can be summarised, as follows:

2.1.1.1 Changes to classification and measurement

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

The Company was previously permitted under IFRS 4 to continue accounting using its previous accounting policies. However, IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Company.

Under IFRS 17, the Company’s insurance contracts issued, and reinsurance contracts held are all eligible to be measured by applying the PAA. The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17.

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

- The liability for remaining coverage reflects premiums received less deferred insurance acquisition cash flows and less amounts recognised in revenue for insurance services provided.
- Measurement of the liability for remaining coverage includes an adjustment for the time value of money and the effect of financial risk where the premium due date and the related period of services are more than 12 months apart
- Measurement of the liability for remaining coverage involves an explicit evaluation of risk adjustment for non- financial risk when a
- Measurement of the liability for incurred claims (previously claims outstanding and incurred-but-not-reported (IBNR claims) is determined on a discounted probability-weighted expected value basis and includes an explicit risk adjustment for non-financial risk. The liability includes the Company’s obligation to pay other incurred insurance expenses.

- Measurement of the asset for remaining coverage (reflecting reinsurance premiums paid for reinsurance held) is adjusted to include a loss-recovery component to reflect the expected recovery of onerous contract losses where such contracts reinsure onerous direct contracts.

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

2.1.1.1 Changes to presentation and disclosure

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

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

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

Portfolios of insurance contracts issued include any assets for insurance acquisition cash flows.

The line-item descriptions in the statement of profit or loss and other comprehensive income have been changed significantly compared with past years. Previously, the Company reported the following line items:

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

The Company provides disaggregated qualitative and quantitative information about:

- Amounts recognised in its financial statements from insurance contracts.
- Significant judgements, and changes in those judgements, when applying the standard

2.1.1.2 Transition

On transition date, 1 January 2023, the Company:

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

2.1 New and amended standards and interpretations - continued

2.1.1 Insurance contracts and insurance contract liabilities - continued

Reconciliation of Statement of Financial Position

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

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023
Transition disclosures

Statement of profit and loss and other comprehensive income restatement

	Note	IFRS 4 N'000	Derecognition N'000	Remeasurement N'000	IFRS 17 December N'000
Gross premiums written		12,979,789			-
Increase in unearned premium		(473,238)			-
Gross premium income		12,506,551	(12,506,551)	-	-
Insurance revenue		-	-	(1)	12,506,552
Insurance Service expense		-	-	-	(10,772,115)
Insurance service result before reinsurance contracts held		-			1,734,437
Reinsurance expenses		(5,428,863)			-
Allocation of reinsurance premium for incurred claims	A,I,K	-	-	(678,310)	(4,367,507)
Insurance service result		-			(1,201,436)
Net premium income		7,077,688	(7,077,688)	-	-
Fees and commission income		1,061,358	(1,061,358)	-	-
Net underwriting income		8,139,046			-
Claims expenses		(2,473,624)	2,473,624	-	-
Underwriting expenses		(5,159,260)	5,159,260	-	-
Underwriting profit		506,162			-
Net insurance finance (expenses)/ income		-			755,664
Net Investment Income					
Investment income		4,706,423			973,356
Net Fair value loss on financial assets at FVTPL		(182,281)			(182,281)
Net fair value gain on investment property		2,500			-
Net trading income					4,011,603
Other operating income		341,048			399,260
Other expenses		(2,716,981)		-	2,716,981.00
Credit loss reversal on financial assets		39,311			(164,202)
Result from operating activities (IFRS 4)		2,696,182			-
IFRS 17 Financial insurance results		-			2,320,755
Profit before taxation		2,696,182			1,874,983
Income tax expense		(129,291)	-		(129,291)
Profit after taxation		2,566,891			1,745,691
Other comprehensive income:					
Items that will be reclassified subsequently to profit or loss					
Net fair value (loss)/gain on available-for-sale financial assets		(2,952,000)			-
Net fair value gain on debts instruments measured at fair		28,729			28,729
ECL on debt instrument on fair value through OCI		-			34,449
		(2,923,271)			63,178
Items that will not be reclassified subsequently to profit or loss					
Net fair value gain/(loss) on equity		-			(2,952,000)
Re-measurement gain on defined benefit plan (net of tax)		50,599			50,599
the year, net of tax		(2,872,672)			(2,838,223)
Total comprehensive income for the year		(305,781)			(1,092,531)

Notes to the financial statements

2.1 New and amended standards and interpretations – continued

1.1.1 IFRS 9 Financial Instruments

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

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

1.1.1.1 Changes to classification and measurement

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

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

- Financial assets at fair value through profit or loss, including equity instruments
- Debt instruments at fair value through other comprehensive income, with gains or losses recycled
- Equity instruments at fair value through other comprehensive income, with no recycling of gains or losses to profit or loss on derecognition (not used by the Company)
- Debt instruments at amortised cost

The Company's classification of its financial assets is explained in Note 3.

1.1.1.2 Changes to the impairment calculation

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

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

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

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

1.1.1.3 Changes to the impairment calculation - continued

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

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

2.1 New and amended standards and interpretations - continued

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

1.1.2 IFRS 9 Financial Instruments - continued

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

1.1.2.1 Changes in disclosure – IFRS 7

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

Notes to the financial statements - continued

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

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

In thousands of Nigerian Naira		1-Jan-23						
		IAS 39 measurement		IFRS 9 measurement				
	Category	Amount	Re-classification	ECL	Deferred Tax	Amount	Category	
Financial assets								
Cash and cash equivalents	a.c	L&R	4,309,767	-	(121,325)	-	4,188,442	AC
Loans and advances	a.c	L&R	249,121	-	-	-	249,121	AC
Debt instruments at amortised cost	a.c		N/A	6,452,218	(237,316)	-	6,214,902	AC
From: Investment securities - Held to maturity	a			6,452,218	(237,316)	-	6,214,902	
		L&R	<u>4,558,888</u>	<u>6,452,218</u>	<u>(358,642)</u>	<u>-</u>	<u>10,652,464</u>	AC
Investment securities - Held to maturity			6,452,218	(6,452,218)				
To: Debt instruments at amortised cost				(6,452,218)				
		HTM	<u>6,452,218</u>	<u>(6,452,218)</u>			<u>N/A</u>	
To: Debt instruments at FVOCI				(802,778)				
To: Equity instruments at FVOCI				(16,115,589)				
		AFS	<u>16,918,367</u>	<u>(16,918,367)</u>	<u>-</u>	<u>-</u>	<u>N/A</u>	
Debt instruments at FVOCI			N/A	802,778	(35,902)		766,876	FVOCI
From: Investment securities at AFS				(802,778)				
From: Investment securities at AFS				(16,115,589)				
Total financial assets			<u>30,778,788</u>	<u>-</u>	<u>(394,544)</u>	<u>-</u>	<u>30,384,244</u>	

ECL - Expected credit losses L&R - Loans and receivables

FVOCI - Fair value through other comprehensive income

AC - Amortised cost FVTPL - Fair value through profit or loss

AFS - Available for sale

HTM - Held to maturity

Note to the transition disclosures

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

a. Reclassification from retired categories with no change in measurement

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

Financial instruments reclassified with no changes in measurement basis:

- (i) Those previously classified as loans and receivables and now classified as measured at amortised cost; and
- (ii) Those previously classified as other financial liabilities and now classified as measured at amortised cost.

b. Designation of equity instruments at FVOCI

The Company has elected to irrevocably designate investments in equity of N16.12 million in a portfolio of non-trading equity securities at FVOCI as permitted under IFRS 9. These securities were previously classified as available-for-sale with some measured at cost less

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

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

d. Deferred tax implication of IFRS 9

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

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

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

ECL - Expected credit losses L&R - Loans and receivables

FVOCI - Fair value through other comprehensive income

AC - Amortised cost FVTPL - Fair value through profit or loss

AFS - Available for sale

HTM - Held to maturity

Notes to the financial statements

1.1.1 Amended standards and interpretations

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

a) Definition of Accounting Estimates – Amendments to IAS 8

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

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

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

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

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

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

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

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

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

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

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

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

- a) Qualitative information such as how an entity is affected by Pillar Two legislation and the main jurisdictions in which exposures to Pillar Two income taxes might exist, and
- b) Quantitative information such as:
 - An indication of the proportion of an entity's profits that might be subject to Pillar Two income taxes and the average effective tax rate applicable to those profits; or

Notes to the financial statements

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

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

3.2 Standards issued but not yet effective

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

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

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

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

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. This is now effective and has been adopted by the Company in preparing the financial statements.

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

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

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

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

Notes to the financial statements

3.2 Standards issued but not yet effective - continued

d. Lack of exchangeability – Amendments to IAS 21

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

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

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

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

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

2 Summary of material accounting policies

2.1 Insurance and reinsurance contracts classification.

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

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

Notes to the financial statements

2 Summary of material accounting policies - continued

2.2 Insurance and reinsurance contracts accounting treatment

2.2.1 Separating components from insurance and reinsurance contracts

The Company assesses its non-life insurance and reinsurance products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Company applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Company's products do not include any distinct components that require separation.

Some reinsurance contracts issued contain profit commission arrangements. Under these arrangements, there is a minimum guaranteed amount that the policyholder will always receive – either in the form of profit commission, or as claims, or another contractual payment irrespective of the insured event happening. The minimum guaranteed amounts have been assessed to be highly interrelated with the insurance component of the reinsurance contracts and are, therefore, non-distinct investment components which are not accounted for separately. However, receipts and payments of these investment components are recognised outside of profit or loss.

2.2.2 Level of aggregation

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

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

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

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

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

- Pricing information
- Results of similar contracts it has recognised

Notes to the financial statements

3 Summary of material accounting policies - continued

- Environmental factors, e.g., a change in market experience or regulations

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

2.2.3 Recognition

The Company recognises groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous.

The Company recognises a group of reinsurance contracts held it has entered into from the earlier of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. (However, the Company delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.

And

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

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

2.2.4 Contract boundary

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

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

Or

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

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

Notes to the financial statements

3 Summary of material accounting policies - continued

3.2 Insurance and reinsurance contracts accounting treatment - continued

2.2.5 Measurement – Premium Allocation Approach

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

Notes to the financial statements

2.2.5.1 Insurance contracts – initial measurement

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

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

Or

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

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

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

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

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

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

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

2.2.5.2 Reinsurance contracts held – initial measurement.

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

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

Notes to the financial statements

3 Summary of material accounting policies - continued

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

The Company holds the following reinsurance contracts:

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

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

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

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

2.2.5.3 Insurance contracts – subsequent measurement

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

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

Notes to the financial statements

3 Summary of material accounting policies - continued

3.2.5.3 Insurance contracts – subsequent measurement - continued

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

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

2.2.5.4 Reinsurance contracts held – subsequent measurement.

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.

Where the Company has established a loss-recovery component, the Company subsequently reduces the loss- recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

2.2.5.5 Insurance acquisition cash flows

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

The Company uses a systematic and rational method to allocate:

(a) Insurance acquisition cash flows that are directly attributable to a group of insurance contracts:

- (i) to that group; and
- (ii) to groups that include insurance contracts that are expected to arise from the renewals of the insurance contracts in that group.

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

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the statement of financial position, a separate asset for insurance acquisition cash flows is recognised for each related group. The asset for insurance acquisition cash flow is derecognised from the statement of financial position when the insurance acquisition cash flows are included in the initial measurement of the related group of insurance contracts.

Notes to the financial statements

3 Summary of material accounting policies - continued

2.2.5.6 Insurance acquisition cash flows

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

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

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

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

2.2.5.7 Insurance contracts – modification and derecognition

The Company derecognises insurance contracts when:

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

Or

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

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

2.2.6 Presentation

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

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

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

Notes to the financial statements

3 Summary of material accounting policies - continued

2.2.6.1 Insurance revenue

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

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

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

2.2.6.2 Loss components

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

2.2.6.3 Loss-recovery components

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

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

2.2.6.4 Insurance finance income and expense

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

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

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

Notes to the financial statements

3 Summary of material accounting policies - continued

2.2.6.5 Net income or expense from reinsurance contracts held

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

3.3 Financial instruments

a) Recognition and initial measurement

- **Initial recognition**

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

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

- **Day 1 profit or loss**

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

b) Amortised cost and gross carrying amount.

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

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

c) Effective interest method

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

Notes to the financial statements

3 Financial Instrument - continued

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

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

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

d) Classification of financial instruments

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

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

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

e) Subsequent measurements

(i) Financial assets

The subsequent measurement of financial assets depends on its initial classification:

Debt instruments

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

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

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

Notes to the financial statements

3 Summary of material accounting policies - continued

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

Equity instruments

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

All other equity financial assets are classified as measured at FVTPL. Changes in the fair value of financial assets at fair value through profit or loss are recognised in Net fair value gain/ (loss) gain on financial assets in the profit or loss.

Business Model assessment

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

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

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

Solely payments of principal and interest (SPPI) assessment

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

Notes to the financial statements

3 Summary of material accounting policies - continued

(ii) Financial liabilities

A financial liability is classified at fair value through profit or loss if it is classified as held-for-trading or designated as such on initial recognition. Directly attributable transaction costs on these instruments are recognised in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognised in profit or loss.

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

f) Reclassifications

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

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

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

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

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

Financial liabilities are not reclassified after initial classification.

g) Modifications of financial assets and financial liabilities

(i) Financial assets

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

Notes to the financial statements

Summary of material accounting policies - continued

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

(ii) Financial liabilities

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

In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment.

If the exchange or modification is not accounted for as an extinguishment (i.e. the modified liability is not substantially different), any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

h) Impairment of financial assets

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

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

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

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

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

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

Notes to the financial statements

i) Write-off

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

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

All credit facility write-offs require endorsement by the Board Credit and Risk Committee, as defined by the Company. Credit write-off approval is documented in writing and properly initialed by the Board Credit and Risk Committee. The gross carrying amount of an asset is written off (either fully or partially) to the extent that there is no realistic prospect of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense. This is generally the case when the Company determines that the

3 Summary of material accounting policies - continued

counterparty does not have assets or sources of income that could generate sufficient cashflows to repay the amount subject to write off. However, the financial assets that are subjected to write off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amount due.

j) Forward looking information

In its ECL models, the Company relies on a broad range of forward-looking information as economic inputs, such as:

- Inflation rate
- Prime lending rate
- Crude oil price

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

k) Derecognition of financial assets

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

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

Notes to the financial statements

l) Derecognition of financial liabilities

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

m) Offsetting financial instruments

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

3.4 Foreign currency translation

I. Functional and presentation currency

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

II. Transactions and balances

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

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

3.5 Cash and cash equivalents

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

3.6 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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

Notes to the financial statements

3 Summary of material accounting policies - continued

3.7 Leases

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

i. Company as a lessee

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

Right-of-use assets

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

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

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

Lease liabilities

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

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the interest rate implicit in the lease if that rate can be determined. If that rate cannot be determined, the Company shall use its incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

ii. Company as a lessor

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

Notes to the financial statements

3 Summary of material accounting policies - continued

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

3.8 Investment property

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

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss and other comprehensive income in the year in which they arise.

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

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

3.9 Intangible assets

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

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

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

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

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

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

Notes to the financial statements

3.10 Property and equipment

i. Recognition and measurement

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

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

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

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

ii. Subsequent costs

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

iii. Depreciation

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

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

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

3 Summary of material accounting policies - continued

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

Land is not depreciated.

iv. Derecognition

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

Notes to the financial statements

3.11 Statutory deposit

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

3.12 Provisions

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

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

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

3.13 Employee benefits

(i) Short-term benefits

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

(ii) Post-employment benefits

Defined contribution plans

The Company operates a defined contribution plan in accordance with the provisions of the Pension Reform Act 2014. The contribution of the employee and employer is 8% and 10% of the qualifying monthly emoluments (i.e. basic, housing and transport) of employees respectively. The Company's obligations for contributions to the plan are recognized as an expense in profit or loss when they are due. Prepaid contributions are recognized as asset to the extent that a cash refund or reduction in future payments is available.

Defined benefit plan

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

The amount payable to exiting staff is dependent on years of service and compensation as at date of exit. This value of this benefit is actuarially determined at each reporting date by an independent actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of the economic benefits available in the form of any future refund from the plan or reductions in the future contributions to the plan. To calculate the present value of the economic benefits, consideration is given to any applicable minimum funding requirements. Remeasurements of the net defined benefits liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognized in OCI.

Notes to the financial statements

Summary of material accounting policies – continued

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

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed.

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

3.14 Taxation

Company income tax

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

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

Current tax

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

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

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

Minimum tax

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

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

Notes to the financial statements

Summary of material accounting policies – continued

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 nor 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.

Notes to the financial statements

3 Summary of material accounting policies - continued

3.15 Other receivables and prepayment

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

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

3.16 Share capital and reserves

a. Share capital

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

b. Share premium

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

c. Dividend

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

d. Contingency reserve

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

e. Asset revaluation reserve

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

f. Fair value reserve

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

g. Re-measurement reserve

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

3.17 Contingent assets and liabilities

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

Notes to the financial statements

3 Summary of material accounting policies - continued

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

3.18 Earnings per share

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

3.19 Statement of Cash Flows

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

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

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

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

3.20 Operating segments

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

The Company's reportable segments under IFRS 8 are therefore identified as follows: fire, accident, motor vehicle, engineering, aviation, marine, oil and gas, bond and agriculture. (Refer to note 5).

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

Notes to the financial statements

3.21 Significant accounting judgements estimates and assumptions

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

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

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

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

a) Insurance product classification and contract liabilities

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

b) Liability for remaining coverage

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

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

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

For contracts with coverage period exceeding 1-year, actuarial investigations will be conducted by deriving the claims incidence pattern using historical claims data. Actual observed claims incidence curve is tested for goodness of fit by applying standard statistical techniques. In the absence of credible claims data, an equivalent risk incidence curve will be sourced from our international reinsurers. If external risk curve is not available, then by default a uniform earnings curve will apply.

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

Notes to the financial statements

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

c) Claims payment pattern for liability for incurred claims.

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

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

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

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

The best estimate for claims development or payment to ultimate is determined by the link ratio estimator for each period of development. This is achieved by selecting the weighted averages or simple averages of link ratios for each period of claims development until the ultimate period when the claims development is deemed to be fully run off. For each reserving class that best estimate claim payment pattern is derived separately on a gross basis Insurance contracts and reinsurers' share (claim recovered from reinsurance contracts). The process of selecting link ratios often involves identifying outliers and excluding them. Analysis of Actual versus Expected claim reserves

is carried out to assess adequacy of best estimate payment pattern estimated in prior year/period. Where significant deviations are noted, further investigations are carried out to ascertain whether this is indicative of a new trend in the underlying claim development process or whether this is caused by the occurrence of abnormally large claims that tend to distort the latest link ratios or whether it was caused by certain specific events impacting the claims process that are not expected to recur in the future (e.g. restructuring of claims department, or installing a new admin system or claim backlog). If the cause of the deviation is driven by changes in the claims development process which is expected to be recurring or be permanent in the future (e.g., application of new case reserving practice), then judgement is applied in choosing the link ratio for the most recent accident year cohort.

Consideration is also given on the need to allow for a tail factor for projecting claims payment beyond the available data horizon.

2. Claim payment pattern will be derived for each reserving class or portfolio (portfolio if there is only one reserving class).
3. Basically, the payment pattern provides probabilities to project the settlement of claims in future time periods.
4. For a given portfolio or reserving class, same payment pattern will be applied to project the payment of OCR (outstanding claim reserve), IBNR reserve and Risk Adjustment estimates over future time periods.
5. Existing reserving models (primarily the Basic Chain Ladder) will be used to derive the payment probabilities from the link ratios obtained from paid triangles.
6. Pattern will be derived once a year, that is, at the year-end valuation. It is expected that same payment pattern will be used in the LIC cashflow modelling for interim valuation periods and roll forward.

Notes to the financial statements

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

7. However, for reserving class or portfolios which exhibit significant volatility, payment pattern might be reviewed and revised more frequently and also pattern used in LIC model will need to be updated. A change in payment pattern will lead to a change in fulfilment cashflows arising from non-financial assumption change. This change or delta in fulfilment cashflow will be accounted for as an insurance service expense.
8. Changes of payment pattern during a financial year will only be considered if justified by facts and circumstances. Examples of facts and circumstances could be as follows: major changes in claim reporting and settlement processes that would invalidate existing payment pattern (e.g. non-life claims backlog can be quite common arising from dispute in settlement amount or change in policy administration system. occurrence of major external systemic events such as a pandemic related lockdown will impact the development factors- hence invalidate existing payment pattern.
9. It is to be noted that, for consistency, the same payment pattern as used for claim projection will be applied in the projection of Risk Adjustment estimates. The same approach would be used to derive the payment pattern for modelling the LIC cashflows for a portfolio of reinsurance contracts.
10. Moreover, it is required to allocate the projected OCR, IBNR and RA to issue year cohorts /underwriting year cohorts. This will necessitate the application of an allocation driver. Projected IBNR, OCR and RA cashflows will be allocated to underwriting year by making use of weights. Weights, as a proxy for coverage, for each underwriting year will be derived from earned premium /revenue (as computed for the LRC). For internal reporting needs, further allocation of IBNR, OCR and RA (risk adjustment) down to more granular levels (issue year cohorts/distribution channels/ cover-section/ client types) will be required. Earned premium weights, as described above, will also be used for a more granular allocation of projected OCR, IBNR and RA.

Insurance acquisition cash flows

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

Onerous groups

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

Time value of money on liability for remaining coverage

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

Discount rates

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

Risk adjustment for non-financial risk

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

Notes to the financial statements

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

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

4. Estimates and assumptions

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

a) Going Concern

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

b) Estimating the incremental borrowing rate

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

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

c) Fair value of financial instruments using valuation techniques

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

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

Notes to the financial statements

4. Estimates and assumptions - continued

d) Valuation of Non-life insurance contract liabilities

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

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

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

e) Taxes

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

f) Valuation of pension benefit obligation

The cost of defined benefit pension plans, and other post-employment benefits, and the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Details of the key assumptions used in the estimates are contained in Note 29 to the financial statements.

g) Valuation of investment properties

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

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

h) Impairment losses on financial assets

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

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

Notes to the financial statements

4. Estimates and assumptions - continued

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

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

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

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

Forecast of future economic conditions when calculating ECLs are considered. The lifetime expected losses are estimated based on the probability – weighted present value of the difference between:

- 1) The contractual cash flows that are due to the Company under the contract; and
- 2) The cash flows that the Company expects to receive.

Elements of ECL models that are considered accounting judgements and estimates include:

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

i) Regulatory authority and financial reporting

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

- I. Section 20 (1a) provides that provisions for unexpired risks shall be calculated on a time apportionment basis of the risks accepted in the year.
- II. Section 20 (1b) which requires the provision of 10 percent for outstanding claims in respect of claims incurred but not reported at the end of the year under review. See note 2.3.13(ii) on accounting policy for outstanding claims.
- III. Sections 21 (1a) and 22 (1b) require maintenance of contingency reserves for general and life businesses respectively at specified rates as set out under note (37) and note 2.3.21 to cover fluctuations in securities and variation in statistical estimates.

Notes to the financial statements

4. Estimates and assumptions - continued

Regulatory authority and financial reporting - continued

- IV. Section 24 requires the maintenance of a margin of solvency to be calculated in accordance with the Act as set out under note 48(c).
- V. Section 10(3) requires insurance companies in Nigeria to deposit 10 percent of the minimum paid-up share capital with the Central Bank of Nigeria as set out under note 29;
- VI. Section 25 (1) requires an insurance Company operating in Nigeria to invest and hold invested in Nigeria assets equivalent to not less than the amount of policy holders' funds in such accounts of the insurer. See note 20 for assets allocation that covers policy holders' funds.

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

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

Securities Trading Policy

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

Shareholding Structure/Free Float Status				
Description	31-Dec-24		31-Dec-23	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	15,400,000,000	100%	14,000,000,000	100%
Substantial Shareholdings (5% and above)				
Bayelsa State Ministry of Finance Incorporated	8,228,220,000	53.43%	7,480,787,548	53.43%
Stanbic IBTC Nominees	2,043,580,000	13.27%	1,858,165,841	13.27%
Apel Asset Limited-Nominee	924,000,000	6.00%	797,021,424	5.69%
Total Substantial Shareholdings	11,195,800,000	72.70%	10,135,974,813	72.40%
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	4,204,200,000	27.30%	3,864,025,187	27.60%
Free Float in Value	₦ 2,102,100,000.00		₦ 1,932,012,593.50	
(A) Linkage Assurance Plc with a free float percentage of 27.60%.as at 31 December 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 N1,932,012,593.50 as at 31 December 2024, is compliant with The Exchange's free float requirements for companies listed on the Main Board.				

**Statement of financial position
As at 31 Dec 2024**

In thousands of Naira

Assets	Note	31 Dec 2024	31 Dec 2023
Cash and cash equivalents	7	5,670,336	5,507,393
Investment securities	8	39,871,175	35,825,193
Loans and receivables	8.5	366,726	382,113
Trade receivable	9	948,117	278,764
Reinsurance contract assets	10	6,229,344	5,559,453
Other receivables and prepayments	11	1,487,898	890,333
Right-of-use assets	12	7,880	13,509
Investment property	13	340,000	220,000
Intangible assets	14	33,908	33,101
Property and equipment	15	3,426,200	3,452,249
Statutory deposit	16	700,000	700,000
Total assets		<u>59,081,584</u>	<u>52,862,109</u>
Liabilities			
Insurance contract liabilities	17	17,950,780	15,340,788
Trade payables	19	1,764,053	2,136,104
Other payables	20	1,603,828	2,010,015
Defined benefit obligations	22	170,680	168,130
Income tax liabilities	23	279,358	174,585
Total liabilities		<u>21,768,699</u>	<u>19,829,622</u>
Equity			
Issued and fully paid share capital	25.1	7,700,000	7,000,000
Share premium	26	560,294	560,294
Contingency reserve	27	5,459,123	4,452,316
Retained earnings	28	4,144,215	1,516,988
Assets revaluation reserve	29	1,721,291	1,721,291
Re-measurement reserve	30.2	4,111	4,111
Fair value reserve	30.1	17,723,850	17,777,487
Total equity		<u>37,312,884</u>	<u>33,032,487</u>
Total liabilities and equity		<u>59,081,583</u>	<u>52,862,109</u>
		1	-

The financial statements were approved on 30 January 2025 and signed on behalf of the Board of Directors



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



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



Emmanuel 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 comprehensive income
for the period ending 31 December 2024**

	Note	12 months to 31 Dec 2024	12 months to 31 Dec 2023	3 months to 31 Dec 2024	3 months to 31 Dec 2023
<i>In thousands of Naira</i>					
Insurance revenue	31	22,528,892	14,835,202	6,100,417	4,619,940
Insurance service expenses	32	(14,680,995)	(10,795,403)	(3,883,135)	(3,639,658)
Insurance service result before reinsurance contracts held		7,847,897	4,039,799	2,217,282	980,282
Allocation of reinsurance premiums	33	(8,730,171)	(6,466,167)	(2,540,121)	(2,320,785)
Amounts recoverable from reinsurers for incurred claims	34	1,410,050	2,687,964	127,049	1,401,720
Net expense from reinsurance contracts held		(7,320,121)	(3,778,203)	(2,413,072)	(919,064)
Insurance service result		527,776	261,595	(195,791)	61,217
Interest revenue calculated using the effective interest method	38.1	3,773,771	2,292,891	1,103,034	681,319
Dividend and other similar income	38.1a	2,880,880	4,231,179	783,021	2,134,041
Net fair value losses on financial assets at fair value through profit or loss	38.1b	(56,687)	(29,880)	-	2,252
Impairment reversal on loans and receivables	38.1a	-	-	-	(11,929)
Credit loss expense	40	-	(100,669)	-	(100,669)
Other income	41	2,883,344	2,673,629	389,945	603,167
Total investment income		9,481,308	9,067,151	2,276,000	3,308,182
Insurance finance expenses for insurance contracts issued	39	(519,361)	(543,036)	(295,965)	(211,391)
Reinsurance finance income for reinsurance contracts held	39	202,794	195,749	115,812	27,493
Net insurance finance expenses		(316,567)	(347,287)	(180,153)	(183,898)
Net insurance and investment result		9,692,517	8,981,459	1,900,056	3,185,500
Other operating expense	42	(4,393,535)	(3,517,715)	(982,702)	(1,371,349)
Profit before taxation		5,298,982	5,463,744	917,355	1,814,152
Minimum tax	23.1	(264,949)	(103,911)	(45,868)	140,816
Income tax expense		-	(78,242)	-	(78,242)
Profit after taxation		5,034,033	5,281,591	871,487	1,876,726
Other comprehensive income net of tax					
Items that may be reclassified subsequently to profit or loss:					
Fair value gain on bonds at fair value through other comprehensive income	43	-	75,966	66,852	45,633
ECL on debt instrument on fair value through OCI	43	-	(24,770)	-	(24,770)
		-	51,196	66,852	20,863
Items that may not be reclassified subsequently to profit or loss					
Net fair value (loss)/gain on available-for-sale financial assets	43	(53,637)	3,267,000	(53,637)	3,267,000
Remeasurement of defined benefit obligation	43	-	(51,528)	-	(51,528)
Gain on revaluation of property & equipment	43	-	892,518	-	892,518
Other comprehensive (loss)/income, net of taxes		(53,637)	4,159,186	13,215	4,128,853
Total comprehensive income for the year		4,980,396	9,440,777	884,702	6,005,579
Basic and diluted earnings per share (kobo)	44	32.7	37.7	3.0	13.4

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 December 2024**

<i>In thousands of naira</i>	Share capital	Share premium	Contingency Reserve	Asset revaluation reserve	Re-measurement reserve	Fair value reserve	Retained earnings	Total
At 1 January 2024	7,000,000	560,294	4,452,316	1,721,291	4,111	17,777,487	1,516,989	33,032,487
Comprehensive income								
Profit for the year	-	-	-	-	-	-	5,034,033	5,034,033
Other comprehensive income:								
Net fair value changes on AFS financial assets	-	-	-	-	-	(53,637)	-	(53,637)
Total comprehensive income	-	-	-	-	-	(53,637)	5,034,033	4,980,396
Bonus share issue from retained earning	700,000	-	-	-	-	-	(700,000)	-
Gain on revaluation of property and equipment	-	-	-	-	-	-	-	-
Transfer from share premium	-	-	-	-	-	-	(1,006,807)	-
Transfer to contingency reserve	-	-	1,006,807	-	-	-	(700,000)	(700,000)
Transfer from retained earnings to pay dividends	-	-	-	-	-	-	-	-
	700,000.0	-	1,006,807	-	-	(53,637.2)	2,627,226	4,280,396
At 31 December 2024	7,700,000	560,294	5,459,123	1,721,291	4,111	17,723,850	4,144,215	37,312,883

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

<i>In thousands of naira</i>	Share capital	Share premium	Contingency Reserve	Asset revaluation reserve	Re-measurement reserve	Fair value reserve	Retained earnings	Total
At 1 January 2023	7,000,000	560,294	3,395,997	828,773	55,639	14,459,291	(2,708,286)	23,591,707
Comprehensive income								
Profit for the year	-	-	-	-	-	-	5,281,594	5,281,594
Other comprehensive income:								
Gain on revaluation of property and equipment	-	-	-	892,518	-	-	-	892,518
Remeasurement of defined benefit obligation	-	-	-	-	(51,528)	-	-	(51,528)
Net fair value changes on AFS financial assets	-	-	-	-	-	3,318,196	-	3,318,196
Total comprehensive income	-	-	-	892,518	(51,528)	3,318,196	5,281,594	9,440,780
Gain on revaluation of property and equipment	-	-	-	-	-	-	-	-
Transfer from retained earnings	-	-	-	-	-	-	(1,056,319)	(1,056,319)
Transfer to contingency reserve	-	-	1,056,319	-	-	-	-	1,056,319
	-	-	1,056,319	-	-	-	(1,056,319)	-
At 31 December 2023	7,000,000	560,294	4,452,316	1,721,291	4,111	17,777,487	1,516,989	33,032,487

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 December 2024**

	Note	31 Dec 2024 ₹'000	31 Dec 2023 ₹'000
Cash flows from operating activities			
Premiums received from policy holders	44(b)	24,044,368	16,218,449
Premiums received in advance	19.1	22,374	35,531
Deposit without details	20.2(a)	623,081	669,196
Reinsurance payments	44(d)	(12,214,030)	(6,960,679)
Claims paid	35	(4,578,686)	(4,492,147)
Reinsurance claim recoveries	44(c)	1,463,862	1,449,082
Salvage recovery	44(c)	87,480	81,868
Commission paid	44(e)	(8,536,607)	(4,226,319)
Maintenance expenses paid	41	(1,749,856)	-
Commission received	44(f)	1,917,513	1,507,200
Cash payment to and on behalf of employees	44(k)	(2,014,481)	(2,215,575)
Other operating cash receipts/(payments)	44(a)	(4,131,062)	(1,138,232)
Corporate tax paid	23	(264,949)	(89,218)
Net cash used in operating activities		<u>(5,330,993)</u>	<u>839,156</u>
Cash flows from Investing activities			
Purchase of properties and equipment	44(i)	(466,436)	(1,232,374)
Purchase of intangible assets	14	(9,568)	(31,713)
Proceeds from sale of property and equipment	44(j)	55,643	26,194
Purchase of investment securities	44(h)	(3,618,480)	(7,956,825)
Proceeds from sale of investment securities	44(h)	714,585	294,514
Proceeds from redemption	44(h)	92,779	975,700
Loans disbursed	8.5(i)	(207,849)	(446,183)
Loan repayments	8.5(i)	279,422	313,191
Loan recoveries		-	11,929
Dividend received	37	2,236,441	3,414,223
Rental income received	39	3,500	6,500
Interest received	44(g)	3,773,771	2,872,095
Net cash from investing activities		<u>2,853,808</u>	<u>(1,752,749)</u>
Financing activities			
		<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents		(2,477,185)	(913,593)
Cash and cash equivalents at the beginning of the period		5,507,393	4,188,442
Impact of exchange difference on cash held		2,640,128	2,232,544
Cash and cash equivalents at end of the period	7	<u>5,670,336</u>	<u>5,507,392</u>

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 December 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	3,730,903	1,885,451	5,078,503	1,610,783	1,325,619	18,545	1,254,577	7,605,154	19,357	22,528,892
Insurance service expense excl. acq. cash flows when incurred	(1,434,016)	(1,555,301)	(3,093,514)	(1,756,857)	(2,074,862)	(15,798)	(1,292,912)	(3,451,596)	(6,139)	(14,680,995)
Insurance Service Result for insurance contract held	2,296,887	330,150	1,984,989	(146,074)	(749,243)	2,747	(38,335)	4,153,558	13,218	7,847,897
Allocation of reinsurance premium	-1,120,431	-575,524	-169,313	-588,341	-1,092,508	-2,762	-461,263	-4,714,040	-5,989	(8,730,171)
Amount Recoverable from reinsure for incurred claims	-710,621	290,363	310,315	430,237	690,415	0	271,549	130,873	-3,081	1,410,050
Net Income or Expenses from reinsurance contract held	-1,831,052	-285,161	141,002	-158,104	-402,093	-2,762	-189,714	-4,583,167	-9,070	(7,320,121)
Insurance Service Result	465,835	44,989	2,125,991	(304,178)	(1,151,336)	(15)	(228,049)	(429,609)	4,148	527,776

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
<i>wrt insurance revenue</i>	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	859,797	396,498	1,547,172	281,025	98,649	11,131	312,550	1,227,873	2,544	4,737,239
Liabilities for remaining coverage eop	964,929	512,374	1,476,392	488,671	269,346	7,110	608,649	2,611,329	5,641	6,944,441
Changes in asset for acquisition cash flows	105,132	115,876	70,780	207,646	170,697	4,021	296,099	1,383,456	3,097	(2,207,202)
Interest accreted (incl. change of rates) to insurance contracts	22,868	17,861	5,632	36,338	34,585	771	59,228	278,348	1,400	441,425
Investment component	-	-	-	-	-	-	-	-	-	-
Elimination of Loss component in movement of liabilities	-	-	-	-	-	-	-	-	-	-
Premiums received	3,836,035	2,001,327	5,007,723	1,818,429	1,496,316	14,525	1,550,676	8,988,610	22,454	24,736,095
Amortisation of insurance acq. cash flows	1,254,433	757,516	1,598,187	608,890	506,591	5,732	475,073	2,812,814	8,363	8,027,599
Insurance acquisition cash flows	1,277,301	775,377	1,592,555	645,228	541,176	4,962	534,301	3,091,162	6,963	(8,469,025)
Insurance revenue	3,730,903	1,885,451	5,078,503	1,610,783	1,325,619	18,545	1,254,577	7,605,154	19,357	22,528,892

Notes to the financial statements

- NOTES INSURANCE - Insurance service expense -										
<i>wrt insurance service expense</i>										
Liabilities for incurred claims bop	3,540,086	2,412,397	1,012,732	1,133,513	342,318	2,734	365,585	2,521,777	13,927	11,345,069
Liabilities for incurred claims eop	2,689,354	2,381,184	979,397	1,535,378	1,456,449	12,003	957,474	2,167,245	10,799	12,189,283
	850,732	31,213	33,335	401,865	1,114,131	9,269	591,889	354,532	3,128	(844,214)
Interest accreted (incl. change of rates) to insurance contracts	204,086	93,254	47,877	29,854	13,271	231	16,298	113,805	684	519,360
Investment component	-	-	-	-	-	-	-	-	-	-
Elimination of Loss component in movement of liabilities	-	-	-	-	-	-	-	-	-	-
Amortisation of insurance acq. cash flows	- 1,254,432.61	- 757,515.86	- 1,598,187.11	- 608,889.93	- 506,591.25	- 5,732.44	- 475,073.17	- 2,812,813.68	- 8,362.96	(8,027,599)
Claims and other expenses paid	- 1,234,400.94	- 922,251.87	- 1,576,539.31	- 775,956.48	- 467,410.88	- 1,027.51	- 242,247.36	- 1,107,119.22	- 1,588.42	(6,328,542)
Insurance service expenses	- 1,434,015.55	- 1,555,300.72	- 3,093,514.43	- 1,756,857.41	- 2,074,862.13	- 15,797.95	- 1,292,911.54	- 3,451,595.90	- 6,139.38	(14,680,995)
Acquisition cash flows recognised when incurred	-	-	-	-	-	-	-	-	-	-
Insurance service result before reinsurance contracts held	2,296,887.45	330,150.28	1,984,988.57	- 146,074.41	- 749,243.13	2,747.05	- 38,334.54	4,153,558.10	13,217.62	7,847,897

NOTES INSURANCE - Allocation of reinsurance Premium

<i>wrt insurance revenue</i>										
Assets for remaining coverage bop	469,946.00	194,244.00	7,567.00	162,065.00	-	1,016.00	104,804.00	384,370.00	135.00	1,324,147
Assets for remaining coverage eop	409,328.00	239,016.00	56,543.00	267,421.00	18,711.00	4,168.00	169,078.00	818,955.00	3,385.00	1,986,605
Changes in asset for remaining coverage.	- 60,618	- 44,772	- 48,976	- 105,356	- 18,711	- 3,152	- 64,274	- 434,585	- 3,250	- 662,458
Changes in fees & commission for remaining coverage.	21,631	15,058	17,703	32,502	5,549	841	11,985	8,755	812	54,064
Interest accreted	-	-	-	-	-	-	-	-	-	-
Premiums paid	- 1,081,444	- 605,238	- 200,586	- 661,195	- 1,105,670	- 5,073	- 513,552	- 5,157,380	- 8,427	- 9,338,565
Allocation of reinsurance premium	- 1,120,431	- 575,524	- 169,313	- 588,341	- 1,092,508	- 2,762	- 461,263	- 4,714,040	- 5,989	- 8,730,171
<i>wrt insurance service expense</i>										
Assets recoverable on incurred claims bop	2,058,437	1,237,097	134,563	482,468	56,850	-	186,920	376,947	8,357	4,541,639
Assets recoverable for incurred claims eop	1,016,771	1,150,459	66,244	787,044	749,253	-	431,043	396,724	5,604	4,603,142
Changes to amount recoverable for incurred claims.	- 1,041,666	- 86,638	- 68,319	- 304,576	- 692,403	-	- 244,123	- 19,777	- 2,753	- 61,503
Interest accreted	- 112,634	- 46,188	- 3,107	- 14,829	- 1,988	-	- 8,523	- 15,198	- 328	- 202,795
Investment component	-	-	-	-	-	-	-	-	-	-
Amounts received	443,679	423,189	381,741	140,490	-	-	35,949	126,294	-	1,551,342
Amounts recoverable from reinsurers	- 710,621	290,363	310,315	430,237	690,415	-	271,549	130,873	- 3,081	1,410,050
Net income from reinsurance contracts held	- 1,831,052	- 285,161	141,002	- 158,104	- 402,093	- 2,762	- 189,714	- 4,583,167	- 9,070	- 7,320,121
Insurance Service result	465,835	44,989	2,125,991	- 304,178	- 1,151,336	15	- 228,049	- 429,609	4,148	527,776

31 Dec 2023

Insurance Rev	FIRE	ACCIDENT	MOTOR	MARINE	AVIATION	BOND	ENGINEERING	OIL&GAS	AGRIC	Total
<i>wrt insurance revenue</i>	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	-74,686	-66,340	-569,886	-97,872	-49,827	-8,722	-89,282	-598,714	57,644	(1,497,685)
Changes in asset for acquisition cash flows	22,216	16,363	42,077	15,862	8,526	1,512	18,924	82,536	-9,555	198,461
Interest accreted (incl. change of rates) to insurance contracts										
Premiums received	3,230,258	1,607,180	4,342,170	1,078,785	602,343	19,064	880,638	4,555,247	17,203	16,332,888
Amortisation of insurance acq. cash flows	834,390	502,105	680,284	574,991	158,961	3,728	223,777	1,194,455	16,033	4,188,723
Insurance acquisition cash flows	-856,606	-518,468	-722,361	-590,853	-167,487	-5,240	-242,702	-1,276,991	-6,478	(4,387,185)
Insurance revenue	3,155,572	1,540,840	3,772,284	980,913	552,516	10,342	791,355	3,956,533	74,847	14,835,202

Notes to the financial statements

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	3,540,086	2,412,398	1,012,732	1,133,513	342,318	2,734	365,584	2,521,777	13,927	11,345,069
	-40,331	-543,747	-324,069	13,114	-125,419	255	-22,644	194,018	-850	(849,674)
Interest accreted (incl. change of rates) to insurance contr	153,476	123,668	47,073	51,962	17,875	181	17,288	130,805	708	543,036
Elimination of Loss component in movement of liabilities	0	0	0	0	0	0	0	0	0	-
Amortisation of insurance acq. cash flows	-834,390	-502,105	-680,284	-574,991	-158,961	-3,728	-223,777	-1,194,453	-16,033	(4,188,721)
Claims and other expenses paid	-1,331,975	-1,090,120	-1,515,494	-619,484	-187,188	-2,110	-343,563	-1,198,906	-11,203	(6,300,044)
Insurance service expense	(2,053,220)	(2,012,303)	(2,472,774)	(1,129,399)	(453,693)	(5,402)	(572,696)	(2,068,536)	(27,379)	(10,795,403)
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	469,947	194,244	7,567	162,065	-	1,016	104,805	384,370	134	1,324,148
Change in prepaid asset LRC	(49,489)	54,392	(52,082)	40,712	(31,197)	(248)	(55,490)	121,512	(51,132)	(23,022)
Changes in fees & commission for remainig coverage.	(23,127)	(26,168)	13,516	(18,817)	-	74	2,146	(5,800)	11,592	(46,584)
Interest accreted	-	-	-	-	-	-	-	-	-	-
Investment component										
Premiums paid	(1,312,242)	(534,726)	(183,631)	(416,155)	(518,800)	(1,782)	(355,698)	(3,068,765)	(4,760)	(6,396,559)
Allocation of reinsurance premium	(1,384,858)	(506,502)	(222,197)	(394,260)	(549,997)	(1,956)	(409,042)	(2,953,053)	(44,300)	(6,466,164)
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	2,058,436	1,237,096	134,562	482,466	56,851	-	186,920	376,946	8,357	4,541,634
Change in prepaid asset LIC	154,623	354,387	100,131	49,509	26,668	-	8,992	30,562	1,106	725,978
Interest accreted	(83,741)	(59,840)	(3,635)	(19,835)	(2,673)	-	(8,454)	(17,178)	(399)	(195,755)
Investment component										
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-	-	-	-	-	-
Amounts received	694,612	610,127	246,349	512,319	2,788	-	64,625	20,512	6,406	2,157,738
Amounts recoverable from reinsurers	765,494	904,674	342,845	541,993	26,783	-	65,163	33,896	7,113	2,687,961
Net income/(expense) from reinsurance contracts held	- 619,364.08	398,172.06	120,647.84	147,732.97	- 523,213.99	- 1,956.25	- 343,879.44	- 2,919,157.42	- 37,186.54	(3,778,203)
Insurance service result	482,988	(73,291)	1,420,158	(753)	(424,391)	2,984	(125,220)	(1,031,161)	10,282	261,595

Notes to the financial statements

6 Capital and Risk Management

6.1 Capital Management – Objectives, Policies and Approaches.

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

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

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

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

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

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

Analysis of shareholders funds		
<i>In thousand of Naira</i>		
	31 Dec 2024	31 Dec 2023
Total assets	59,081,584	52,862,109
Less: Total liabilities	21,768,699	19,829,622
Shareholders funds as at year end	37,312,885	33,032,487
Adjustment for non-capital items	33,908	33,101
Available capital resources	37,278,977	32,999,386
Changes in available capital	13%	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 N37,278,977(2023: N32,999,386) amounting to an increase over the comparative period.

The Minimum Capital Requirement

The statutory minimum capital requirement for Non-life business is N3billion.

<i>In thousands of naira</i>		
	31 Dec 2024	31 Dec 2023
Total shareholders' funds	37,312,885	33,032,487
Regulatory required capital	3,000,000	3,000,000
Excess over minimum capital	34,312,885	30,032,487
Capitalisation rate	1244%	1101%

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.

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

	31 Dec 2024	31 Dec 2023
Share capital	7,700,000	7,000,000
Share premium	560,294	560,294
Retained earnings/ accumulated losses	4,144,215	1,516,988
Contingency reserve	5,459,123	4,452,316
Excess of admissible assets over liabilities	17,863,632	13,529,598
Less the amount of own shares held (Treasury shares)	-	-
Capital Requirement	17,863,632	13,529,598

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.

Notes to the financial statements

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

The Company's solvency margin is as follows:

<i>In thousands of naira</i>	31 Dec 2024	31 Dec 2023
Assets		
Cash and cash equivalents	5,670,336	5,507,393
Investment securities	21,966,793	18,043,023
Reinsurance assets	6,229,344	5,559,453
Prepaid staff benefit	141,748	198,174
Staff loans & advances	366,726	224,833
Property and equipment	6,699,302	2,259,994
Investment Property	340,000	220,000
Statutory deposit	700,000	700,000
Total admissible assets	42,114,250	32,712,871
The solvency margin requirement		
Liabilities		
Insurance contract liabilities	17,950,780	15,340,788
Trade payables	1,764,053	2,136,104
Other payables	1,666,032	1,667,015
Defined benefit obligations	170,680	168,130
Income tax liabilities	276,248	174,585
Total admissible liabilities	21,827,793	19,486,622
Excess of total admissible assets over admissible liabilities (solvency margin)	20,286,457	13,226,249
Higher of (a) and (b):		
Insurance revenue	22,528,892	14,835,202
Less: Reinsurance expense	(8,730,171)	(6,466,167)
Net premium	13,798,721	8,369,034
(a) 15% of net premium	2,069,808	1,255,355
(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	17,286,457	10,226,248
Solvency margin ratio	676%	441%

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 <i>In thousands of naira</i>	31 Dec 2024			31 Dec 2023		
	Insurance revenue	Insurance expense	Net	Insurance revenue	Insurance expense	Net
Fire	3,730,903	(1,434,016)	2,296,887	3,155,572	(2,053,220)	1,102,352
Accident	1,885,451	(1,555,301)	330,150	1,540,840	(2,012,303)	(471,463)
Motor	5,078,503	(3,093,514)	1,984,989	3,772,284	(2,472,774)	1,299,510
Marine	1,610,783	(1,756,857)	(146,074)	980,913	(1,129,399)	(148,486)
Aviation	1,325,619	(2,074,862)	(749,243)	552,516	(453,693)	98,823
Bond	18,545	(15,798)	2,747	10,342	(5,402)	4,940
Engineering	1,254,577	(1,292,912)	(38,335)	791,355	(572,696)	218,659
Oil & Gas	7,605,154	(3,451,596)	4,153,558	3,956,533	(2,068,536)	1,887,996
Agric	19,357	(6,139)	13,218	74,847	(27,379)	47,468
	22,528,892	(14,680,995)	7,847,897	14,835,202	(10,795,403)	4,039,799

(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 <i>In thousands of naira</i>	31 Dec 2024			31 Dec 2023		
	Allocation of reinsurance premium	Amounts recoverable on incurred claims	Net	Allocation of reinsurance premium	Amounts recoverable on incurred claims	Net
Fire	(1,120,431)	(710,621)	(1,831,052)	(1,384,858)	765,494	(619,364)
Accident	(575,524)	290,363	(285,161)	(506,502)	904,674	398,172
Motor	(169,313)	310,315	141,002	(222,197)	342,845	120,648
Marine	(588,341)	430,237	(158,104)	(394,260)	541,993	147,733
Aviation	(1,092,508)	690,415	(402,093)	(549,997)	26,783	(523,214)
Bond	(2,762)	-	(2,762)	(1,956)	-	(1,956)
Engineering	(461,263)	271,549	(189,714)	(409,042)	65,163	(343,879)
Oil & Gas	(4,714,040)	130,873	(4,583,167)	(2,953,053)	33,896	(2,919,157)
Agric	(5,989)	(3,081)	(9,070)	(44,300)	7,113	(37,187)
	(8,730,170)	1,410,050	(7,320,122)	(6,466,164)	2,687,964	(3,778,207)

Notes to the financial statements

7 Cash and cash equivalents

Cash and cash equivalents comprise:	31 Dec 2024	31 Dec 2023
	N'000	N'000
Cash in hand	3,353	900
Balances with banks & other financial institutions (see (a) below)	5,746,648	5,596,169
	<u>5,750,001</u>	<u>5,597,069</u>
Allowance for impairment (see (b) below)	(79,666)	(89,676)
Cash and bank balance as at year end	<u>5,670,336</u>	<u>5,507,393</u>

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

(b) Allowance for impairment

Balance as at the beginning of the year	89,676	127,421
Reversal (see (i) below)	-	(11,843)
Write off (see (ii) below)	(10,010)	(42,313)
Allowance for impairment on Cash ECL	-	16,410
Balance as at the end of the year	<u>79,666.00</u>	<u>89,676</u>

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

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

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 Dec 2024	31 Dec 2023
	N'000	N'000
Equity instrument at fair value through profit or loss (note 8.1)	2,269,509	2,443,132
Equity instrument at fair value through OCI (note 8.2)	19,398,428	19,473,747
Debt instruments measured at FVOCI	2,575,364	1,841,739
Held to maturity (note 8.6)	15,627,873	12,066,575
	<u>39,871,175</u>	<u>35,825,193</u>

Financial instrument classification

		31 Dec 2024				
		Fair Value through Profit or Loss	Available for Sale	Loans and Receivables	Held to Maturity	Total
<i>In thousands of Naira</i>						
- Listed		2,269,509	3,951,763	-	810,410	7,031,682
- Unlisted		-	18,022,029	-	14,817,463	32,839,492
- Other financial assets		-	-	-	-	-
		<u>2,269,509</u>	<u>21,973,792</u>	<u>-</u>	<u>15,627,873</u>	<u>39,871,174</u>
Within one year		2,269,509	-	-	15,627,873	17,897,383
More than one year		-	21,973,792	-	-	21,973,792
		<u>2,269,509</u>	<u>21,973,792</u>	<u>-</u>	<u>15,627,873</u>	<u>39,871,175</u>

Financial instrument classification

		31 Dec 2023				
		Fair Value through Profit or Loss	Available for Sale	Loans and Receivables	Held to Maturity	Total
<i>In thousands of Naira</i>						
- Listed		2,443,132	3,293,458	-	810,410	6,547,000
- Unlisted		-	18,022,028	-	11,256,165	29,278,193
- Other financial assets		-	-	-	-	-
		<u>2,443,132</u>	<u>21,315,486</u>	<u>-</u>	<u>12,066,575</u>	<u>35,825,193</u>
Within one year		2,443,132	-	-	12,066,575	14,509,707
More than one year		-	21,315,486	-	-	21,315,486
		<u>2,443,132</u>	<u>21,315,486</u>	<u>-</u>	<u>12,066,575</u>	<u>35,825,193</u>

8.1 Fair value through profit or loss

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

	31 Dec 2024	31 Dec 2023
	In thousands of Naira	
Balance as at the beginning of the year	2,443,132	1,637,485
Addition during the year	(46,789)	1,130,041
Disposal during the year	(714,585)	(326,389)
	<u>1,681,758</u>	<u>2,441,137</u>
Fair value gain	587,752	1,995
Balance as at the end of the year	<u>2,269,509</u>	<u>2,443,132</u>

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

Notes to the financial statements

8.2 Available for sale

Available for sale financial assets comprise:

	31 Dec 2024	31 DEC 2023
Equity Instruments measured at fair value through OCI	N'000	N'000
Unquoted equities - at FVTOCI (see (a) below)	18,022,029	18,022,028
Equity mutual funds	1,376,399	1,451,719
	<u>19,398,428</u>	<u>19,473,747</u>
Debt Instruments measured at fair value through OCI		
Bonds at FVTOCI	2,575,364	1,841,740
	<u>21,973,792</u>	<u>21,315,487</u>
Reconciliation of carrying amount		
<i>In thousands of naira</i>	31 Dec 2024	31 DEC 2023
Balance as at the beginning of the year	21,315,487	16,918,365
Additions/(disposal) during the year	-	1,054,156
Fair value gain/(loss) - equity	283,914	3,267,000
Fair value gain-bond	374,390	75,966
Balance as at the end of the period	<u>21,973,791</u>	<u>21,315,487</u>

(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 Dec 2023	31 Dec 2022
Growth in gross income (GI)	18,18,13.5,13.5,13.5	16
Operating expenses / gross income %	38	32
Depreciation and amortization	2	2
Effective tax rate (Tax / profit)	33	32
Capital expenditure / gross income % over the next 5	3	28, 2, 2, 2, 2
Perpetual growth rate %	8.12	5.2
Period counts over the next 5 years	0.5, 1.5, 2.5, 3.5, 4.5	0.5, 1.5, 2.5, 3.5, 4.5
Expected market rate of return	31.82	31.16
Risk-free rate %	16.25	14
Market risk premium %	15.57	17.16
Beta	1	1
Weighted average cost of	31.82	31.16
Equity value of Stanbic IBTC	0	177,293
illiquidity discount %	20	20
Value of Linkage Assurance	N17.943 billion	N14.676 billion

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

Sensitivity Analysis
At 31 December 2023

		Equity Value (N million)							
		Terminal growth rate of FCF							
		6.12%	6.62%	7.12%	7.62%	8.12%	9.12%	9.62%	
W A C C	29.82%	196,625	162,615	202,255	204,436	206,718	211,613	214,245	0.1012
	30.32%	190,581	159,418	198,234	200,293	202,446	207,055	209,527	217005
	30.82%	184,890	156,345	194,384	196,331	198,363	202,708	205,034	212121
	31.32%	179,521	153,386	190,696	192,537	194,457	198,558	200,750	207473
	31.82%	174,450	150,537	187,158	188,902	190,719	194,592	196,660	203046
	32.32%	169,652	147,791	183,763	185,415	187,136	190,799	192,752	198823
	32.82%	165,105	145,144	180,502	182,069	183,699	187,167	189,012	194792
	33.32%	160,793	142,589	177,367	178,854	180,401	183,685	185,432	190939
	33.82%	156,696	140,122	174,351	175,764	177,232	180,346	182,000	187253
									183724

At 31 December 2022

		Equity Value (N million)							
		Terminal growth rate of FCF							
		3.20%	3.70%	4.20%	4.70%	5.20%	6.20%	6.70%	
W A C C	29.16%	162,615	164,197	165,843	167,556	169,341	173,144	175,172	0.072
	29.66%	159,418	160,921	162,482	164,106	165,796	169,393	171,308	177293
	30.16%	156,345	157,772	159,254	160,794	162,396	165,801	167,612	173309
	30.66%	153,386	154,743	156,151	157,614	159,133	162,360	164,074	169503
	31.16%	150,537	151,828	153,167	154,556	155,999	159,059	160,682	165861
	31.66%	147,791	149,020	150,294	151,615	152,987	155,890	157,429	162373
	32.16%	145,144	146,315	147,528	148,785	150,088	152,846	154,307	159031
	32.66%	142,589	143,705	144,861	146,058	147,299	149,920	151,307	155826
	33.16%	140,122	141,187	142,289	143,430	144,611	147,105	148,423	152748
									149792

Notes to the financial statements

8.5 Loans and receivables at Dec 2024

<i>In thousands of Naira</i>	Gross Amount	Impairment	Carrying Amount
	N'000	N'000	N'000
Due from third parties (see note a below)	-	-	-
Loan to staff	342,580	-	342,580
Loan to policy holders	13,655	(13,655)	-
Ex-staff loans	59,655	(35,509)	24,146
	415,890	(49,164)	366,726

Loans and receivables at Dec. 2023

<i>In thousands of Naira</i>	Gross Amount	Impairment	Carrying Amount
Due from third parties (see note a below)	189,529	(56,186)	133,343
Loan to staff	224,833	-	224,833
Loan to policy holders	13,655	(13,655)	-
Ex-staff loans	59,446	(35,509)	23,937
	487,463	(105,350)	382,113

8.5(i) Movement during the year

	31 Dec 2024	31 DEC 2023
	N'000	N'000
As at 1 January	487,463	366,400
Loans disbursement	207,849	446,183
Recoveries during the year	-	(11,929)
Loan repayments	(279,422)	(313,191)
As at 31 December	415,890	487,463

(a) Breakdown of Due from third parties

Name of third parties	31 Dec 2024	31 DEC 2023
<i>In thousand of Naira</i>	N'000	N'000
Lease Fin. - Olumegbon	-	297
Tsf Fin. - Lease Fin.	-	927
Pine Hill Leasing	-	94,708
Lease-Glc Resources	-	4,374
Konikolo Trust Fund	-	49,087
Sunfair Comm. Prod. Ltd	-	1,500
Credite Capital Finance and Invest	-	38,635
Total	-	189,528

(b) Impairment allowance

<i>In thousands of Naira</i>	31 Dec 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 N49.2million consists of N13.65 million on Loans to policy holders and N35.51million on ex-staff loans.

8.6 Held to maturity

<i>In thousands of Naira</i>	31 Dec 2024	31 DEC 2023
Balance at the beginning of the year	12,066,575	6,452,218
Redemption/Repayment during the year	(92,779)	(975,700)
	11,973,796	5,476,518
Additions during the period	3,665,269	5,772,631
Reclassification	-	1,211,830
	15,639,065	12,460,979
Impairment loss	(11,192)	(394,404)
Balance at the end of the year	15,627,873	12,066,575

9 Trade receivables

<i>In thousands of Naira</i>	31 Dec 2024	31 DEC 2023
Due from broker	948,117	278,764
	948,117	278,764

9.1 Analysis of debtors in days

<i>In thousands of Naira</i>	31 Dec 2024	31 DEC 2023
Within 30 days	948,117	278,764
	948,117	278,764

Notes to the financial statements

9.2 Reconciliation of trade receivable

		31 Dec 2024	31 DEC 2023
		N'000	N'000
Trade receivable at 1 January		278,764	199,857
Gross premium written during the year	Note 31	24,736,095	16,332,887
Premium received in advance	Note 19.1	(22,374)	(35,531)
Premium received from policy holders	Note 44b	(24,044,368)	(16,218,449)
		948,117	278,764

10 Reinsurance contract assets

<i>In thousands of Naira</i>	31 Dec 2024	31 DEC 2023	Changes during
			the year
Reinsurance asset for remaining coverage (note 10(a))	1,978,941	1,316,485	662,456
Reinsurance asset for loss component (note 10 c)	7,664	7,664	-
Reinsurance asset for Risks Adjustments (note 10 (d))	528,707	528,707	-
Reinsurance asset for incurred claims (note 10(b))	4,074,428	4,012,927	61,501
Deferred commission revenue (see (i) below)	(360,396)	(306,330)	(54,066)
	6,229,344	5,559,453	669,891

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

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

<i>In thousands of Naira</i>	31 Dec 2024	31 DEC 2023
Balance at the beginning of the year	1,316,483	1,159,893
Additions during the year	662,458	156,590
Balance at the end of the year	1,978,941	1,316,483

(b) Movement in reinsurance contract asset on incurred claims

<i>In thousands of Naira</i>	31 Dec 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))	61,502	197,271
Balance at the end of the year	4,074,428	4,012,926

(c) Movement in reinsurance contract asset for loss component

<i>In thousands of Naira</i>	31 Dec 2024	31 DEC 2023
Balance at the beginning of the year	7,532	187,277
Additions during the year	132	(179,745)
Balance at the end of the year	7,664	7,532

(d) Movement in reinsurance contract asset for risks Adjustments

<i>In thousands of Naira</i>	31 Dec 2024	31 DEC 2023
Balance at the beginning of the year	528,707	-
Additions during the year	-	528,707
Balance at the end of the year	528,707	528,707

(e) Movement in deferred commission revenue

<i>In thousands of Naira</i>	31 Dec 2024	31 DEC 2023
Balance at the beginning of the year	306,330	259,747
Additions during the year	54,066	46,583
Balance at the end of the year	360,396	306,330

10.1 Reinsurance contract assets and Insurance contract liabilities

	2024			2023		
	Asset	Liabilities	Net	Asset	Liabilities	Net
Reinsurance contracts assets	(6,229,344)	-	(6,229,344)	(5,559,453)	-	(5,559,453)
Insurance contract liabilities	-	17,950,780	17,950,780	-	15,340,788	15,340,788
	(6,229,344)	17,950,780	11,721,436	(5,559,453)	15,340,788	9,781,335

10.1a Reinsurance contracts assets

	Note	2024			2023		
		Asset	Liabilities	Net	Asset	Liabilities	Net
Fire	17.4(a)	(1,296,912)	-	(1,296,912)	(2,377,564)	-	(2,377,564)
Accident	17.4(b)	(1,314,287)	-	(1,314,287)	(1,371,214)	-	(1,371,214)
Motor	17.4(c)	(103,303)	-	(103,303)	(140,348)	-	(140,348)
Marine	17.4(d)	(969,451)	-	(969,451)	(592,023)	-	(592,023)
Aviation	17.4(e)	(762,416)	-	(762,416)	(56,851)	-	(56,851)
Bond	17.4(f)	(3,022)	-	(3,022)	(713)	-	(713)
Engineering	17.4(g)	(556,602)	-	(556,602)	(260,193)	-	(260,193)
Oil & Gas	17.4(h)	(1,215,208)	-	(1,215,208)	(752,092)	-	(752,092)
Agric	17.4(i)	(8,143)	-	(8,143)	(8,456)	-	(8,456)
Total reinsurance contracts assets		(6,229,344)	-	(6,229,344)	(5,559,453)	-	(5,559,453)

Notes to the financial statements

10.1b Insurance contract liabilities

	Note	2024			2023		
		Asset N'000	Liabilities N'000	Net N'000	Asset N'000	Liabilities N'000	Net N'000
Fire	17.5(a)	-	3,477,926	3,477,926	-	4,246,394	4,246,394
Accident	17.5(b)	-	2,805,219	2,805,219	-	2,738,418	2,738,418
Motor	17.5(c)	-	2,297,573	2,297,573	-	2,396,057	2,396,057
Marine	17.5(d)	-	1,936,039	1,936,039	-	1,362,865	1,362,865
Aviation	17.5(e)	-	1,671,841	1,671,841	-	421,598	421,598
Bond	17.5(f)	-	17,931	17,931	-	11,913	11,913
Engineering	17.5(g)	-	1,446,164	1,446,164	-	617,402	617,402
Oil & Gas	17.5(h)	-	4,282,525	4,282,525	-	3,530,123	3,530,123
Agric	17.5(i)	-	15,562	15,562	-	16,018	16,018
Total insurance contract liabilities		-	17,950,780	17,950,780	-	15,340,788	15,340,788

10.2 2024 Comprehensive reconciliation of the Asset for remaining coverage and Amount recoverable on incurred claims

	Asset for remaining coverage		Amount recoverable on	Risk	Total
	Non - Onerous		Incurred Claims	Adjustment	
	N'000	N'000	N'000	N'000	
Reinsurance contract assets as at begin of period	1,017,812	-	4,012,927	528,713	5,559,453
Reinsurance contract liabilities as at begin of period <small>(net reinsurance contract assets / liabilities) as at begin of period</small>	-	-	-	-	-
	1,017,812	-	4,012,927	528,713	5,559,453
Changes in assets for remaining coverage	662,458	-	-	-	662,458
Changes in fees & commission for remaining coverage.	(54,064)	-	-	-	(54,064)
Reinsurance Premiums	(9,338,565)	-	-	-	(9,338,565)
An allocation of reinsurance premiums	(8,730,171)	-	-	-	(8,730,171)
Amounts recovered for Incurred claims and other expenses	-	-	1,551,342	-	1,551,342
Changes to amounts recoverable for incurred claims	-	-	61,503	-	61,503
Interest Accretion	-	-	(202,795)	-	(202,795)
Net income or expense from reinsurance contracts held	(8,730,171)	-	1,410,050	-	(7,320,121)
Reinsurance finance income	-	-	202,795	-	202,795
Total changes in the statement of comprehensive income	(8,730,171)	-	1,612,845	-	(7,117,326)
Cash flows					
Premiums paid	11,136,056	-	-	-	11,136,056
Amounts received	(1,731,535)	-	(1,551,339)	-	(3,282,874)
Total cash flows	9,404,521	-	(1,551,339)	-	7,853,182
Other movements	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	1,692,162	-	4,074,433	528,713	6,295,309

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

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

Notes to the financial statements

11 Other receivables and prepayments

In thousands of Naira

	31 Dec 2024	31 DEC 2023
Prepayments (see (a) below)	345,299	297,168
Other receivables (see (b) below)	1,142,599	595,767
	<u>1,487,898</u>	<u>892,935</u>
Allowance for impairment	-	(2,602)
	<u>1,487,898</u>	<u>890,333</u>

(a) Prepayments

In thousands of Naira

	31 Dec 2024	31 DEC 2023
Prepaid staff benefits (see note (i) below)	141,748	198,173
Deposits with stock broker (see note b (ii) below)	-	2,602
Prepaid rent (see ii below)	13,425	10,543
Other prepaid expenses (see (iii) below)	190,126	85,850
	<u>345,299</u>	<u>297,168</u>

- (i) Prepaid staff benefits represents amounts prepaid to staff of the Company with respect to rent advance (N32.9million), furniture grant (N1.0 million, staff fleet premium advance (N30,000), car loan encashment (N63.8million) and management housing grant (N43.9million).
- (ii) Prepaid rent amount represents advanced payments for the rental of office spaces in branches across the country. The contractual lease term for each of the office spaces are 12 months (which is the period the firm has enforceable right of occupancy for the office spaces) and are renewable on an annual basis. The firm applies the 'short-term lease' recognition exemption for these leases.
- (iii) Other prepaid expenses include 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 Dec 2024	31 DEC 2023
Withholding tax recoverable	148,563	162,088
Sundry receivables (see (i) below)	994,036	433,679
	<u>1,142,599</u>	<u>595,767</u>
Allowance for impairment (see (ii) below)	-	(2,602)
	<u>1,142,599</u>	<u>593,165</u>

- (i) This represents majorly the balances of sundry receivable N185.1m, investments receivable of N725.6m Cash advance purchases of N2.5m, investment for unclaimed dividends of N68.5m and NIIP third party portal wallet of N12.4m
- (ii) The impairment allowance of N2.6 million represents impairment on deposits with stock brokers now written off.

Movement in allowance for impairment

In thousands of Naira

	31 Dec 2024	31 DEC 2023
Balance at the beginning of the year	2,602	2,602
Balance at the end of the year	-	<u>2,602</u>

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

12 Right-of-use assets

Cost

	31 Dec 2024	31 DEC 2023
	N'000	N'000
Balance at the beginning of the year	35,387	35,387
Addition during the year	2,100	-
Balance at the end of the year	<u>37,487</u>	<u>35,387</u>

Accumulated Amortisation

Balance at the beginning of the year	21,878	13,642
Charge for the year	7,729	8,236
Balance at the end of the year	<u>29,607</u>	<u>21,878</u>

Carrying amount

Balance at the end of the year	<u>7,880</u>	<u>13,508</u>
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Notes to the financial statements

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 2024	Additions	Disposals	Reclassification	Fair value gain/(loss)	Carrying amount as at 30 Sep 2024
	N'000	N'000	N'000	N'000	N'000	N'000
1 No. 9C Shekinah Green Estate, Apo District, Abuja.	110,000	-	-	-	60,000	170,000
2 No. 11C Shekinah Green Estate, Apo District, Abuja.	110,000	-	-	-	60,000	170,000
	<u>220,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,000</u>	<u>340,000</u>

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

(b) Reconciliation of carrying amount

In thousands of Naira

Balance at the beginning of the year
Fair value gain/(loss)
Balance at the end of the year

	31 Dec 2024	31 DEC 2023
Balance at the beginning of the year	220,000	160,000
Fair value gain/(loss)	120,000	60,000
Balance at the end of the year	<u>340,000</u>	<u>220,000</u>

(c) Measurement of fair values

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

In thousands of Naira

	31 Dec 2024	31 DEC 2023
Level 1	-	-
Level 2	-	-
Level 3	340,000	220,000
	<u>340,000</u>	<u>220,000</u>

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 2024, 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 as at Dec. 2023 by Andy Bassey & Associate Estate Surveyors & Valuers with firm FRC number FRC/2012/0000000487. The valuation report was signed by Andem Bassey (FNIVS, RSV) with FRC number FRC/2012/NIESV/0000000363.

14 Intangible assets

In thousands of Naira

Cost

Balance at the beginning of the year
Addition during the year
Disposal during the year
Balance at the end of the year

	31 Dec 2024	31 DEC 2023
Balance at the beginning of the year	106,937	88,401
Addition during the year	9,568	31,713
Disposal during the year	-	(13,177)
Balance at the end of the year	<u>116,505</u>	<u>106,937</u>

Accumulated Amortisation

Balance at the beginning of the year
Charge for the year
Disposal during the year
Balance at the end of the year

Balance at the beginning of the year	73,836	67,556
Charge for the year	8,761	6,280
Disposal during the year	-	-
Balance at the end of the year	<u>82,597</u>	<u>73,836</u>

Net Book Value

Balance at the end of the year

Balance at the end of the year	<u>33,908</u>	<u>33,101</u>
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The intangible assets include computer software acquired for use in the Company's operation. The assets are usually amortized over their useful life most which do not exceed 4 years. .

Notes to the financial statements

15 Property and equipment

31 Dec 2024

	Land	Buildings	Motor Vehicles	Office furniture & fittings	Office Machinery & Equipment	Building (Work in progress)	Total
<i>In thousands of Naira</i>							
Cost/valuation							
At 1 January 2024	1,439,150	581,182	1,988,558	167,999	320,938	275,880	4,773,706
Additions	-	344,940	67,228	78,381	159,596	(183,710)	466,436
Reclassification	-	-	-	(53,706)	(1,240)	-	(54,946)
Disposal	-	-	(112,400)	(2,978)	(1,163)	-	(116,542)
31 December 2024	1,439,150	926,123	1,943,386	189,696	478,131	92,170	5,068,655
Accumulated depreciation							
At 1 January 2024	-	103,957	824,688	157,202	235,611	-	1,321,459
Charge for the year	-	12,776	382,519	14,572	57,096	-	466,963
Disposal	-	-	(87,258)	(2,686)	(1,077)	-	(91,021)
Reclassification	-	-	-	(53,706)	(1,240)	-	(54,946)
31 December 2024	-	116,733	1,119,949	115,382	290,390	-	1,642,455
Carrying amount							
31 December 2024	1,439,150	809,390	823,437	74,314	187,740	92,170	3,426,200
At 31 December 2023	1,439,150	477,225	1,163,870	10,797	85,326	275,880	3,452,247

Property and equipment

At 31 December 2023

	Land	Buildings	Motor Vehicles	Office furniture & fittings	Office Machinery & Equipment	Building (Work in progress)	Total
<i>In thousands of Naira</i>							
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 December 2024			31 December 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<i>In thousands of Naira</i>						
Land	-	-	1,439,150	-	-	1,439,150
Building	-	-	926,123	-	-	581,182
	-	-	2,365,272	-	-	2,020,332

In December 2023, the Company's land and buildings were revalued. The Company engaged the services of an independent valuer, Andy Bassey & Associate Estate Surveyors & Valuers (FRC/2012/NIESV/0000000363). The Company revalues its land and buildings every three years as stated in its accounting policy.

- There were no capitalized borrowing costs related to the acquisition of property and equipment during the year
- In the opinion of the directors, the market value of the Company's property and equipment is not less than the value shown in the financial statements as at year end.
- The Company had no capital commitments as at the reporting date (December 2023: nil)
- There was no item of property and equipment that has been pledged as security for borrowings as at the period ended 31 December 2024 (December 2023: nil)
- An impairment assessment was conducted and no impairment indicator was identified.

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

Name of property	Date of acquisition	Title document	Location	Carrying amount	Steps taken for perfection of document
Land and Building In Lekki express way	20-Nov-05	Deed of Assignment	Plot 20, Block 94, Lekki express way	1,354,404	Lagos State Governor Consent obtained on 26/09/2016
Land and Building at Ilupeju	12-Mar-02	Deed of Assignment	11A, Coker road, ilupeju, Lagos State	256,721	The company had applied to register the deed of assignment with the Lagos State Lands Registry
Land in Yenagoa	30-Apr-12	Letter of allocation by Bayelsa State Government	Central business district Swali, Yenagoa, Bayelsa State	72,150	The company had applied to register the allocation letter with the Bayelsa State Lands Registry
Linkage Millennium Tower, Port Harcourt	26-Sep-03	Deed of Assignment	Amadi layout along Port Harcourt/ Aba Express road	228,000	The company had applied to register the deed of assignment with the Rivers State Ministry of Lands
				1,911,275	

Notes to the financial statements

16 Statutory deposit	31 Dec 2024	31 DEC 2023
	₦'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. During the year 2022, a deposit of N200 million was made by the Company to the Central Bank of Nigeria to increase its statutory deposit from N500 million to N700 million.

17 Insurance contract liabilities	31 Dec 2024	31 DEC 2023
	₦'000	₦'000
Liability for incurred claims (note 17.1(a))	10,868,566	10,024,351
RISK ADJUSTMENT RESERVE - LIC	1,320,718	1,320,718
Liability for remaining coverage (excluding loss component) (note 17.5)	6,929,965	4,722,763
Liability for Loss Component	14,476	14,476
	19,133,725	16,082,308
Amortised acquisition cash flow cost (see note 17.2)	(1,182,945)	(741,520)
Total insurance contract liabilities	17,950,780	15,340,788

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 Dec 2024			31 DEC 2023		
	Liability for incurred claims	Reinsurance asset for incurred claims	Net	Liability for incurred claims	Reinsurance asset for incurred claims	Net
<i>In thousands of Naira</i>						
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	844,215	61,501	782,714	452,177	197,272	254,905
Balance at the end of the year	10,868,566	4,074,428	6,794,138	10,024,351	4,012,927	6,011,424

17.1b 31 Dec 2024

Comprehensive reconciliation of the LFRC and the LFIC for insurance contracts

	Liabilities for remaining coverage		Liability for Incurred	Risk Adjustment	Total
	Non-onerous ₦'000	Onerous ₦'000	Total ₦'000		₦'000
Net insurance contract liabilities as at begin	3,981,246	14,475	10,024,350	1,320,716	15,340,788
Adjustment to liability for remaining coverage / loss component	(1,765,777)	-	-	-	(1,765,777)
Premiums	24,736,095	-	-	-	24,736,095
Amortisation of insurance acq. cash flows	8,027,599	-	-	-	8,027,599
Insurance acquisition cash flows	(8,469,025)	-	-	-	(8,469,025)
Insurance revenue	22,528,892	-	-	-	22,528,892
Incurred claims and other expenses	-	-	(6,328,542)	-	(6,328,542)
Amortisation of insurance acquisition cash flows	(8,027,599)	-	-	-	(8,027,599)
Losses on onerous contracts and	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(844,214)	-	(844,214)
Interest Accreted	-	-	519,360	-	519,360
Insurance service expenses	(8,027,599)	-	(6,653,396)	-	(14,680,995)
Insurance service result before reinsurance contract held	14,501,293	-	(6,653,396)	-	7,847,897
Insurance finance expenses	-	-	(519,360)	-	(519,360)
Total changes in the statement of comprehensive income	14,501,293	-	(7,172,756)	-	7,328,537
Cash flows					
Premiums received	24,736,095	-	-	-	24,736,095
Claims and other expenses paid	-	-	(6,328,542)	-	(6,328,542)
Insurance acquisition cash flows	(8,469,025)	-	-	-	(8,469,025)
Total cash flows	16,267,070	-	(6,328,542)	-	9,938,528
Other movements	-	-	-	-	-
Insurance contract liabilities as at end of period	5,747,023	14,475	10,868,564	1,320,716	17,950,779

Dec 2023

Comprehensive reconciliation of the LFRC and the LFIC for insurance contracts

	Liabilities for remaining coverage		Liability for Incurred	Risk Adjustment	Total
	Non-onerous ₦'000	Onerous ₦'000	Total ₦'000		₦'000
Net insurance contract liabilities as at begin	2,314,900	381,593	9,572,174	923,222	13,191,889
Adjustment to liability for remaining coverage / loss compone	(1,666,341)	367,118	-	-	(1,299,223)
Premiums	16,332,886	-	-	-	16,332,886
Amortisation of insurance acq. cash flows	4,188,723	-	-	-	4,188,723
Insurance acquisition cash flows	(4,387,184)	-	-	-	(4,387,184)
Insurance revenue	14,468,084	367,118	-	-	14,835,202
Incurred claims and other expenses	-	-	6,287,563	-	6,287,563
Amortisation of insurance acquisition cash flows	4,201,202	-	-	-	4,201,202
Losses on onerous contracts and	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	452,177	397,496	849,673
Interest Accreted	-	-	(543,035)	-	(543,035)
Insurance service expenses	4,201,202	-	6,196,705	397,496	10,795,403
Insurance service result for insurance contract issued	10,266,882	367,118	(6,196,705)	(397,496)	4,039,799
Insurance finance expenses	-	-	(543,035)	-	(543,035)
Total changes in the statement of comprehensive income	10,266,882	367,118	(6,739,740)	(397,496)	3,496,764
Cash flows					
Premiums received	16,320,409	-	-	-	16,320,409
Claims and other expenses paid	-	-	(6,287,563)	-	(6,287,563)
Insurance acquisition cash flows	(4,387,183)	-	-	-	(4,387,183)
Total cash flows	11,933,226	-	(6,287,563)	-	5,645,663
Other movements	-	-	-	-	-
Insurance contract liabilities as at end of period	3,981,244	14,475	10,024,351	1,320,718	15,340,788

Notes to the financial statements

17.1c Analysis of liability/asset for incurred claims per class of business:

<i>In thousands of Naira</i>	31 Dec 2024			31 DEC 2023		
	Liability for Incurred Claims	Reinsurance asset for incurred	Net	Liability for Incurred Claims	Reinsurance asset for incurred	Net
Motor	838,252	48,550	789,702	871,587	116,869	754,718
Fire	2,238,571	778,926	1,459,645	3,089,303	1,820,592	1,268,711
General accident	2,027,036	1,006,882	1,020,154	2,058,249	1,093,519	964,730
Engineering	893,799	408,749	485,050	301,910	164,627	137,283
Marine	1,496,266	731,223	765,043	1,094,401	426,648	667,753
Bond	11,681	-	11,681	2,411	-	2,411
Aviation	1,428,514	742,625	685,889	314,383	50,222	264,161
Oil & Gas	1,925,196	352,842	1,572,354	2,279,728	333,066	1,946,662
Agric	9,251	4,631	4,620	12,379	7,384	4,995
	10,868,566	4,074,428	6,794,138	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.

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:

<i>In thousands of Naira</i>	31 Dec 2024	31 DEC 2023
Motor	158,216	163,848
Fire	176,357	153,489
Accident	88,340	70,479
Engineering	119,958	60,730
Marine	88,010	51,672
Bond	1,183	1,954
Aviation	53,954	19,369
Oil & Gas	496,049	217,701
Agric	878	2,278
	1,182,945	741,520

17.2a Movement in the asset for acquisition costs cash flow

<i>In thousands of Naira</i>	31 Dec 2024	31 DEC 2023
Balance at the beginning of the year	741,520	543,059
(Decrease) / increase during the year (see note 36.1)	441,425	198,461
Balance at the end of the year	1,182,945	741,520

17.3	31 Dec 2024			31 DEC 2023		
	Liability for risk adjustment	Asset for risk adjustment	Net	Liability for risk adjustment	Asset for risk adjustment	Net
RISK ADJUSTMENT LIC- ACCIDENT	354,149	143,577	210,572	354,149	143,577	210,572
RISK ADJUSTMENT LIC- ENGINEERING	63,674	22,293	41,381	63,674	22,293	41,381
RISK ADJUSTMENT LIC- MARINE	39,112	55,818	(16,706)	39,112	55,818	(16,706)
RISK ADJUSTMENT LIC- MOTOR	141,145	17,693	123,452	141,145	17,693	123,452
RISK ADJUSTMENT LIC- FIRE	450,783	237,844	212,939	450,783	237,844	212,939
RISK ADJUSTMENT LIC- OIL & GAS	242,049	43,880	198,169	242,049	43,880	198,169
RISK ADJUSTMENT LIC- AVIATION	27,935	6,629	21,306	27,935	6,629	21,306
RISK ADJUSTMENT LIC- BOND	323	-	323	323	-	323
RISK ADJUSTMENT LIC- AGRIC	1,548	973	575	1,548	973	575
	1,320,718	528,707	792,011	1,320,718	528,707	792,011

17.4	31 Dec 2024			31 Dec 2023		
	Liability for loss component	Asset for loss component	Net	Liability for loss component	Asset for loss component	Net
ACCIDENT	14,476	7,664	6,812	14,476	7,664	6,812
ENGINEERING	-	-	-	-	-	-
MARINE	-	-	-	-	-	-
MOTOR	-	-	-	-	-	-
FIRE	-	-	-	-	-	-
OIL & GAS	-	-	-	-	-	-
AVIATION	-	-	-	-	-	-
BOND	-	-	-	-	-	-
AGRIC	-	-	-	-	-	-
	14,476	7,664	6,812	14,476	7,664	6,812

Notes to the financial statements-continued

17.4(a) Fire	2024				
	Reconciliation of the Asset for remaining coverage and Amount recoverable on incurred claims				
	Asset for remaining coverage		Amount recoverable on Incurred Claims	Risk Adjustment	Total
	Non - Onerous N'000	Onerous N'000	N'000	N'000	N'000
Reinsurance contract assets as at begin of period	319,131	-	1,820,588	237,845	2,377,564
Reinsurance contract liabilities as at begin of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at begin	319,131	-	1,820,588	237,845	2,377,564
Changes in assets for remaining coverage	(60,618)	-	-	-	(60,618)
Changes in fees & commission for remainig coverage.	21,633	-	-	-	21,633
Reinsurance Premiums	(1,081,444)	-	-	-	(1,081,444)
An allocation of reinsurance premiums	(1,120,429)	-	-	-	(1,120,429)
Amounts recovered for Incurred claims and other expenses	-	-	443,679	-	443,679
Changes to amounts recoverable for incurred claims	-	-	(1,041,666)	-	(1,041,666)
Interest Accretion	-	-	(112,634)	-	(112,634)
Net income or expense from reinsurance contracts held	(1,120,429)	-	(710,621)	-	(1,831,050)
Reinsurance finance income	-	-	112,634	-	112,634
Total changes in the statement of comprehensive income	(1,120,429)	-	(597,987)	-	(1,718,416)
Cash flows	-	-	-	-	-
Premiums paid	1,675,627	-	-	-	1,675,627
Amounts received	(594,183)	-	(443,679)	-	(1,037,862)
Total cash flows	1,081,444	-	(443,679)	-	637,765
Other movements- deferred acquisition cost	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	280,146	-	778,922	237,845	1,296,913

Fire	2023				
	Reconciliation of the Asset for remaining coverage and Amount recoverable on incurred claims				
	Asset for remaining coverage		Amount recoverable on Incurred Claims	Risk Adjustment	Total
	Non - Onerous N'000	Onerous N'000	N'000	N'000	N'000
Reinsurance contract assets as at begin of period	391,746	-	1,903,813	-	2,295,559
Reinsurance contract liabilities as at begin of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at begin	391,746	-	1,903,813	-	2,295,559
An allocation of reinsurance premiums	(1,384,857)	-	-	-	(1,384,857)
Amounts recoverable from reinsurers for incurred claims	-	-	527,647	237,845	765,492
Amounts recoverable for Incurred claims and other expenses	-	-	694,612	-	694,612
Changes to amounts recoverable for incurred claims	-	-	(83,225)	237,845	154,620
Reinsurance investment components	-	-	(83,740)	-	(83,740)
Net income or expense from reinsurance contracts held	(1,384,857)	-	527,647	237,845	(619,365)
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of comprehensive income	(1,384,857)	-	611,387	237,845	(535,625)
Cash flows	-	-	-	-	-
Premiums paid	1,312,242	-	-	-	1,312,242
Amounts received	-	-	(694,612)	-	(694,612)
Total cash flows	1,312,242	-	(694,612)	-	617,630
Other movements- deferred acquisition cost	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	319,131	-	1,820,588	237,845	2,377,564
Reinsurance contract assets as at end of period	319,131	-	1,820,588	237,845	2,377,564
Reinsurance contract liabilities as at end of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	319,131	-	1,820,588	237,845	2,377,564

Notes to the financial statements-continued

2024

17.4(b) Reconciliation of the Asset for remaining coverage and Amount recoverable on incurred claims- Accident

	Asset for remaining coverage		Amount recoverable on Incurred Claims	Risk Adjustment	Total N'000
	Non - Onerous	Onerous	N'000	N'000	
	N'000	N'000			
Reinsurance contract assets as at begin of period	134,116	0	1,093,519	143,578	1,371,213
Reinsurance contract liabilities as at begin of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at begin	134,116	-	1,093,519	143,578	1,371,213
Changes in assets for remaining coverage	44,774	-	-	-	44,774
Changes in fees & commission for remainig coverage.	(15,058)	-	-	-	(15,058)
Reinsurance Premiums	(605,238)	-	-	-	(605,238)
An allocation of reinsurance premiums	(575,522)	-	-	-	(575,522)
Amounts recovered for Incurred claims and other expenses	-	-	423,189	-	423,189
Changes to amounts recoverable for incurred claims	-	-	(86,638)	-	(86,638)
Interest accretion	-	-	(46,188)	-	(46,188)
Net income or expense from reinsurance contracts held	(575,522)	-	290,363	-	(285,159)
Reinsurance finance income	-	-	46,188	-	46,188
Total changes in the statement of comprehensive income	(575,522)	-	336,551	-	(238,971)
Cash flows	-	-	-	-	-
Premiums paid	897,857	-	-	-	897,857
Amounts received	(292,619)	-	(423,189)	-	(715,808)
Total cash flows	605,238	-	(423,189)	-	182,049
Net reinsurance contract assets/(liabilities) as at end	163,832	-	1,006,881	143,578	1,314,291

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

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

Notes to the financial statements-continued

17.4(c)

2024

Motor

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

	Asset for remaining coverage		Amount recoverable on Incurred Claims	Risk Adjustment	Total
	Non - Onerous	Onerous			
	₦'000	₦'000	₦'000	₦'000	₦'000
Reinsurance contract assets as at begin of period	5,785	-	116,870	17,693	140,347
Reinsurance contract liabilities as at begin of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at begin	5,785	-	116,870	17,693	140,347
Changes in assets for remaining coverage	48,976	-	-	-	48,976
Changes in fees & commission for remainig coverage.	(17,703)	-	-	-	(17,703)
Reinsurance Premiums	(200,586)	-	-	-	(200,586)
An allocation of reinsurance premiums	(169,313)	-	-	-	(169,313)
Amounts recovered for Incurred claims and other expenses	-	-	381,741	-	381,741
Changes to amounts recoverable for incurred claims	-	-	(68,319)	-	(68,319)
Interest accretion	-	-	(3,107)	-	(3,107)
Net income or expense from reinsurance contracts held	(169,313)	-	310,315	-	141,002
Reinsurance finance income	-	-	3,107	-	3,107
Total changes in the statement of comprehensive income	(169,313)	-	313,422	-	144,109
Cash flows					
Premiums paid	261,642	-	-	-	261,642
Amounts received	(61,056)	-	(381,741)	-	(442,797)
Total cash flows	200,586	-	(381,741)	-	(181,155)
Other movements	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	37,058	-	48,551	17,693	103,301

2023

Motor

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

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

Notes to the financial statements-continued

17.4(d)

2024

Marine

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

	Asset for remaining coverage		Amount recoverable on Incurred Claims	Risk Adjustment	Total
	Non - Onerous N'000	Onerous N'000	N'000	N'000	N'000
Reinsurance contract assets as at begin of period	109,556	-	426,648	55,819	592,023
Reinsurance contract liabilities as at begin of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at begin	109,556	-	426,648	55,819	592,023
Changes in assets for remaining coverage	105,356	-	-	-	105,356
Changes in fees & commission for remainig coverage.	(32,502)	-	-	-	(32,502)
Reinsurance Premiums	(661,195)	-	-	-	(661,195)
An allocation of reinsurance premiums	(588,341)	-	-	-	(588,341)
Amounts recovered for Incurred claims and other expenses	-	-	140,490	-	140,490
Changes to amounts recoverable for incurred claims	-	-	304,576	-	304,576
Reinsurance investment components	-	-	(14,829)	-	(14,829)
Net income or expense from reinsurance contracts held	(588,341)	-	430,237	-	(158,104)
Reinsurance finance income	-	-	14,829	-	14,829
Total changes in the statement of comprehensive income	(588,341)	-	445,066	-	(143,275)
Cash flows					
Premiums paid	1,019,804	-	-	-	1,019,804
Amounts received	(358,609)	-	(140,490)	-	(499,099)
Total cash flows	661,195	-	(140,490)	-	520,705
Other movements	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	182,410	-	731,224	55,819	969,453

2023

Marine

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

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

Notes to the financial statements-continued

17.4(e)

2024

Aviation

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

	Asset for remaining coverage		Amount recoverable on Incurred Claims		Risk Adjustment	Total N'000
	Non - Onerous N'000	Onerous N'000	N'000	N'000	N'000	
Reinsurance contract assets as at begin of period	-	-	50,222	-	6,629	56,851
Reinsurance contract liabilities as at begin of period	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at begin	-	-	50,222	-	6,629	56,851
Changes in assets for remaining coverage	18,711	-	-	-	-	18,711
Changes in fees & commission for remainig coverage.	(5,549)	-	-	-	-	(5,549)
Reinsurance Premiums	(1,105,670)	-	-	-	-	(1,105,670)
An allocation of reinsurance premiums	(1,092,508)	-	-	-	-	(1,092,508)
Amounts recovered for Incurred claims and other expenses	-	-	-	-	-	-
Changes to amounts recoverable for incurred claims	-	-	692,403	692,403	-	1,384,806
Reinsurance investment components	-	-	(1,988)	-	-	(1,988)
Net income or expense from reinsurance contracts held	(1,092,508)	-	690,415	-	-	(402,093)
Reinsurance finance income	-	-	1,988	-	-	1,988
Total changes in the statement of comprehensive income	(1,092,508)	-	692,403	-	-	(400,105)
Cash flows	-	-	-	-	-	-
Premiums paid	1,148,601	-	-	-	-	1,148,601
Amounts received	(42,931)	-	-	-	-	(42,931)
Total cash flows	1,105,670	-	-	-	-	1,105,670
Other movements- deferred acquisition cost	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	13,162	-	742,625	6,629	-	762,416

2023

Aviation

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

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

Notes to the financial statements-continued

17.4(f)

2,024

Bond

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

	Asset for remaining coverage		Amount recoverable on Incurred Claims		Risk Adjustment	Total N'000
	Non - Onerous N'000	Onerous N'000	N'000	N'000		
Reinsurance contract assets as at begin of period	713	-	-	-	-	713
Reinsurance contract liabilities as at begin of period	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at begin	713	-	-	-	-	713
Changes in assets for remaining coverage	3,152	-	-	-	-	3,152
Changes in fees & commission for remainig coverage.	(841)	-	-	-	-	(841)
Reinsurance Premiums	(5,073)	-	-	-	-	(5,073)
An allocation of reinsurance premiums	(2,762)	-	-	-	-	(2,762)
Amounts recovered for Incurred claims and other expenses	-	-	-	-	-	-
Changes to amounts recoverable for incurred claims	-	-	-	-	-	-
Reinsurance investment components	-	-	-	-	-	-
Net income or expense from reinsurance contracts held	(2,762)	-	-	-	-	(2,762)
Reinsurance finance income	-	-	-	-	-	-
Total changes in the statement of comprehensive income	(2,762)	-	-	(2,762)	-	(5,524)
Cash flows	-	-	-	-	-	-
Premiums paid	7,056	-	-	-	-	7,056
Amounts received	(1,983)	-	-	-	-	(1,983)
Total cash flows	5,073	-	-	-	-	5,073
Other movements- deferred acquisition cost	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	3,024	-	-	-	-	3,024

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Bond

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

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

Notes to the financial statements-continued

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Engineering

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

	Asset for remaining coverage		Amount recoverable on Incurred Claims	Risk Adjustment	Total
	Non - Onerous N'000	Onerous N'000	N'000	N'000	N'000
Reinsurance contract assets as at begin of period	73,272	-	164,627	22,294	260,193
Reinsurance contract liabilities as at begin of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at begin	73,272	-	164,627	22,294	260,193
Changes in assets for remaining coverage	64,274	-	-	-	64,274
Changes in fees & commission for remainig coverage.	(11,985)	-	-	-	(11,985)
Reinsurance Premiums	(513,552)	-	-	-	(513,552)
An allocation of reinsurance premiums	(461,263)	-	-	-	(461,263)
Amounts recovered for Incurred claims and other expenses	-	-	35,949	-	35,949
Changes to amounts recoverable for incurred claims	-	-	244,123	-	244,123
Reinsurance investment components	-	-	(8,523)	-	(8,523)
Net income or expense from reinsurance contracts held	(461,263)	-	271,549	-	(189,714)
Reinsurance finance income	-	-	8,523	-	8,523
Total changes in the statement of comprehensive income	(461,263)	-	280,072	-	(181,191)
Cash flows	-	-	-	-	-
Premiums paid	692,984	-	-	-	692,984
Amounts received	(179,432)	-	(35,949)	-	(215,381)
Total cash flows	513,552	-	(35,949)	-	477,603
Other movements- deferred acquisition cost	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	125,561	-	408,750	22,294	556,605

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Engineering

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

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

Notes to the financial statements-continued

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Oil & Gas

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

	Asset for remaining coverage		Amount recoverable on Incurred Claims		Risk Adjustment	Total N'000
	Non - Onerous N'000	Onerous N'000	N'000	N'000	N'000	
Reinsurance contract assets as at begin of period	375,146	-	333,066	43,880	-	752,092
Reinsurance contract liabilities as at begin of period	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at begin	375,146	-	333,066	43,880	-	752,092
Changes in assets for remaining coverage	434,585	-	-	-	-	434,585
Changes in fees & commission for remainig coverage.	8,755	-	-	-	-	8,755
Reinsurance Premiums	(5,157,380)	-	-	-	-	(5,157,380)
An allocation of reinsurance premiums	(4,714,040)	-	-	-	-	(4,714,040)
Amounts recovered for Incurred claims and other expenses	-	-	126,294	-	-	126,294
Changes to amounts recoverable for incurred claims	-	-	19,777	-	-	19,777
Reinsurance investment components	-	-	(15,198)	-	-	(15,198)
Net income or expense from reinsurance contracts held	(4,714,040)	-	130,873	-	-	(4,583,167)
Reinsurance finance income	-	-	15,198	-	-	15,198
Total changes in the statement of comprehensive income	(4,714,040)	-	146,071	-	-	(4,567,969)
Cash flows						
Premiums paid	5,421,396	-	-	-	-	5,421,396
Amounts received	(264,016)	-	(126,294)	-	-	(390,310)
Total cash flows	5,157,380	-	(126,294)	-	-	5,031,086
Other movements- deferred acquisition cost	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	818,486	-	352,843	43,880	-	1,215,209

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Oil & Gas

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

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

Notes to the financial statements-continued

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Agriculture

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

	Asset for remaining coverage		Amount recoverable on Incurred Claims	Risk Adjustment	Total N'000
	Non - Onerous N'000	Onerous N'000	N'000	N'000	
Reinsurance contract assets as at begin of period	97	0	7,386	973	8,456
Reinsurance contract liabilities as at begin of period	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at begin	97	-	7,386	973	8,456
Changes in assets for remaining coverage	3,250	-	-	-	3,250
Changes in fees & commission for remainig coverage.	(812)	-	-	-	(812)
Reinsurance Premiums	(8,427)	-	-	-	(8,427)
An allocation of reinsurance premiums	(5,989)	-	-	-	(5,989)
Amounts recovered for Incurred claims and other expenses	-	-	-	-	-
Changes to amounts recoverable for incurred claims	-	-	(2,753)	-	(2,753)
Reinsurance investment components	-	-	(328)	-	(328)
Net income or expense from reinsurance contracts held	(5,989)	-	(3,081)	-	(9,070)
Reinsurance finance income	-	-	328	-	328
Total changes in the statement of comprehensive income	(5,989)	-	(2,753)	-	(8,742)
Cash flows	-	-	-	-	-
Premiums paid	11,089	-	-	-	11,089
Amounts received	(2,662)	-	-	-	(2,662)
Total cash flows	8,427	-	-	-	8,427
Other movements- deferred acquisition cost	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at end	2,535	-	4,633	973	8,141

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Agriculture

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

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

Notes to the financial statements-continued

17.5(b) 2024 Reconciliation of the LFRC and the LFIC for insurance contracts - Accident

	Liabilities for remaining coverage		Liability for	Risk	Total
	Non-onerous	Onerous	Incurred Claims	Adjustment	
	₦'000	₦'000	₦'000	₦'000	
Insurance contract liabilities as at begin of period	311,546	14,476	2,058,248	354,148	2,738,418
Net insurance contract liabilities as at begin	311,546	14,476	2,058,248	354,148	2,738,418
Change in liability for remaining coverage / loss component	(98,015)	-	-	-	(98,015)
Premiums	2,001,327	-	-	-	2,001,327
Amortisation of insurance acq. cash flows	757,516	-	-	-	757,516
Insurance acquisition cash flows	(775,377)	-	-	-	(775,377)
Insurance revenue	1,885,451	-	-	-	1,885,451
Incurred claims and other expenses	-	-	(922,252)	-	(922,252)
Amortisation of insurance acquisition cash flows	(757,516)	-	-	-	(757,516)
Losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	31,213	-	31,213
Investment components	-	-	93,254	-	93,254
Insurance service expenses	(757,516)	-	(797,785)	-	(1,555,301)
Insurance service result before reinsurance contract held	1,127,935	-	(797,785)	-	330,150
Insurance finance expenses	-	-	(93,254)	-	(93,254)
Total changes in the statement of comprehensive income	1,127,935	-	(891,039)	-	236,896
Cash flows					
Premiums received	2,001,327	-	-	-	2,001,327
Claims and other expenses paid	-	-	(922,252)	-	(922,252)
Insurance acquisition cash flows	(775,377)	-	-	-	(775,377)
Total cash flows	1,225,950	-	(922,252)	-	303,698
Other movements	-	-	-	-	-
Net insurance contract (assets)/liabilities as at end	409,561	14,476	2,027,035	354,148	2,805,220
Insurance contract liabilities as at end of period	409,561	14,476	2,027,035	354,148	2,805,220

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

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

Notes to the financial statements-continued

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17.5(c)

Reconciliation of the LFRC and the LFIC for insurance contracts - Motor

	Liabilities for remaining coverage		Liability for Incurred Claims	Risk Adjustment	Total N'000
	Non-onerous	Onerous	N'000	N'000	
	N'000	N'000			
Insurance contract liabilities as at begin of period	1,383,324	-	871,588	141,145	2,396,057
Insurance contract assets as at begin of period					
Net insurance contract liabilities as at begin	1,383,324	-	871,588	141,145	2,396,057
Change in liability for remaining coverage / loss component	65,148				65,148
Premiums	5,007,723				5,007,723
Amortisation of insurance acq. cash flows	1,598,187				1,598,187
Insurance acquisition cash flows	(1,592,555)				(1,592,555)
Insurance revenue	5,078,503				5,078,503
Incurred claims and other expenses	-	-	(1,576,539)	-	(1,576,539)
Amortisation of insurance acquisition cash flows	(1,598,187)	-	-	-	(1,598,187)
Losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	33,335	-	33,335
Investment components	-	-	47,877	-	47,877
Insurance service expenses	(1,598,187)	-	(1,495,327)	-	(3,093,514)
Insurance service result before reinsurance contract held	3,480,316	-	(1,495,327)	-	1,984,989
Insurance finance expenses	-	-	(47,877)	-	(47,877)
Total changes in the statement of comprehensive income	3,480,316	-	(1,543,204)	-	1,937,112
Cash flows	-	-	-	-	-
Premiums received	5,007,723	-	-	-	5,007,723
Claims and other expenses paid	-	-	(1,576,539)	-	(1,576,539)
Insurance acquisition cash flows	(1,592,555)	-	-	-	(1,592,555)
Total cash flows	3,415,168	-	(1,576,539)	-	1,838,629
Other movements	-	-	-	-	-
Net insurance contract (assets)/liabilities as at end	1,318,176	-	838,253	141,145	2,297,574
Net insurance contract liabilities as at end	1,318,176	-	838,253	141,145	2,297,574

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Reconciliation of the LFRC and the LFIC for insurance contracts - Motor

	Liabilities for remaining coverage		Liability for Incurred Claims	Risk Adjustment	Total N'000
	Non-onerous	Onerous	N'000	N'000	
	N'000	N'000			
Insurance contract liabilities as at begin of period	855,515	-	636,744	51,919	1,544,178
Insurance contract assets as at begin of period					-
Net insurance contract liabilities as at begin	855,515	-	636,744	51,919	1,544,178
Insurance revenue	3,772,284	-	-	-	3,772,284
Insurance service expenses	976,040	-	1,699,947	89,226	2,765,213
Incurred claims and other expenses	-	-	1,512,176	-	1,512,176
Amortisation of insurance acquisition cash flows	976,040	-	-	-	976,040
Losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	234,844	89,226	324,070
Investment components	-	-	(47,073)	-	(47,073)
Insurance service result	2,808,723	-	(1,699,947)	(89,226)	1,019,550
Insurance finance expenses	-	-	(47,073)	-	(47,073)
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of comprehensive income	2,796,244	-	(1,699,947)	(89,226)	1,007,071
Cash flows	-	-	-	-	-
Premiums received	4,354,649	-	-	-	4,354,649
Claims and other expenses paid	-	-	(1,512,176)	-	(1,512,176)
Insurance acquisition cash flows	(1,005,638)	-	-	-	(1,005,638)
Total cash flows	3,349,011	-	(1,512,176)	-	1,836,835
Other movements	-	-	-	-	-
Net insurance contract (assets)/liabilities as at end	-	-	871,588	141,145	2,396,057
Insurance contract assets as at end of period					
Net insurance contract liabilities as at end	1,408,282	-	824,515	141,145	2,373,943

Notes to the financial statements-continued

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17.5(d) Reconciliation of the LFRC and the LFIC for insurance contracts - Marine

	Liabilities for remaining coverage		Liability for	Risk	Total
			Incurred Claims	Adjustment	
	Non-onerous	Onerous			
	₦'000	₦'000	₦'000	₦'000	₦'000
Insurance contract liabilities as at begin of period	229,353	-	1,094,400	39,112	1,362,865
Insurance contract assets as at begin of period					
Insurance contract liabilities as at begin of period	229,353	-	1,094,400	39,112	1,362,865
Change in liability for remaining coverage / loss component	(171,308)				(171,308)
Premiums	1,818,429				1,818,429
Amortisation of insurance acq. cash flows	608,890				608,890
Insurance acquisition cash flows	(645,228)				(645,228)
Insurance revenue	1,610,783				1,610,783
Incurred claims and other expenses	-	-	(775,956)	-	(775,956)
Amortisation of insurance acquisition cash flows	(608,890)	-	-	-	(608,890)
Losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(401,865)	-	(401,865)
Investment components			29,854		
Insurance service expenses	(608,890)	-	(1,147,967)	-	(1,756,857)
Insurance service result before reinsurance contract held	1,001,893	-	(1,147,967)	-	(146,074)
Insurance finance expenses	-	-	(29,854)	-	(29,854)
Total changes in the statement of comprehensive income	1,001,893	-	(1,177,821)	-	(175,928)
Cash flows					
Premiums received	1,818,429	-	-	-	1,818,429
Claims and other expenses paid	-	-	(775,956)	-	(775,956)
Insurance acquisition cash flows	(645,228)	-	-	-	(645,228)
Total cash flows	1,173,201	-	(775,956)	-	397,245
Other movements	-	-	-	-	-
Net insurance contract (assets)/liabilities as at end	400,661	-	1,496,265	39,112	1,936,038
Insurance contract assets as at end of period	400,661	-	1,496,265	39,112	1,936,038

2023

Reconciliation of the LFRC and the LFIC for insurance contracts - Marine

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

Notes to the financial statements-continued

17.5(e)	2024				
	Reconciliation of the LFRC and the LFIC for insurance contracts - Aviation				
	Liabilities for remaining coverage		Liability for Incurred Claims	Risk Adjustment	Total
	Non-onerous	Onerous			
	₦'000	₦'000	₦'000	₦'000	₦'000
Insurance contract liabilities as at begin of period	79,279	-	314,384	27,935	421,598
Insurance contract assets as at begin of period					
Net insurance contract liabilities as at begin	79,279	-	314,384	27,935	421,598
Change in liability for remaining coverage / loss component	(136,112)	-	-	-	(136,112)
Premiums	1,496,316	-	-	-	1,496,316
Amortisation of insurance acq. cash flows	506,591	-	-	-	506,591
Insurance acquisition cash flows	(541,176)	-	-	-	(541,176)
Insurance revenue	1,325,619	-	-	-	1,325,619
Incurred claims and other expenses	-	-	(467,411)	-	(467,411)
Amortisation of insurance acquisition cash flows	(506,591)	-	-	-	(506,591)
Losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(1,114,131)	-	(1,114,131)
Investment components	-	-	13,271	-	13,271
Insurance service expenses	(506,591)	-	(1,568,271)	-	(2,074,862)
Insurance service result	819,028	-	(1,568,271)	-	(749,243)
Insurance finance expenses	-	-	(13,271)	-	(13,271)
Total changes in the statement of comprehensive income	819,028	-	(1,581,542)	-	(762,514)
Cash flows					
Premiums received	1,496,316	-	-	-	1,496,316
Claims and other expenses paid	-	-	(467,411)	-	(467,411)
Insurance acquisition cash flows	(541,176)	-	-	-	(541,176)
Total cash flows	955,140	-	(467,411)	-	487,729
Other movements	-	-	-	-	-
Net insurance contract (assets)/liabilities as at end	215,391	-	1,428,515	27,935	1,671,841
Insurance contract liabilities as at end of period	215,391	-	1,428,515	27,935	1,671,841

	2023				
	Reconciliation of the LFRC and the LFIC for insurance contracts - Aviation				
	Liabilities for remaining coverage		Liability for Incurred Claims	Risk Adjustment	Total
	Non-onerous	Onerous			
	₦'000	₦'000	₦'000	₦'000	₦'000
Insurance contract liabilities as at begin of period	37,979	-	188,609	28,290	226,588
Insurance contract assets as at begin of period					-
Net insurance contract liabilities as at begin	37,979	-	188,609	28,290	226,588
Insurance revenue	552,517	-	-	-	552,517
Insurance service expenses	158,961	-	294,626	(355)	453,233
Incurred claims and other expenses	-	-	186,727	-	186,727
Amortisation of insurance acquisition cash flows	158,961	-	-	-	158,961
Losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	125,774	(355)	125,419
Investment components	-	-	(17,875)	-	(17,875)
Insurance service result	393,556	-	(294,626)	355	99,284
Insurance finance expenses	-	-	(17,875)	-	(17,875)
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of comprehensive income	393,556	-	(312,502)	355	81,409
Cash flows					
Premiums received	602,343	-	-	-	602,343
Claims and other expenses paid	-	-	(186,727)	-	(186,727)
Insurance acquisition cash flows	(167,487)	-	-	-	(167,487)
Total cash flows	434,856	-	(186,727)	-	248,129
Other movements	-	-	-	-	-
Net insurance contract (assets)/liabilities as at end	79,279	-	314,384	27,935	421,598
Insurance contract liabilities as at end of period	77,236	-	(59,070)	27,935	421,598

Notes to the financial statements-continued

17.5(f)	2024				
	Reconciliation of the LFRC and the LFIC for insurance contracts - Bond				
	Liabilities for remaining coverage		Liability for Incurred Claims	Risk Adjustment	Total
	Non-onerous	Onerous			
	₦'000	₦'000	₦'000	₦'000	₦'000
Insurance contract liabilities as at begin of period	9,178	-	2,413	322	11,913
Insurance contract assets as at begin of period	-	-	-	-	-
Net insurance contract (assets)/liabilities as at begin	9,178	-	2,413	322	11,913
Change in liability for remaining coverage / loss component	3,250	-	-	-	3,250
Premiums	14,525	-	-	-	14,525
Amortisation of insurance acq. cash flows	5,732	-	-	-	5,732
Insurance acquisition cash flows	(4,962)	-	-	-	(4,962)
Insurance revenue	18,545	-	-	-	18,545
Incurred claims and other expenses	-	-	(1,028)	-	(1,028)
Amortisation of insurance acquisition cash flows	(5,732)	-	-	-	(5,732)
Losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(9,269)	-	(9,269)
Investment components	-	-	231	-	231
Insurance service expenses	(5,732)	-	(10,066)	-	(15,798)
Insurance service result	12,813	-	(10,066)	-	2,747
Insurance finance expenses	-	-	(231)	-	(231)
Total changes in the statement of comprehensive income	12,813	-	(10,297)	-	2,516
Cash flows	-	-	-	-	-
Premiums received	14,525	-	-	-	14,525
Claims and other expenses paid	-	-	(1,028)	-	(1,028)
Insurance acquisition cash flows	(4,962)	-	-	-	(4,962)
Total cash flows	9,563	-	(1,028)	-	8,535
Other movements	-	-	-	-	-
Net insurance contract (assets)/liabilities as at end	5,928	-	11,682	322	17,932
Insurance contract assets as at end of period	5,928	-	11,682	322	17,932
	-	-	-	-	-

	2023				
	Reconciliation of the LFRC and the LFIC for insurance contracts - Bond				
	Liabilities for remaining coverage		Liability for Incurred Claims	Risk Adjustment	Total
	Non-onerous	Onerous			
	₦'000	₦'000	₦'000	₦'000	₦'000
Insurance contract liabilities as at begin of period	1,968	-	2,668	321	4,636
Insurance contract assets as at begin of period	-	-	-	-	-
Net insurance contract (assets)/liabilities as at begin	1,968	-	2,668	321	4,636
Insurance revenue	10,342	-	-	-	10,342
Insurance service expenses	3,728	-	1,660	1	5,388
Incurred claims and other expenses	-	-	2,096	-	2,096
Amortisation of insurance acquisition cash flows	3,728	-	-	-	3,728
Losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(256)	1	(255)
Investment components	-	-	(180)	-	(180)
Insurance service result	6,614	-	(1,660)	(1)	4,954
Insurance finance expenses	-	-	(181)	-	(181)
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of comprehensive income	6,614	-	(1,841)	(1)	4,772
Cash flows	-	-	-	-	-
Premiums received	19,064	-	-	-	19,064
Claims and other expenses paid	-	-	(2,096)	-	(2,096)
Insurance acquisition cash flows	(5,240)	-	-	-	(5,240)
Total cash flows	13,824	-	(2,096)	-	11,728
Other movements	-	-	-	-	-
Net insurance contract (assets)/liabilities as at end	9,178	-	2,413	322	11,913
Insurance contract liabilities as at end of period	36,826	-	(1,779)	322	11,913
Insurance contract assets as at end of period	-	-	-	-	-
Net insurance contract (assets)/liabilities as at end	36,826	-	(1,779)	322	11,913

Notes to the financial statements-continued

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17.5(g) Reconciliation of the LFRC and the LFIC for insurance contracts - Engineering

	Liabilities for remaining coverage		Liability for	Risk	Total
	Non-onerous	Onerous	Incurred claims	adjustment	
	₦'000	₦'000	₦'000	₦'000	
Insurance contract liabilities as at begin of period	251,819	(0)	301,909	63,675	617,402
Insurance contract assets as at begin of period					
Net insurance contract liabilities as at begin	251,819	(0)	301,909	63,675	617,402
Change in liability for remaining coverage / loss component	(236,871)				(236,871)
Premiums	1,550,676				1,550,676
Amortisation of insurance acq. cash flows	475,073				475,073
Insurance acquisition cash flows	(534,301)				(534,301)
Insurance revenue	1,254,577	-	-	-	1,254,577
Incurred claims and other expenses	-	-	(242,247)	-	(242,247)
Amortisation of insurance acquisition cash flows	(475,073)	-	-	-	(475,073)
Losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(591,889)	-	(591,889)
Investment components	-	-	16,298	-	16,298
Insurance service expenses	(475,073)	-	(817,838)	-	(1,292,912)
Insurance service result before reinsurance contract held	779,504	-	(817,838)	-	(38,335)
Insurance finance expenses	-	-	(16,298)	-	(16,298)
Total changes in the statement of comprehensive income	779,504	-	(834,136)	-	(54,633)
Cash flows	-	-	-	-	-
Premiums received	1,550,676	-	-	-	1,550,676
Claims and other expenses paid	-	-	(242,247)	-	(242,247)
Insurance acquisition cash flows	(534,301)	-	-	-	(534,301)
Total cash flows	1,016,375	-	(242,247)	-	774,127
Other movements	-	-	-	-	-
Net insurance contract (assets)/liabilities as at end	488,690	(0)	893,798	63,675	1,446,162
Insurance contract assets as at end of period	488,690	(0)	893,798	63,675	1,446,162

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Reconciliation of the LFRC and the LFIC for insurance contracts - Engineering

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

Notes to the financial statements-continued

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17.5(h)

Reconciliation of the LFRC and the LFIC for insurance contracts - Oil and gas

	Liabilities for remaining coverage		Liability for	Risk	Total
			Incurred Claims	Adjustment	
	Non-onerous	Onerous			
	₦'000	₦'000	₦'000	₦'000	₦'000
Insurance contract liabilities as at begin of period	1,008,346	(0)	2,279,727	242,049	3,530,123
Insurance contract assets as at begin of period					
Net insurance contract liabilities as at begin	1,008,346	(0)	2,279,727	242,049	3,530,123
Change in liability for remaining coverage / loss component	(1,105,108)				(1,105,108)
Premiums	8,988,610				8,988,610
Amortisation of insurance acq. cash flows	2,812,814				2,812,814
Insurance acquisition cash flows	(3,091,162)				(3,091,162)
Insurance revenue	7,605,154	-	-	-	7,605,154
Incurred claims and other expenses	-	-	(1,107,119)	-	(1,107,119)
Amortisation of insurance acquisition cash flows	(2,812,814)	-	-	-	(2,812,814)
Losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	354,532	-	354,532
Investment components	-	-	113,805	-	113,805
Insurance service expenses	(2,812,814)	-	(638,782)	-	(3,451,596)
Insurance service result before reinsurance contract held	4,792,340	-	(638,782)	-	4,153,558
Insurance finance expenses	-	-	(113,805)	-	(113,805)
Total changes in the statement of comprehensive income	4,792,340	-	(752,587)	-	4,039,753
Cash flows	-	-	-	-	-
Premiums received	8,988,610	-	-	-	8,988,610
Claims and other expenses paid	-	-	(1,107,119)	-	(1,107,119)
Insurance acquisition cash flows	(3,091,162)	-	-	-	(3,091,162)
Total cash flows	5,897,448	-	(1,107,119)	-	4,790,329
Other movements	-	-	-	-	-
Net insurance contract (assets)/liabilities as at end	2,113,454	(0)	1,927,021	242,049	4,282,525
Insurance contract liabilities as at end of period	2,113,454	(0)	1,927,021	242,049	4,282,525

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Reconciliation of the LFRC and the LFIC for insurance contracts - Oil and gas

	Liabilities for remaining coverage		Liability for	Risk	Total
			Incurred Claims	Adjustment	
	Non-onerous	Onerous			
	₦'000	₦'000	₦'000	₦'000	₦'000
Insurance contract liabilities as at begin of period	432,726	59,443	2,370,977	344,818	2,863,146
Insurance contract assets as at begin of period					-
Net insurance contract liabilities as at begin	432,726	59,443	2,370,977	344,818	2,863,146
Insurance revenue	3,897,089	59,443	-	-	3,956,532
Insurance service expenses	1,194,455	-	973,371	(102,769)	2,065,057
Incurred claims and other expenses	-	-	1,195,425	-	1,195,425
Amortisation of insurance acquisition cash flows	1,194,455	-	-	-	1,194,455
Losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(91,249)	(102,769)	(194,018)
Investment components	-	-	(130,805)	-	(130,805)
Insurance service result	2,702,634	59,443	(973,371)	102,769	1,891,475
Insurance finance expenses	-	-	(130,805)	-	(130,805)
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of comprehensive income	2,702,634	59,443	(1,104,176)	102,769	1,760,670
Cash flows	-	-	-	-	-
Premiums received	4,555,245	-	-	-	4,555,245
Claims and other expenses paid	-	-	(1,195,425)	-	(1,195,425)
Insurance acquisition cash flows	(1,276,991)	-	-	-	(1,276,991)
Total cash flows	3,278,254	-	(1,195,425)	-	2,082,829
Other movements	-	-	-	-	-
Net insurance contract (assets)/liabilities as at end	1,008,346	(0)	2,279,727	242,049	3,530,123
Insurance contract assets as at end of period	-	-	-	-	-
Net insurance contract (assets)/liabilities as at end	1,008,346	(0)	2,279,727	242,049	3,530,123

Notes to the financial statements-continued

17.5(i)	2024				
	Reconciliation of the LFRC and the LFIC for insurance contracts - Agriculture				
	Liabilities for remaining coverage		Liability for Incurred Claims	Risk Adjustment	Total
	Non-onerous	Onerous			
	₦'000	₦'000	₦'000	₦'000	₦'000
Insurance contract liabilities as at begin of period	2,090	-	12,379	1,548	16,017
Insurance contract assets as at begin of period					
Net insurance contract liabilities as at begin	2,090	-	12,379	1,548	16,017
Change in liability for remaining coverage / loss component	(4,497)	-	-	-	(4,497)
Premiums	22,454	-	-	-	22,454
Amortisation of insurance acq. cash flows	8,363	-	-	-	8,363
Insurance acquisition cash flows	(6,963)	-	-	-	(6,963)
Insurance revenue	19,357	-	-	-	19,357
Incurred claims and other expenses	-	-	(1,588)	-	(1,588)
Amortisation of insurance acquisition cash flows	(8,363)	-	-	-	(8,363)
Losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	3,128	-	3,128
Investment components	-	-	684	-	684
Insurance service expenses	(8,363)	-	2,224	-	(6,139)
Insurance service result before reinsurance contract held	10,994	-	2,224	-	13,218
Insurance finance expenses	-	-	(684)	-	(684)
Total changes in the statement of comprehensive income	10,994	-	1,540	-	12,534
Cash flows	-	-	-	-	-
Premiums received	22,454	-	-	-	22,454
Claims and other expenses paid	-	-	(1,588)	-	(1,588)
Insurance acquisition cash flows	(6,963)	-	-	-	(6,963)
Total cash flows	15,491	-	(1,588)	-	13,903
Other movements	-	-	-	-	-
Net insurance contract liabilities as at end	6,587	-	7,426	1,548	15,561
Insurance contract liabilities as at end of period	6,587	-	7,426	1,548	15,561

	2023				
	Reconciliation of the LFRC and the LFIC for insurance contracts - Agriculture				
	Liabilities for remaining coverage		Liability for Incurred Claims	Risk Adjustment	Total
	Non-onerous	Onerous			
	₦'000	₦'000	₦'000	₦'000	₦'000
Insurance contract liabilities as at begin of period	44,466	5,713	12,155	921	63,256
Insurance contract assets as at begin of period					-
Net insurance contract liabilities as at begin	44,466	5,713	12,155	921	63,256
Insurance revenue	69,134	5,713	-	-	74,848
Insurance service expenses	16,033	-	10,705	627	27,365
Incurred claims and other expenses	-	-	11,190	-	11,190
Amortisation of insurance acquisition cash flows	16,033	-	-	-	16,033
Losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	223	627	850
Investment components	-	-	(708)	-	(708)
Insurance service result	53,101	5,713	(10,705)	(627)	47,482
Insurance finance expenses	-	-	(708)	-	(708)
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of comprehensive income	53,101	5,713	(11,413)	(627)	46,774
Cash flows	-	-	-	-	-
Premiums received	17,203	-	-	-	17,203
Claims and other expenses paid	-	-	(11,190)	-	(11,190)
Insurance acquisition cash flows	(6,478)	-	-	-	(6,478)
Total cash flows	10,725	-	(11,190)	-	(465)
Other movements	-	-	-	-	-
Net insurance contract liabilities as at end	2,090	0	12,378	1,548	16,017
Insurance contract liabilities as at end of period	2,084	-	12,379	1,548	16,017
Insurance contract assets as at end of period	-	-	-	-	-
Net insurance contract liabilities as at end	2,084	-	12,379	1,549	16,018

Notes to the financial statements

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

	31 Dec 2024			31 DEC 2023		
	Liability for remaining coverage	Asset for remaining coverage	Net	Liability for remaining coverage	Asset for remaining coverage	Net
<i>In thousands of Naira</i>						
Motor	1,476,392	56,543	1,419,849	1,521,739	7,567	1,514,172
Fire	964,929	409,328	555,601	844,701	469,947	374,754
General accident	497,898	231,352	266,546	375,441	186,580	188,861
Engineering	608,649	169,078	439,571	264,308	104,805	159,503
Marine	488,671	267,421	221,250	275,732	162,065	113,667
Bond	7,110	4,168	2,942	10,974	1,016	9,958
Aviation	269,346	18,711	250,635	96,342	-	96,342
Oil & Gas	2,611,329	818,955	1,792,374	1,205,198	384,370	820,828
Agric	5,641	3,385	2,256	2,541	134	2,407
	6,929,965	1,978,941	4,951,024	4,596,976	1,316,484	3,280,492

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

	31 Dec 2024			31 DEC 2023		
	Liability for incurred claims	Asset for remaining coverage	Net	Liability for incurred claims	Asset for remaining coverage	Net
<i>In thousands of Naira</i>						
Balance at the beginning of the year	4,596,976	1,324,018	3,272,958	3,239,553	1,347,171	1,965,215
Movement	2,332,989	654,923	1,678,066	1,357,423	(23,153)	1,380,576
Balance at the end of the year	6,929,965	1,978,941	4,951,024	4,596,976	1,324,018	3,272,958

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

	31 Dec 2024			31 DEC 2023		
	Liability Loss Component	Reinsurance asset for loss component	Net	Liability Loss Component	Reinsurance asset for loss component	Net
<i>In thousands of Naira</i>						
Balance at the beginning of the year	381,593	7,532	374,061	381,593	187,277	194,316
Movement	-	-	-	-	(179,745)	179,745
Balance at the end of the year	14,476	7,532	374,061	381,593	7,532	374,061

18 Hypothecation

	31 Dec 2024			31 DEC 2023		
	Insurance fund	Shareholders fund	Total	Insurance fund	Shareholders fund	Total
<i>In thousands of Naira</i>						
Assets						
Cash and cash equivalents	5,320,336	350,000	5,670,336	5,157,393	350,000	5,507,393
Financial assets	16,762,628	20,533,183	37,295,810	13,262,477	22,562,716	35,825,193
Loans and receivables	366,726	-	366,726	382,113	-	382,113
Trade receivables	-	948,117	948,117	-	278,764	278,764
Reinsurance assets	6,229,344	-	6,229,344	5,559,453	-	5,559,453
Other receivables and prepayments	-	1,487,898	1,487,898	-	890,333	890,333
Investment properties	340,000	-	340,000	220,000	-	220,000
Intangible assets	-	33,908	33,908	-	33,101	33,101
Right-of-use assets	-	7,880	7,880	-	13,500	13,500
Property and equipment	-	3,426,200	3,426,200	-	3,452,249	3,452,249
Statutory deposit	-	700,000	700,000	-	700,000	700,000
Total assets	29,019,034	27,487,186	56,506,219	24,581,437	28,280,663	52,862,100
Liabilities						
Insurance contract liabilities	17,950,780	-	17,950,780	15,340,788	-	15,340,788
Trade payables	-	1,764,053	1,764,053	-	2,136,104	2,136,104
Other payables	-	1,603,828	1,603,828	-	1,667,015	1,667,015
Defined benefit obligations	-	170,680	170,680	-	168,130	168,130
Income tax liabilities	-	279,358	279,358	-	174,585	174,585
Total liabilities	17,950,780	3,817,919	21,768,699	15,340,788	4,145,834	19,486,622
GAP	11,068,254	23,669,267	34,737,521	9,240,648	24,134,829	33,375,478

Notes to the financial statements

19 Trade payables	31 Dec 2024	31 DEC 2023
	₦'000	₦'000
Insurance payables (note 19.1)	1,764,053	2,136,104
	1,764,053	2,136,104

19.1 Insurance payables	31 Dec 2024	31 DEC 2023
	₦'000	₦'000
Commission payables to brokers	470,864	435,902
Premium received in advance	22,374	35,531
Due to re-insurers (see 'a' below)	1,168,271	1,534,809
Other payables to agents and brokers	102,544	129,862
	1,764,053	2,136,104

Movement in insurance payables

	31 Dec 2024	31 DEC 2023
	₦'000	₦'000
Balance at the beginning of the year	2,797,802	1,140,673
Addition in the year	(1,033,749)	1,657,129
Balance at the end of the year	1,764,053	2,797,802

(a) Due to re-insurers/ co-insurer relates to amount due to co-insurance/reinsurance companies.

20 Other payables	31 Dec 2024	31 DEC 2023
	₦'000	₦'000
Due to Auditors	28,273	5,388
NAICOM levy	247,361	163,333
Expenses payable (see note 20.1)	296,329	765,521
Other payables (see note 20.2a)	688,865	732,773
	1,260,828	1,667,015
Provision for litigation (see note 20.2b)	343,000	343,000
	1,603,828	2,010,015

20.1 Expenses payable	31 Dec 2024	31 DEC 2023
	₦'000	₦'000
Expenses accrued (see (i) below)	296,329	746,532
	296,329	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 December 2024.

20.2 Other liabilities

(a) Other payables	31 Dec 2024	31 DEC 2023
	₦'000	₦'000
National Housing Fund (NHF)	1,295	1,025
Pension for Life agents/Company	604	604
Deposit without details (see (c) below)	623,081	669,197
Withholding Tax Payables	(1,623)	623
Sundry payables	65,508	61,328
	688,865	732,777

Notes to the financial statements

(b) Provisions

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

(i) This represents estimated outflow for a court case against the Company in 2024 financial year. The case is being handled by Hybrid Solicitors with FRC number FRC/2021/00000013862; and solicitor's response was duly signed by Adepate Demilade with FRC number FRC/2021/002/00000022694. The total estimated liability as at 31 December 2024 is N343million (2023: N343million). The case is currently being appealed at the Court of Appeal.

22 Defined benefit obligations

	Defined benefit liability		Fair value of plan assets		Defined benefit liability / (asset)	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 DEC 2023	31 Dec 2024	31 DEC 2023
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
At the beginning of the year	283,210	186,753	(115,081)	(102,432)	168,130	84,321
Current service cost	-	53,512	-	-	-	53,512
Past service cost	-	-	-	-	-	-
Interest cost (income)	-	37,396	-	-	-	37,396
Contribution by employer	87,500	-	7,122	(42,000)	94,622	(42,000)
Benefits paid by the employer	(92,072)	(28,274)	-	28,274	(92,072)	(0)
Actuarial (gain)/loss on liability arising from:					-	-
- Demography		(11,375)				(11,375)
- Assumptions	-	53,814	-	17,704	-	71,518
- Experience	-	(8,616)	-	(16,626)	-	(25,242)
At the end of the year	278,638	283,210	(107,959)	(115,080)	170,680	168,130

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

Actuarial valuation of the defined benefit obligation was carried out as at Dec. 2023 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 Dec 2024	31 DEC 2023
At the beginning of the period	174,585	157,845
Charge for the year (note 23.1)	264,949	182,153
Payment during the period	(160,176)	(165,413)
At the end of the period	279,358	174,585

23.1 Tax charge

In thousands of Naira

	31 Dec 2024	31 DEC 2023
Income tax (CIT)	264,949	-
Tertiary education tax	-	26,608
NITDA Levy	-	51,377
Police Trust Fund levy	-	257
Income tax expense	264,949	78,242
Minimum tax expense		103,911
	264,949	182,153

24 Deferred taxation

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The Company did not have net deferred tax assets/(liabilities) that were recognized during the year.

Notes to the financial statements

25.1 Issued and fully paid	<u>31 Dec 2024</u>	<u>31 DEC 2023</u>
Authorised - ordinary shares of 50k each (15,400,000,000 units)	₦'000	₦'000
At the beginning of the year	<u>7,700,000</u>	<u>7,000,000</u>
At the end of the year	<u>7,700,000</u>	<u>7,000,000</u>

(a) The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at the meetings of the Company.

26 Share premium	<u>31 Dec 2024</u>	<u>31 DEC 2023</u>
	₦'000	₦'000
At the end of the year	<u>560,294</u>	<u>560,294</u>

Share premium as at 2024 :N560,294,000 (2023 N560,294,000). This represents the excess paid by shareholders over the nominal value for their shares.

27 Contingency reserve	<u>31 Dec 2024</u>	<u>31 DEC 2023</u>
	₦'000	₦'000
At the beginning of the year	4,452,316	3,395,997
Transfer from retained earnings (see Note 28)	1,006,807	1,056,319
At the end of the year	<u>5,459,123</u>	<u>4,452,316</u>

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

28 Retained earnings	<u>31 Dec 2024</u>	<u>31 DEC 2023</u>
	₦'000	₦'000
At the beginning of the year	1,516,989	(2,708,286)
Profit for the year	5,034,033	5,281,594
Transfer to contingency reserve	(1,006,807)	(1,056,319)
Bonus share issue *	(700,000)	
Cash dividend	(700,000)	-
At the end of the year	<u>4,144,215</u>	<u>1,516,988</u>

29 Assets revaluation reserve	<u>31 Dec 2024</u>	<u>31 DEC 2023</u>
	₦'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	<u>1,721,291</u>	<u>1,721,291</u>

The asset revaluation reserves comprises cumulative net revaluation change on revalued property and equipment. The last revaluation of land and buildings was done in December 2023.

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

30.1 Fair value reserve	<u>31 Dec 2024</u>	<u>31 DEC 2023</u>
	₦'000	₦'000
Balance as at January 1	17,777,487	14,459,291
Fair value gain/ (loss) during the year	(53,637)	3,267,000
Fair value gain on bonds at fair value through other comprehensive income	-	75,966
ECL on debt instrument on fair value through OCI	-	(24,770)
Balance as at 31 December	<u>17,723,850</u>	<u>17,777,487</u>

30.2 Re-measurement reserve	<u>31 Dec 2024</u>	<u>31 DEC 2023</u>
	₦'000	₦'000
Balance as at January 1	4,111	55,639
Defined benefits actuarial gain/(loss)	-	(51,528)
Balance as at 31 December	<u>4,111</u>	<u>4,111</u>

Notes to the financial statements

	31 Dec 2024	31 Dec 2023
	N'000	N'000
31 Insurance revenue	<u>22,528,892</u>	<u>14,835,202</u>

31.1 Breakdown of insurance revenue per business class is as follows:

	31 Dec 2024	31 Dec 2023
	N'000	N'000
Fire	3,730,903	3,155,572
Accident	1,885,451	1,540,840
Motor	5,078,503	3,772,284
Marine	1,610,783	980,913
Aviation	1,325,619	552,516
Bond	18,545	10,342
Engineering	1,254,577	791,355
Oil & Gas	7,605,154	3,956,533
Agric	19,357	74,847
	<u>22,528,892</u>	<u>14,835,202</u>

31.2 Insurance revenue

	31 Dec 2024	31 Dec 2023
	N'000	N'000
Changes to liabilities for remaining coverage and loss component	(2,207,203)	(1,497,685)
Change in asset for acquisition cash flows	441,426	198,461
Premium received	24,736,095	16,332,888
Amortisation of insurance acquisition cash flows	8,027,599	4,188,723
Acuisition cash flows	(8,469,025)	(4,387,185)
	<u>22,528,892</u>	<u>14,835,202</u>

31.3 Premium received

	31 Dec 2024	31 Dec 2023
	N'000	N'000
Direct premium (note 31.1)	24,375,245	16,011,473
Inward premium (note 31.1)	360,850	321,415
	<u>24,736,095</u>	<u>16,332,888</u>

31.3a Breakdown of premium received per business class is as follows:

31 Dec 2024	Direct premium	Inward premium	Total
	N'000	N'000	N'000
Fire	3,784,779	51,256	3,836,035
Accident	1,983,322	18,005	2,001,327
Motor	4,928,720	79,003	5,007,723
Marine	1,673,443	144,986	1,818,429
Aviation	1,453,252	43,064	1,496,316
Bond	14,525	-	14,525
Engineering	1,526,140	24,536	1,550,676
Oil & Gas	8,988,610	-	8,988,610
Agric	22,454	-	22,454
	<u>24,375,245</u>	<u>360,850</u>	<u>24,736,095</u>

31 Dec 2023	Direct premium	Inward premium	Total
	N'000	N'000	N'000
Fire	3,163,938	66,320	3,230,258
Accident	1,583,845	23,335	1,607,180
Motor	4,265,969	76,201	4,342,170
Marine	934,859	143,926	1,078,785
Aviation	602,343	-	602,343
Bond	19,064	-	19,064
Engineering	869,254	11,384	880,638
Oil & Gas	4,554,998	249	4,555,247
Agric	17,203	-	17,203
	<u>16,011,473</u>	<u>321,415</u>	<u>16,332,888</u>

Notes to the financial statements

32 Insurance service expenses	31 Dec 2024	31 Dec 2023
	₹'000	₹'000
Changes to liabilities for incurred claims	844,213	849,674
Interest accreted (including change of rates) to insurance contracts	(519,360)	(543,036)
Claims and other expenses paid	6,328,542	6,300,044
Amortisation of insurance acquisition cash flows	8,027,599	4,188,721
	14,680,995	10,795,403
32.1 Breakdown of insurance service expense per business class is as follows:	31 Dec 2024	31 Dec 2023
	₹'000	₹'000
Fire	1,434,016	2,053,220
Accident	1,555,301	2,012,303
Motor	3,093,514	2,472,774
Marine	1,756,857	1,129,399
Aviation	2,074,862	453,693
Bond	15,798	5,402
Engineering	1,292,912	572,696
Oil & Gas	3,451,596	2,068,536
Agric	6,139	27,379
	14,680,995	10,795,403
33 Allocation of reinsurance premium	31 Dec 2024	31 Dec 2023
	₹'000	₹'000
Changes in asset for remaining coverage and loss component	(608,391)	69,606
Reinsurance premium paid (see 33.1 below)	9,338,565	6,396,561
	8,730,171	6,466,167
33.1 Reinsurance premium paid	31 Dec 2024	31 Dec 2023
	₹'000	₹'000
Premium paid (Treaty)	9,794,692	6,979,055
Premium paid Facultative outwards	1,341,364	920,705
	11,136,056	7,899,760
Less: Fees and commission income	(1,797,491)	(1,503,199)
	9,338,565	6,396,561
Changes in asset for remaining coverage and loss component	(662,458)	23,022
Changes in fees and commission income for remaining coverage	54,067	46,584
	8,730,174	6,466,168
33.2 Fees and commission income	31 Dec 2024	31 Dec 2023
	₹'000	₹'000
Fire	615,814	572,508
Accident	277,561	234,649
Motor	43,353	47,142
Marine	326,107	177,718
Aviation	37,382	1,985
Bond	1,142	775
Engineering	167,447	114,926
Oil & Gas	272,771	294,114
Agric	1,850	12,798
	1,743,427	1,456,615
34 Amounts recoverable from reinsurers for incurred claims	31 Dec 2024	31 Dec 2023
	₹'000	₹'000
Changes in assets recoverable for incurred claims	61,503	725,978
Interest accreted	(202,794)	(195,755)
Recovery received	1,551,342	2,157,738
	1,410,050	2,687,964
35 Net claims incurred	31 Dec 2024	31 Dec 2023
	₹'000	₹'000
Gross claims paid	4,578,686	4,492,147
Movement in liability for claim incurred -IBNR	300,000	(153,594)
Movement in liability for claim incurred	544,214	605,771
Total liability for claim incurred claims incurred	5,422,900	4,944,324
Salvage recovery	(87,480)	(81,868)
Claims recovered and recoverable from reinsurers (see note 35.1 below)	(1,525,365)	(984,656)
	3,810,055	3,877,801

Notes to the financial statements

35.1 Analysis of claims recovered and recoverable from reinsurers	31 Dec 2024	31 Dec 2023
	₹'000	₹'000
Reinsurance claims recoveries (see note 44c)	1,463,862	787,383
Change in re-insurance recoverable (see note 10b)	61,503	(151,997)
Change in recoverable in IBNR	-	349,270
	1,525,365	984,656
36 Analysis of acquisition cash flows costs	31 Dec 2024	31 Dec 2023
	₹'000	₹'000
Commission expense	4,237,732	2,615,057
Business acquisition cost	4,231,293	1,772,127
Changes in asset for acquisition cash flows (see note 17.2a)	(441,426)	(198,461)
	8,027,599	4,188,723
37 Analysis of maintenance expenses	31 Dec 2024	31 Dec 2023
	₹'000	₹'000
Staff costs (see note 41)	472,988	654,218
Directors' emoluments (see note 41)	84,375	75,382
Retirement benefit cost (see note 41)	49,464	26,103
Other operating expenses (note 41)	1,143,029	1,052,194
	1,749,856	1,807,897
The above expenses represent part of the entity's operating expenses that were allocated to operations (Insurance service expense). Non-specific operating expense of the entity are allocated between operational and administrative expenses in the ratio 40:60 respectively.		
38 Investment income	31 Dec 2024	31 Dec 2023
	₹'000	₹'000
Dividend income (see note 38.2a)	2,236,441	3,414,223
Interest income (see note 38.1)	3,773,771	2,292,891
Investment income per statement of profit or loss and OCI	6,010,212	5,707,114
Gain on disposal of investment (see note 38.2b)	317,560	173,000
Realised gain on Financial Assets FVTPL (see note 38.2c below)	326,879	643,956
	6,654,651	6,524,070
Net fair value losses on financial assets at fair value through profit or loss	(56,687)	(29,880)
Total investment income	6,597,964	6,494,190

Notes to the financial statements

	31 Dec 2024	31 Dec 2023
	₦'000	₦'000
38.1 Interest income calculated using the effective interest method		
Interest on placement	574,324	380,382
Interest income on treasury bills	830,518	200,876
Interest income on bonds	907,256	805,398
Other investment income (see note 38.2 below)	1,461,673	906,235
	3,773,771	2,292,891
38.1a Net Trading Income:		
Dividend income (see note 38.2a below)	2,236,441	3,414,223
Gain on disposal of investment (see note 38.2b below)	317,560	173,000
Realised gain on Financial Assets FVTPL (see note 38.2c below)	326,879	643,956
	2,880,880	4,231,179
38.1b Net fair value losses on financial assets at fair value through profit or loss	(56,687)	(29,880)
Total net investment income and other similar income	6,597,964	6,506,119
38.2 Breakdown of other investment income	31 Dec 2024	31 Dec 2023
	₦'000	₦'000
Interest From Fgn Promissory Notes	456,201	321,490
Interest From Investment/Debt Notes	333,597	192,342
Interest From Commercial Papers	362,916	235,319
Dividend From Mutual Fund Investment	134,596	139,064
Interest Income From Loans	10,318	18,019
Bonus share issues (UCAP)	163,500	-
Stock Redemption (FLOUR MILLS)	545	-
	1,461,673	906,235
38.2a Breakdown of dividend income	31 Dec 2024	31 Dec 2023
	₦'000	₦'000
Dangote Cement Plc	-	13,191
Dangote Sugar Plc	-	11,369
Mtn Nigeria Communications Plc	-	15,273
Nigerian Breweries Plc	-	102
Access Holdings Plc	16,256	3,220
United Capital Plc	11,346	
Zenith Bank Plc	42,236	32,085
Guaranty Trust Holding Company Plc	26,640	22,540
Frieslandcampina Wamco Plc	-	233
Nestle Nigeria Plc	-	444
Berger Paint Plc	20.82	4
Stanbic Ibt Pension Mgr	2,102,294	3,296,965
Stanbic Ibt Holdings Plc	282	1,042
United Bank For Africa Plc	16,068	8,365
Okomu Oil Plc	10,367	2,025
May And Baker Plc	6	6
Totalenergies Marketing Nigeria Plc	-	2,037
Julius Berger Nig. Plc	1,327	1,120
MRS Oil	72	
SIAML Pension ETF 40	-	3,237
Conoil Plc	64	45
WAICA Re	8,726	-
Flour Mill	736	921
	2,236,441	3,414,223

Notes to the financial statements

*The dividend earned on the equity investment held in Stanbic IBTC Pension Managers during the year accounted for a significant portion of the total dividend earned in the year.

	31 Dec 2024	31 Dec 2023
	₦'000	₦'000
38.2b Breakdown of gain on disposal of investment		
Disposal gain on sale of 8,000,000 Units of ACCESSCORP Shares	70,364	-
Disposal gain on sale of 10,000,000 Units of Zenith Bank Shares	78,021	-
Disposal loss on sale of 10.6% NTB Sept 2024	(19,079)	-
Loss on disposal of 8.625% FBN OCT 2025 Eurobond	(1,077)	-
Disposal gain on 16.47% FGN SUKUK SEP. 2024 @ a clean price of N99.60	23,992	-
Disposal gain on sale of FGN APR 2029 Bond	7,930	-
Disposal gain on full redemption of Managed portfolio with Apel Asset Ltd	-	149
Disposal gain on sale of 6,392,971 Units of GTCO Shares	-	13,583
Disposal gain on sale of 600,000 Units of GTCO Shares	-	3,180
Disposal gain on sale of 8,126,885 Units of Dangote Sugar Shares	-	15,714
Disposal gain on sale of 197,065 Units of Dangote Cement Shares	-	2,759
Disposal gain on sale of 302,935 Units of Dangote Cement Shares	-	4,547
Disposal gain on sale of 1,137,000 Units of MTN Shares	-	21,940
Disposal gain on sale of 13,514 Units of Nestle Shares	-	1,888
Disposal gain on sale of 1,367,600 Units of ACCESSCORP Shares	-	7,130
Disposal gain on sale of 523,000 Units of GTCO Shares	-	7,396
Disposal gain on sale of 2,141,916 Units of UBA Shares	-	7,711
Disposal gain on sale of 232,854 Units of Dangote Cement Shares	-	3,960
Disposal gain on sale of 448,242 Units of Stanbic IBTC Bank Shares	-	7,396
Disposal gain on sale of 107,757 Units of Total Energies Shares	-	4,340
Disposal gain on sale of 5,962,799 Units of UBA Shares	-	4,877
Disposal gain on sale of 5,746,816 Units of GTCO Shares	-	20,114
Disposal gain on sale of 8,897,291 Units of ACCESSCORP Shares	-	15,570
Disposal gain on sale of 1,024,486 Units of Dangote Sugar Shares	-	8,196
Disposal gain on 81,081 units of 15.64% FGN Sukuk 2032	-	6,746
Disposal gain on sale of 1,975,514 Units of Dangote Sugar Shares	-	15,804
Disposal gain on sale of UCAP Shares	56,797	-
Disposal Gain on Okomu Oil shares	21,566	-
Disposal Gain on Julius Berger Shares	14,454	-
Disposal Gain on FGN Eurobond Bond	62,355	-
Disposal gain on sale of GTCO Shares	22,582	-
Disposal loss on sale of MTN Shares	(20,345)	-
	317,560	173,000
38.2c Breakdown of Fair value gain on Financial Assets FVTPL		
	31 Dec 2024	31 Dec 2023
	₦'000	₦'000
Fair Value Gain/Loss With Fund Managers	42,964	9,788
Fair Value Gain/Loss On Equity Investment	283,914	634,168
	326,878	643,956
39	31 Dec 2024	31 Dec 2023
	₦'000	₦'000
i) Insurance finance expenses for insurance contracts		
Insurance finance expenses	(519,361)	(543,036)
ii) Reinsurance finance income for the reinsurance contract held		
Reinsurance contract held	202,794	195,752
	(316,567)	(347,284)
40 Credit loss expenses	31 Dec 2024	31 Dec 2023
	₦'000	₦'000
Credit loss expense on cash	-	31,649
Credit loss expense on bonds at amortised cost	-	(157,088)
Credit loss expense on bonds at FVOCI	-	24,770
	-	(100,669)
41 Other income	31 Dec 2024	31 Dec 2023
	₦'000	₦'000
Sundry income (see note (a) below)	64,073	336,462
Gain on sale of property & equipment	55,643	26,194
Fair value change on investment properties	120,000	60,000
Rental income	3,500	6,500
	243,216	429,156
Exchange gains (see (b) below)	2,640,128	2,232,544
Bad and doubtful debt recoveries(see c below)	-	11,929
	2,883,344	2,673,629

a Sundry income relates to interest on current accounts and interest on staff loans.

b Exchange gain relates to exchange gains on foreign-denominated transactions which were consummated during the year.

c Bad and doubtful debt recovery relates to amount received from loan balances that has been written off prior to 2023.

Notes to the financial statements

42 Maintenance and management expenses

	31 Dec 2024		31 Dec 2023	
	Maintenance Expenses	Management Expenses	Maintenance Expenses	Management Expenses
<i>In thousands of Naira</i>				
Staff cost	472,988	709,482	654,218	981,328
Director emoluments	84,375	126,563	75,382	113,073
Pension contribution	11,658	17,487	12,947	19,421
Retirement benefits	37,806	56,709	13,156	19,733
Current service cost			29,281	43,922
Outsourcing cost	175,374	263,060	110,601	165,901
Advertising & publicity	14,404	21,605	10,457	15,686
Marketing expenses	12,952	19,427	13,816	20,725
Medical	23,592	35,387	19,926	29,889
Staff training & development	142,636	213,954	81,017	121,526
Corporate Expense	774,072	-	787,094	-
AGM expenses	-	35,975	-	37,542
Bank charges	-	124,567	-	51,400
Computer consumables	-	1,158	-	-
Depreciation on PPE	-	475,724	-	257,321
Amortisation of intangible assets				6,280
Amortisation on ROU		7,729	-	8,235
Diesel and fuel	-	273,864	-	163,935
Entertainment	-	8,717	-	3,728.00
Fines & penalties	-	4,316	-	7,470
Industrial training fund	-	13,826	-	11,211
Insurance expenses	-	106,214	-	35,696
Insurance supervision fee	-	279,066	-	188,238
Legal and secretarial expenses	-	45,739	-	72,495
Retail agents expenses	-	58,993	-	49,070
Lighting & heating	-	31,730	-	11,710
Maintenance expense	-	150,526	-	119,055
Newspapers & periodicals	-	567	-	1,397
Postage and telephone	-	35,481	-	27,504
Consultancy expenses	-	313,291	-	269,938
Rent & rate	-	38,666	-	30,326
Stationaries	-	23,115	-	17,942
Subscriptions, contributions & donations	-	39,021	-	20,665
Transport and business travels	-	23,906	-	13,095
Withholding tax & VAT	-	307,444	-	180,464
Audit fee	-	37,732	-	18,812
Rebranding expenses	-	228,752	-	216,232
Asset derecognition	-	-	-	18,411
Others	-	263,741	-	148,340
Total	1,749,856	4,393,535	1,807,897	3,517,715

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

	31 Dec 2024	31 Dec 2023
	N'000	N'000
Fair value (loss)/gain during the year - unquoted equities	(53,637)	3,267,000
Defined benefits actuarial gain/(loss)	-	(51,528)
Revaluation gain/(loss) on property and equipment	-	892,518
Fair value gain on bonds at fair value through other comprehensive income	-	75,966
ECL on debt instrument on fair value through OCI	-	(24,770)
	(53,637)	4,159,186

44 Basic and diluted earnings per share

	31 Dec 2024	31 Dec 2023
Basic earnings per share is calculated by dividing the net profit/(loss) for the year attributable to ordinary shareholders of the		
Profit attributable to ordinary shareholders (N'000)	5,034,033	5,281,591
Weighted average number of ordinary shares	15,400,000	14,000,000
Basic and diluted earnings per share (Kobo)	32.7	37.7

Notes to the financial statements

44 Cashflow reconciliation

	31 Dec 2024	31 Dec 2023
a) Other operating cash payments		
<i>In thousands of Naira</i>	₦'000	₦'000
Management expenses (less staff expenses)	(2,379,054)	(3,110,036)
Adjustment for items not involving movement of cash:		
Depreciation	475,724	265,558
Amortisation of ROU	7,729	6,279
Credit loss expense	-	100,669
Unrealized exchange gain	(2,640,128)	(1,565,822)
Sundry income	64,073	(336,462)
Profit on sale of PPE	-	26,194
Gain on disposal of investment	55,643	(173,000)
Net interest cost	-	37,396
Fair value loss on securities	53,637	-
Fair value (gain) on investment properties	-	(60,000)
Operating cash flows before movements in working capital	(4,362,376)	(4,809,226)
Changes in trade payables	(372,051)	1,099,947
Changes in insurance contract liabilities	1,935,073	2,148,899
Changes in trade receivable	(669,353)	(78,907)
Changes in defined benefit obligation	2,550	-
Changes in company income tax liabilities	(160,176)	-
Change in contingency reserve	1,006,807	-
Other sundry (payable)/receivable	162,107	-
Changes in Other receivables and prepayment	(597,565)	(110,336)
Changes in reinsurance assets	(669,891)	(656,374)
Changes in other payables	(406,187)	1,267,765
	(4,131,062)	(1,138,232)
b) Premium received from policy holders		
<i>In thousands of Naira</i>	₦'000	₦'000
Trade receivable at 1 January	278,764	199,857
Gross premium written during the year	24,736,095	16,332,887
Trade receivable at end of the period	(948,117)	(278,764)
Premium received in advance	(22,374)	(35,531)
	24,044,368	16,218,449
c) Recovery and recoverable from reinsurers		
<i>In thousands of Naira</i>	₦'000	₦'000
Reinsurance claims recoveries (note 35.1)	1,463,862	1,449,082
Salvage recovery (note 35)	87,480	81,868
	1,551,342	1,530,950
d) Reinsurance premium paid		
<i>In thousands of Naira</i>	₦'000	₦'000
Reinsurance premium cost (note 33.1)	9,794,692	6,979,055
Facultative outwards (note 33.1)	1,341,364	920,705
Due to reinsurers as at end of the period	(1,168,271)	(1,534,809)
Movement in treaty premium surplus	2,246,245	595,728
	12,214,030	6,960,679
e) Commission paid		
<i>In thousands of Naira</i>	₦'000	₦'000
Commission payable to brokers at 1 January	435,902	264,463
Commission cost	4,237,732	2,615,057
Business acquisition cost (Note 36.1)	4,231,293	1,772,127
Commission payable to brokers at 31 December	(470,864)	(435,902)
Other payables to agents and brokers	102,544	10,574
	8,536,607	4,226,319
f) Commission received		
<i>In thousands of Naira</i>	₦'000	₦'000
Deferred commission revenue at 1 January	(306,330)	(259,747)
Deferred commission revenue at current period	360,396	306,328
Movement	54,066	46,581
Commission income earned during the year	1,657,036	1,444,511
Lead underwriting commission	140,455	16,108
Commission income received during the year	1,917,513	1,507,200

Notes to the financial statements

g) Interest received	31 Dec 2024	31 Dec 2023
<i>In thousands of Naira</i>	₦'000	₦'000
Interest income earned during the year	3,773,771	2,292,891
Interest received during the year	<u>3,773,771</u>	<u>2,292,891</u>

h) Movement in financial assets	31 Dec 2024				
<i>In thousands of Naira</i>	Fair value through P/L	Available for sale	Loans & receivables	Held to maturity	Total Movement
Addition	(46,789)	-	-	3,665,269	3,618,480
Disposals/redemption	(714,585)	-	-	(92,779)	(807,364)
Loan repayment	-	-	-	-	-
Impairment	-	-	(56,186)	(11,192)	(67,378)
Fair value gain	587,752	-	-	-	587,752
	<u>(173,622)</u>	<u>-</u>	<u>(56,186)</u>	<u>3,561,298</u>	<u>3,331,490</u>

Movement in financial assets	31 Dec 2023				
<i>In thousands of Naira</i>	Fair value through profit or loss	Available for sale	Loans & receivables	Held to maturity	Total Movement
Addition	1,130,041	1,054,153	-	5,772,631	7,956,825
Disposals/redemption	(294,514)	-	-	(975,700)	(1,270,214)
Loan repayment	-	-	(313,191)	-	(313,191)
Impairment	-	-	-	-	-
Fair value gain/(loss)	3,237,120	-	(11,929)	-	3,225,191
	<u>4,072,647</u>	<u>1,054,153</u>	<u>(325,120)</u>	<u>4,796,931</u>	<u>9,598,612</u>

i) Purchase of property and equipment	31 Dec 2024	31 Dec 2023
<i>In thousands of Naira</i>	₦'000	₦'000
Addition for the year per movement schedule	466,436	1,232,374
Cash flow on addition to property and equipment	<u>466,436</u>	<u>1,232,374</u>

j) Sale of property and equipment	31 Dec 2024	31 Dec 2023
<i>In thousands of Naira</i>	₦'000	₦'000
Costs of assets disposed	71,235	67,530
Accumulated depreciation on assets disposed	(71,235)	(67,530)
Proceeds on sale of disposed asset	(55,643)	(26,194)
Loss on disposal	<u>(55,643)</u>	<u>(26,194)</u>

k) Cash payment to and on behalf of employees	31 Dec 2024	31 Dec 2023
<i>In thousands of Naira</i>	₦'000	₦'000
Staff cost	1,182,470	1,635,546
Director emolument	210,938	188,455
Pension contribution	29,145	32,368
Retirement benefits	94,515	32,889
Contract staff cost	438,434	276,502
Medical	58,979	49,815
	<u>2,014,481</u>	<u>2,215,575</u>

l) Cash and cash equivalents	31 Dec 2024	31 Dec 2023
	₦'000	₦'000
Cash in hand	494	900
Balances with banks & other financial institutions	2,052,767	5,506,494
	<u>2,053,261</u>	<u>5,507,394</u>

45 Related party disclosures

Transactions are entered into by the Company during the year with related parties. Unless specifically disclosed, these transactions occurred under terms that are no less favourable than those with third parties. Details of transactions between Linkage Assurance Plc and related parties are disclosed below:

46 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 (2023:Nil)

48 **Other related party transactions**

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

49 **Events after the reporting period**

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

50 **Commitments**

The Company had no capital commitments at the reporting date.

Other National Disclosures

Statement of Value Added
For the year ending

	31 Dec 2024		31 December 2023	
	₹'000	%	₹'000	%
Insurance revenue	22,528,892	289	6,466,167	89
Investment income	9,164,741	118	9,067,151	124
Other income	2,883,344	37	2,673,629	37
Claims incurred, commissions paid and operating expenses (local)	(26,787,790)	(344)	(10,920,340)	(150)
Value added	7,789,187	100	7,286,607	100
Distribution:				
Employees and directors (staff cost)	2,014,481	26	1,635,546	22
Government (taxes)	264,949	3	103,911	1
Asset replacement (depreciation)	475,724	6	265,556	4
Contingency reserve	1,006,807	13	-	0
Expansion (retained on the business)	4,027,226	52	5,281,594	72
	7,789,187	100	7,286,607	100

Financial Summary

	31 Dec 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	5,670,336	5,507,393	4,188,442	3,476,697	3,592,711
Financial assets	39,871,175	35,825,193	25,982,584	27,584,351	25,144,141
Loan and receivables	366,726	382,113	249,121	-	-
Trade receivables	948,117	278,764	199,857	81,468	63,974
Reinsurance contract assets	6,229,344	5,559,453	4,903,079	4,639,643	2,445,920
Deferred acquisition cost	-	-	-	432,828	328,812
Other receivables and prepayments	1,487,898	890,333	779,997	308,434	501,131
Right-of-use assets	7,880	13,508	21,744	25,221	-
Investment property	340,000	220,000	160,000	157,500	150,000
Intangible assets	33,908	33,101	20,844	36,866	1,199
Property and equipment	3,426,200	3,452,249	1,584,679	1,467,178	1,349,516
Statutory deposit	700,000	700,000	700,000	500,000	300,000
Total assets	59,081,584	52,862,107	38,790,346	38,710,185	33,877,403
Liabilities					
Insurance contract liabilities	17,950,780	15,340,788	13,191,889	11,635,256	5,728,661
Trade payables	1,764,053	2,136,104	1,022,333	765,141	704,169
Provision and other payables	1,603,828	2,010,015	742,250	1,053,785	922,984
Finance lease obligations	-	-	-	-	219
Retirement benefit obligations	170,680	168,130	84,322	89,660	62,981
Income tax liabilities	279,358	174,585	157,845	60,257	82,565
Total liabilities	21,768,699	19,829,623	15,198,639	13,604,099	7,501,579
Capital and reserves					
Issued and paid-up share capital	7,700,000	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	5,459,123	4,452,316	3,395,997	2,882,618	2,547,773
Retained earnings	4,144,215	1,516,988	(2,708,286)	(3,517,299)	3,308,185
Assets revaluation reserve	1,721,291	1,721,291	828,773	828,773	828,773
Re-measurement reserve	4,111	4,111	55,639	5,040	13,244
Fair value reserve	17,723,850	17,777,487	14,459,291	17,346,660	13,948,807
Total equity	37,312,884	33,032,487	23,591,708	25,106,086	26,375,825
Total liabilities and equity	59,081,583	52,862,110	38,790,346	38,710,185	33,877,404
Statement of profit or loss					
Insurance revenue	22,528,892	14,835,202	12,506,552	11,161,499	8,331,841
Insurance service result before reinsurance contracts held	7,847,897	4,039,799	1,734,437	5,428,543	4,450,402
Insurance service result	527,776	261,595	(1,201,436)	(2,584,189)	825,589
(Profit/(loss) before taxation	5,298,982	5,463,744	1,874,983	(3,878,914)	2,436,069
Taxation	(264,949)	(182,153)	(129,292)	(111,724)	(19,882)
(Profit/(loss) before taxation	5,034,033	5,281,591	1,745,691	(3,990,638)	2,516,187
Transfer to contingency reserve	1,006,807	1,056,319	513,379	334,845	479,002
Dividend	(1,400,000)	-	-	(500,000)	-
Transfer to revenue reserve	5,034,033	5,281,591	1,745,691	(4,325,483)	2,037,185
Basic earnings per share (kobo)	32.7	37.7	12.5	(28.5)	24.0