ADAPT. TRANSFORM. GROW.

ANNUAL REPORT & ACCOUNTS 2019

Adapt. Transform. Grow.

Today's technologies demand constant adaptations
...transforming and growing businesses
Self-inflating tyres expand driving options
...suiting all road-types, weather and blowouts

We operate ahead of emerging client-conditions
Consistent with updated strategies and processes
We adapt, transform and grow

Quick rundown

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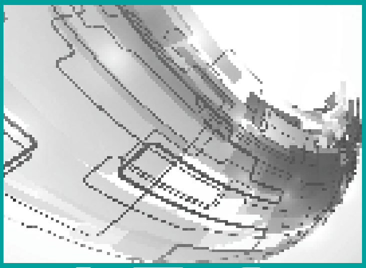
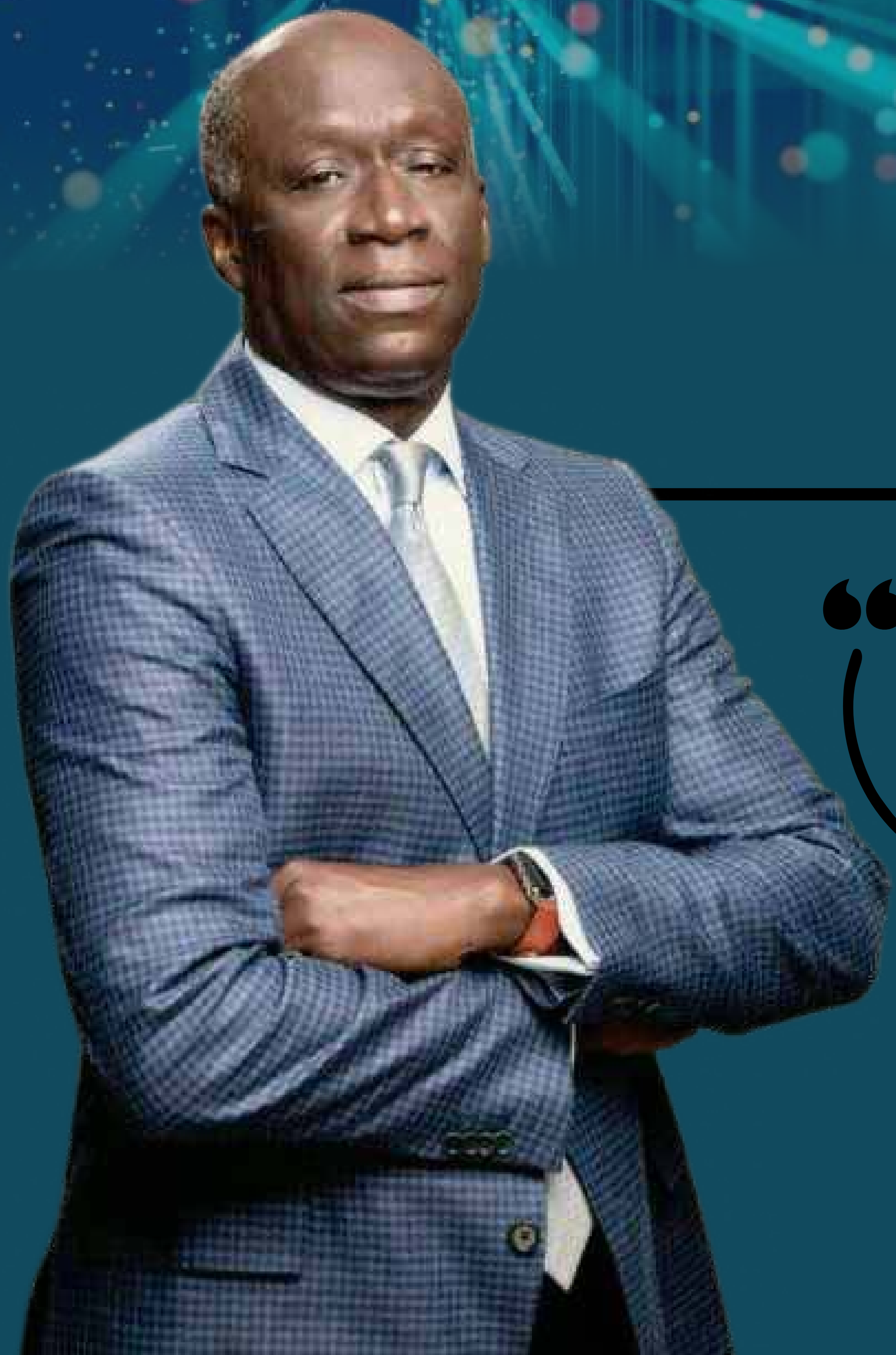


FINANCIAL STATEMENTS

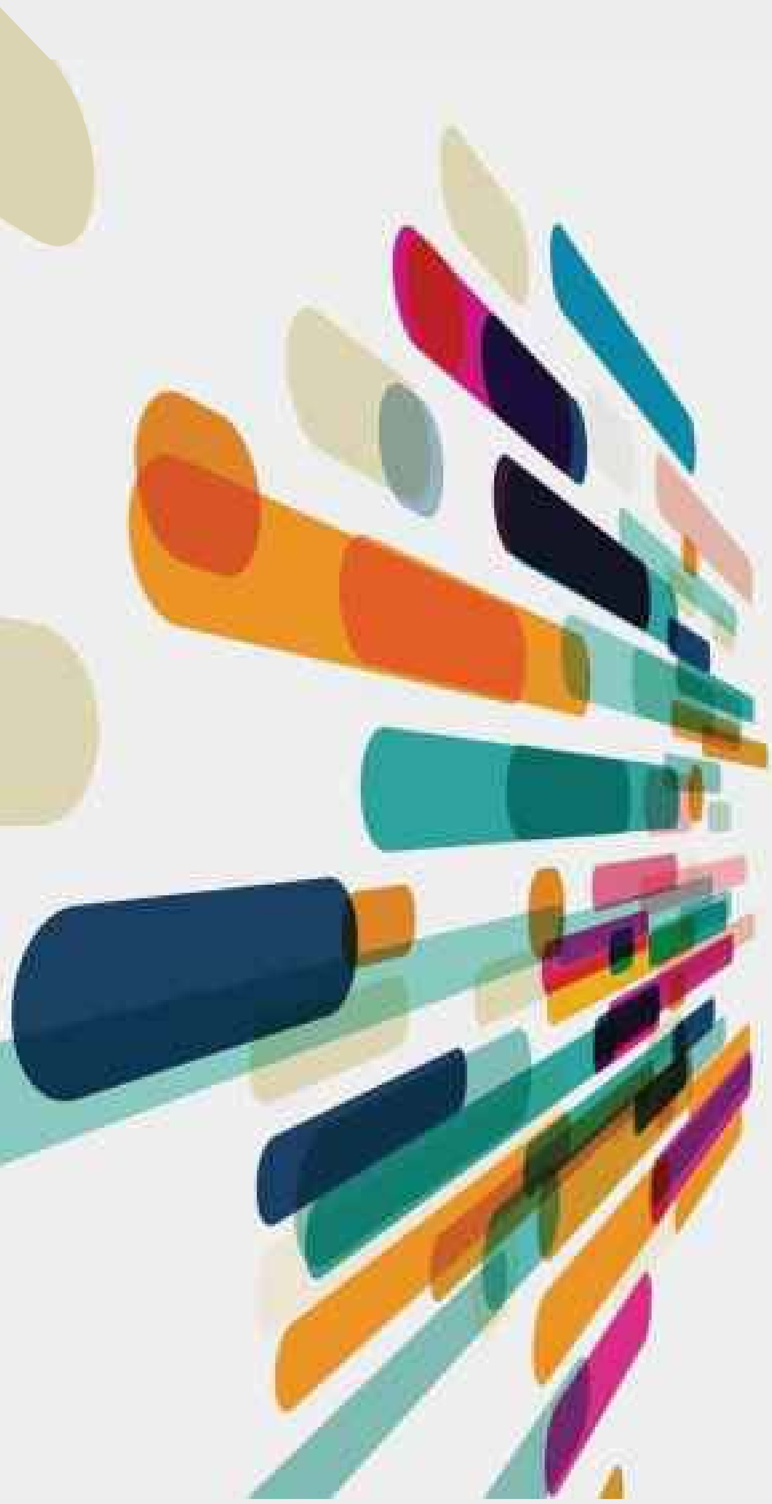
APPENDICES (OTHER NATIONAL DISCLOSURES)



> Insurers must embrace technology to rapidly deepen insurance penetration. -CIIN Journal July, 2018

Mr. Oye Hassan-Odukale, mfr.
MD/CEO Retired

Overview



VISION

To be a leading insurance company and non banking financial solutions provider in Nigeria, leveraging on our strategic capabilities in other selected markets.

MISSION

To be a service provider of choice, bringing insurance as a risk management tool to the consciousness of all; adding value to our clients and other stakeholders in an efficient and reliable manner.

This is LEADWAY

20+
Retail Insurance products that add value to you.

₦ 38.5 billion
Paid in claims in 2019.

LEADWAY GUARANTEE
Insuring your happiness, no matter what happens in your business and life.

313
Leadway Employees on hand to serve you.

24
Branches spread across the country to meet your insurance needs.

This is LEADWAY

Know Us

Established since 1970, LEADWAY is one of Nigeria's foremost insurance companies with the reputation for efficient service delivery. For nearly 5-decades we stayed honorable to our Life and General Insurance underwriting commitments and have earned the reputation for excellence in claims-handling.

Our steady growth in premium income and combined assets currently stands at over ₦90b and ₦396b, respectively.

Our investment portfolio is one of the largest in the Nigerian Insurance Industry, with a total investment portfolio valued at over ₦328b. In the past year, we maintained Claims expense of ₦38.5b. We are money-market active, with over ₦21.5b deposited in A+ rated banks and other financial institutions. Our fixed income instrument stands at over ₦277b, consisting mainly of Federal and State Government Bonds.

Our Board of Directors consists of eminent Nigerians and seasoned business persons of proven personal integrity.

We are also firmly grounded by the foundation of integrity laid and instilled by our founder, of blessed memory, Sir (Dr.) Hassan O. Odukale (kjw, FCII).

Our Commitments

We honor the pledge to always meet our financial obligations to all customers through rain or shine.

Our Commitments Continued

We offer fully integrated services covering the full spectrum of insurance products and allied financial services, some of which include Fire & Allied perils, Property/ All Risk, Personal Accident, Contingent Employee/ Liability, Householder's Comprehensive, General Liability, Marine Cargo & Hull, Engineering, Electronic Equipment, Goods in Transit, Motor, Aviation, Oil & Gas Power, Lifestyle + SME, Agriculture Insurance. Others are Life & Annuity Contracts, Individual Deposit Administration, Personal Savings Plan, Personal Annuity Plan, Mortgage Protection, Life Annuity Contracts, Bonds, Secured Credit, Miscellaneous Financial Loss, Managed Funds and Trusteeship.

Keynotes

₦396b
Total Asset base

₦91b
Premium Income

₦54b
Shareholders' Funds

Keynotes Continued

We maintain:

- Allied Financial Services like bonds, secured credit, miscellaneous financial losses and funds portfolio management
- Re insurance back up from Swiss Re, Africa Re, General Insurance of India, AIG of Europe, CHUBB, Ace Global, WAICA, Continental Re and various syndicates at Lloyds
- Highly computerized operations that enhance efficiency
- Clientele of government establishments, Ministries and Parastatals
- International non-affiliate network arrangement with key insurers across the globe – CHUBB, QBE, Swiss Re, Alianz, XL, HDI
- Data and analytics, our Management makes data-led decisions for the benefit of customers
- No loan stock and internally generate funds for capital projects backed by a carefully planned investment portfolio

Core Values

Our core values impact who we are, what we do and how we operate. Most importantly however, it impacts how we support our customers. Nothing counts more in our thoughts than our customers. That's why our core values are the foundation on which everything we do is built.

iSCORE

I: Integrity
S: Service
C: Customer Focus
O: Openness
R: Respect for the Individual
E: Excellence

Integrity

Acting with honesty and honor towards all our stakeholders without compromising the truth.

Service

Serving our customers in timely, responsive, pro-active manner and meeting their needs and aiming to delight.

Customer focus

Seeking to determine the needs of our customers and taking action to satisfy them.

Openness

Sharing information with our customers, listening to them, receiving constructive feedback and confronting ethical problems immediately.

Respect for the individual

Treating every customer with utmost dignity and according them all the attention and care due to them.

Excellence

Confidently pursuing highest service quality and giving the best to our customers that warrants our persistent commitment.


LEADWAY
Assurance
RC 7588
Smile.
Your Happiness
is Assured.
General Insurance
Life Assurance
Annuity
www.leadway.com
NAICOM/CA/ADV/99/1761APCERT/0006007
Corporate Office:
121/123, Funso Williams Avenue, Iponri
G.P.O Box 6437, Marina Lagos
Tel: (01) 2700 700
Registered Office:
NN 28/29 Constitution Road,
Kaduna.
Website: www.leadway.com
Email: insure@leadway.com
Connect with us on:

Notice of the **48th Annual** General Meeting

Notice is hereby given that the 48th Annual General Meeting of LEADWAY ASSURANCE COMPANY LIMITED will convene virtually at the First Floor Meeting Room, Leadway House, 121/123, Funsho Williams Avenue, Iponri, Surulere, Lagos on Friday 29th May, 2020 at 11am to transact the following businesses:

Special Business

1. "That in accordance with Section 217(2) of the Companies and Allied Matters Act 1990, shareholders agree to hold the Annual General Meeting called notwithstanding that less than 21 days' notice of meeting has been given."

Ordinary Business

2. To adopt the reports of the Directors and Auditors, including the statement of accounts for the year ended 31st December 2019.
3. To declare a dividend.
4. To elect/re-elect Directors.
5. To authorize the Directors to fix the Auditor's remuneration.

BY ORDER OF THE BOARD

Olumide Hanson
COMPANY SECRETARY
FRC/2019/NBA/00000019064
121/123, Funso Williams Avenue,
Iponri, Surulere,
Lagos.

NOTES:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her. In view of the Covid-19 pandemic, attendance shall be virtual and also by proxy. Designated proxies listed in the proxy form attached to the Annual Report are Mr. Tunde Hassan-Odukale (Managing Director/Chief Executive Officer) and Mr. Olumide Hanson (Company Secretary). To be valid, executed forms of proxy should be deposited at the Office of the Company Secretary, Leadway Assurance Company Limited, 121/123 Funsho Williams Avenue, Surulere, Lagos, not later than 48 hours before the time of holding the meeting or sent via email to c-secretariat@leadway.com

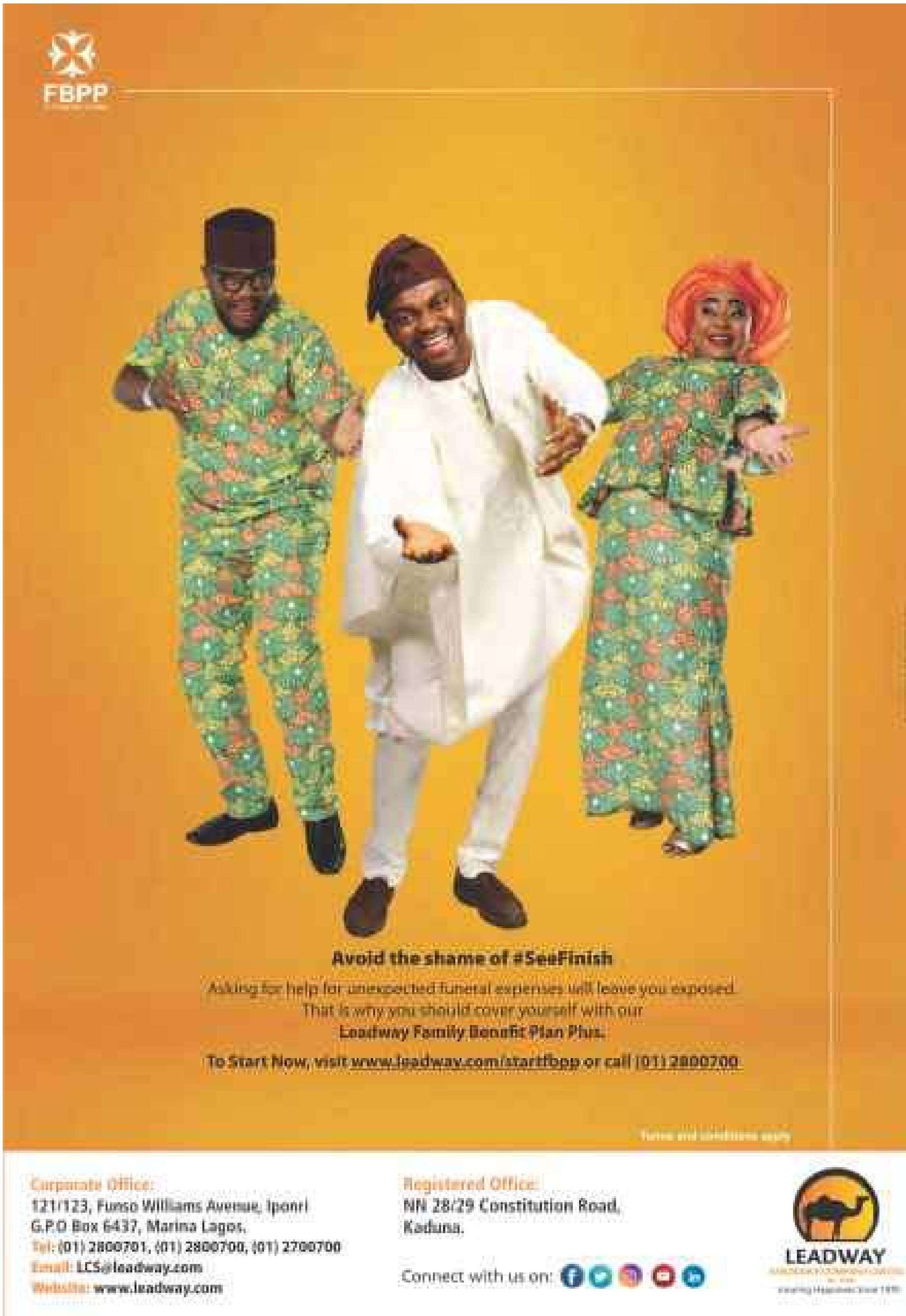
2. The Register of Members and their shareholding is available for inspection, at the office of the Company Secretary during normal business hours, from the date of this notice until the close of business on Tuesday May 26, 2020.

Mr. Olumide Hanson
COMPANY SECRETARY

Business Insight

Your company leaped forward to preserve its leadership position in the insurance industry in the year 2019, despite the negative macro-economic condition in Nigeria...

Gen. (rtd) Martin Luther Agwai, cfr
CHAIRMAN


FBPP
Avoid the shame of #SeeFinish
Asking for help for unexpected funeral expenses will leave you exposed.
That is why you should cover yourself with our
Leadway Family Benefit Plan Plus.
To Start Now, visit www.leadway.com/startfbpp or call (01) 2800700
Terms and conditions apply
Corporate Office:
121/123, Funso Williams Avenue, Iponri
G.P.O Box 6437, Marina Lagos.
Tel: (01) 2800701, (01) 2800700, (01) 2700700
Email: LCS@leadway.com
Website: www.leadway.com
Registered Office:
NN 28/29 Constitution Road,
Kaduna.
Connect with us on:
LEADWAY

Corporate Information

Certificate of Incorporation Number	Date of Incorporation	NAICOM License Number
RC 7588	22 September, 1970	RIC-025

Registered Office
NN 28/29 Constitution road,
Kaduna State Nigeria

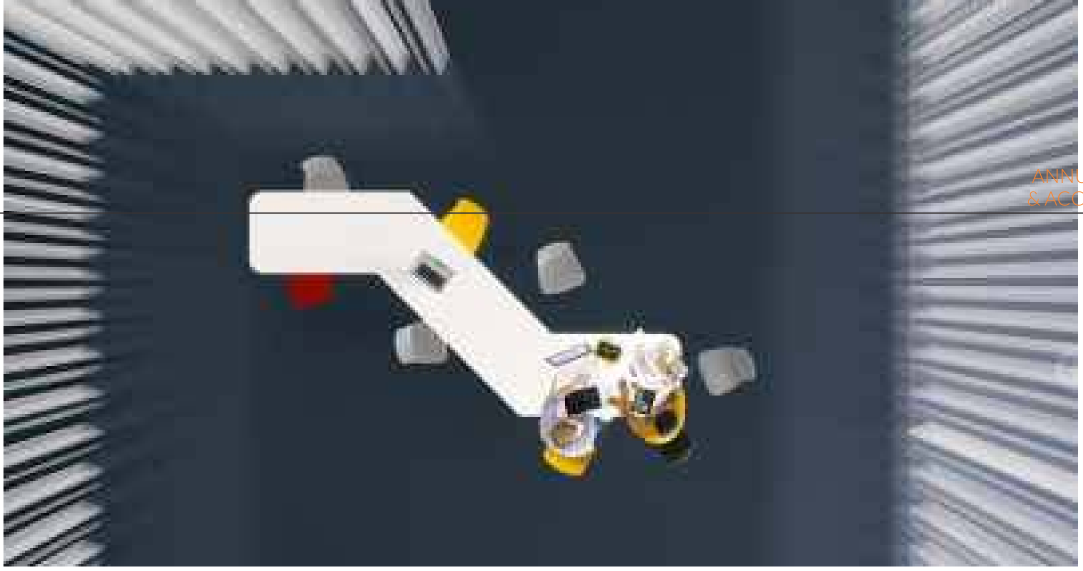
Corporate Head Office
121/123 Funso Williams Avenue,
Iponri Surulere, Lagos
Tel: 01-2700700

Email:
insure@leadway.com

Website:
www.leadway.com

DIRECTORS

Gen. (rtd) Martin Luther Agwai, cfr	Chairman
Mr. Oye Hassan-Odukale, mfr	Managing Director (Retired wef 31st December, 2019)
Mr. Tunde Hassan-Odukale	Managing Director (Appointed wef 1st January, 2020)
Ms. Adetola Adegbayi	Executive Director
Mr. Jeremy Rowse	Non-Executive Director
Mrs. Mowunmi Sotubo	Non-Executive Director (Resigned wef 1st April, 2019)
Mr. Eugene Curley	Non-Executive Director (Resigned wef 8th August, 2019)
Mr. Seyi Bickersteth	Non-Executive Director, Independent
Mr. Odein Ajumogobia	Non-Executive Director, Independent
Mr. Martyn Parker	Non-Executive Director (Appointed wef 3rd February, 2020)



MANAGEMENT STAFF

Mr. Oye Hassan-Odukale, mfr	Managing Director/CEO - Retired 31 December, 2019
Mr. Tunde Hassan-Odukale	Managing Director/CEO - Appointed 1 January, 2020
Ms. Adetola Adegbayi	Executive Director, General Insurance
Mr. Tinashe Muyambo	Head, Life Business
Mr. Gboyega Lesi	Commercial Director
Mr. Allan Olufade Suradj	Regional Director
Mrs. Kunbi Adeoti	Human Resources Director
Mr. Odalo Aimufia	Chief Information Officer
Mr. Ernest Aziagba	General Insurance Actuary
Mr. Tunde Alao-Olaifa	Strategy & Special Projects Director
Mr. Oluwafemi Adebayo	Life Sales Director
Mr. Bamidele Lawal	Chief Technical Officer
Mrs. Kikelomo Fischer	Enterprise Risk Management Director
Mr. Olumide Hanson	Company Secretary

Bankers and other Professional Advisors

Company Secretary
Olumide Hanson
FRC/2019/NBA/00000019064

Auditors
KPMG Professional Services
KPMG Towers
Bishop Aboyade Cole Street
Victoria Island, Lagos
Tel: (01) 2718955

Actuaries
Ernst & Young Nigeria
FRC/2012/NAS/00000000738

Estate Surveyor and Valuer
Diya Fatimilehin & Co.
FRC/2013/NIESV/00000002773

Bankers

Access Bank Plc
Citibank Nigeria Limited
FBN Bank (UK) Limited
Fidelity Bank Plc
First Bank of Nigeria Limited
First City Monument Bank Limited
FSDH Merchant Bank Nigeria Limited
Guaranty Trust Bank Plc
Keystone Bank Nigeria Limited
Polaris Bank Plc
Stanbic IBTC Bank Plc
Standard Chartered Bank Nigeria Limited
Sterling Bank Plc
Union Bank Plc
United Bank of Africa Plc
Wema Bank Plc
Zenith Bank Plc

Reinsurers

African Reinsurance Corporation
Continental Reinsurance Plc
Waica Reinsurance
Hannover Reinsurance Company Limited
General Insurance Company, India
Swiss Reinsurance Africa Limited
AIG Europe
Kiln Syndicate
Chubb Limited

Governance

Board of Directors

- Visiting Professor, African Leadership Center, London
- Former Chief of Army Staff, Nigerian Army
- Former Chief of Defense Staff, Nigerian Army
- Former Chairman, Subsidy Reinvestment Programme
- Alumnus, National Defense University, Washington DC, USA
- Alumnus, Administrative Staff College of Nigeria

Gen. (rtd) Martin Luther Agwai, cfr.
CHAIRMAN

- Chairman, FBN UK
- Member, Executive Committee of the African Insurance Organization
- Past Chairman, Nigerian Insurers Association
- Former Member, Federal Government of Nigeria's Committee for the Review of Insurance Laws
- Munich Re Fellow
- Alumnus, University of Houston, Texas, USA
- Alumnus, Harvard Business School, USA

Mr. Oye Hassan-Odukale, mfr.
CHIEF EXECUTIVE OFFICER
Retired 31 December, 2019

- Director, First Bank of Nigeria Ltd.
- Member, Royal Society of Mathematics and the Institute of Actuaries
- Former Director, Stanbic IBTC Bank Plc
- Former Director, Union Assurance
- Alumnus, University of London
- Alumnus, City University, London
- Alumnus, Harvard Business School, USA

Mr. Tunde Hassan-Odukale
MANAGING DIRECTOR/CEO
Appointed January 1, 2020

Board of Directors Continued

- Former Director, Santam South Africa
- Former Chief Executive, African Life Assurance, Johannesburg, South Africa
- Former Member, Board of the Life Offices Association of South Africa
- Former Member, Ghana Investment Advisory Council
- Alumnus, Rhodes University, South Africa
- Alumnus, University of Cape Town, South Africa

Mr. Jeremy Rowse
NON-EXECUTIVE DIRECTOR

- Member of Nigerian Bar Association
- Fellow, Chartered Institute of Arbitrators (FCI) Arb London.
- Former Attorney General and Commissioner of Justice, Rivers State
- Former Minister of State for Petroleum Resources
- Former Minister of Foreign Affairs
- Alumnus, Harvard Law School, Massachusetts.

Mr. Odein Ajumogobia SAN.
NON-EXECUTIVE DIRECTOR

- Chairman, Andersen Tax Africa
- Director, Nigeria-South Africa Chamber of Commerce
- Director, Nigerian Economic Summit Group
- Fellow, Institute of Chartered Accountants of Nigeria (FCA)
- Former National Senior Partner, KPMG Nigeria
- Former Chairman, KPMG Africa
- Alumnus, York University, Canada.

Mr. Oluseyi Bickersteth
NON-EXECUTIVE DIRECTOR

Board of Directors Continued

- Chairman of Swiss Re Life & Health Africa
- Former Deputy Chairman of Vina Re in Vietnam
- Former Executive Director of Swiss Re Life and Health Australia
- Former Executive Director Swiss Re Asset Management Hong Kong
- Former Chief Executive Officer of Swiss Re Life and Health UK
- Fellow, Chartered Insurance Institute
- Fellow, of London Chartered Insurance Institute

Mr. Martyn Parker
NON-EXECUTIVE DIRECTOR

- Director, Leadway Hotels Limited
- Director, Energy and Allied Insurance Pool of Nigeria
- Director, Nigeria Liability Insurance Pool
- Associate, Chartered Insurance Institute, London
- Associate, Chartered Institute of Arbitrators, UK.
- Former Director, Prestige Assurance Plc.
- Alumnus, University of Bristol, UK.
- Alumnus, University of South Wales, UK.
- Alumnus, Harvard Business School, USA

Ms. Adetola Adegbayi
EXECUTIVE DIRECTOR

- Member, Chartered Institute of Arbitrators, United Kingdom
- Member, Nigerian Bar Association
- Alumnus, University of Lagos
- Fellow, Institute of Chartered Secretaries and Administrators, UK.

Mr. Olumide Hanson
COMPANY SECRETARY

Corporate Governance Report
for the year ended 31 December 2019

Introduction

Leadway Assurance Company Limited is committed to adhering with high standards of good corporate governance at all levels of its operations. The Board of Directors has continued to ensure the implementation of corporate governance principles that guarantee fairness, accountability and transparency in all its dealing within and outside the Company and its subsidiaries. Leadway complies with all laws, regulations, rules and guidelines, applicable to insurance business, including the Code of Business Ethics and the Nigeria Code of Corporate Governance issued by the Financial Reporting Council (FRC).

COMPOSITION OF DIRECTORS

The Board of Leadway comprises a total of seven directors as at 31 December 2019. This includes the Chairman, (who is an Independent Non-Executive Director), the Managing Director, two Executive Directors and one Non-Executive Director and two Independent Non-Executive Directors. The members of the Board are reliable, skilled and bring to the Board decades of experience and expertise which positively impacts the oversight responsibility of the Board. Their level of expertise has manifested in the strategic direction of the company and high quality of management policies formulated over the years.

SEPARATION OF THE ROLE OF THE CHAIRMAN FROM THE MANAGING DIRECTOR

The way and manner the company structured the roles of the Chairman and the Managing Director has assisted in averting overlaps of roles. The Chairman who is first among equals is responsible for the overall leadership of the Board and for creating enabling environment for the effectiveness of individual directors, while the Managing Director is responsible for the day-to-day running of the company to achieve overall efficiency of management controls. This is done in accordance with the Nigerian Code of Good Corporate Governance 2018.

GENDER DIVERSITY

Leadway Assurance understands that gender diversity is fundamental to the success and sustainability of the company and enriches discussions among directors, better reflects the company's relationship with all of its stakeholders and allows for improved stewardship from a risk-management perspective. The company has its diversity policy and has committed to establish measurable objectives for achieving diversity on the Board and within management positions. The Company plans to achieve a 30% gender diversity over the next few years and strives to create a diverse and inclusive culture by deliberately promoting increased women representation on the Board, management positions and overall employees, based on availability of vacancy and appropriately-skilled candidates. The company is committed to improve other dimensions on diversity to reflect global best standard and will reflect its efforts in future disclosures.

PROCESS OF BOARD APPOINTMENT

The process for the selection, nomination and appointment of a candidate to the Board is essential to ensure the Company has an optimum combination of experience and commitment and achieve the effectiveness of the Board.
Potential candidates are identified by referrals of suitably qualified individuals by other Directors; and/or engaging external consultants that will present diverse candidates from the pool of candidates sourced.
The Nomination, Remuneration and Governance Board Committee is saddled with the responsibility of engaging, interview and recommending the suitable candidates, having regard to the expertise, integrity, qualification, age, experience, positive attributes, independence, competency, relationships, industry standing, diversity of gender, background, professional skills and personal qualities required to operate successfully as director. The Committee is further guided by the Succession and Diversity policies in its engagement.

Board Training and Induction

The Chairman, in conjunction with the Company Secretary, is responsible for ensuring that induction programmes are conducted for new Directors and a continuing education programme is in place for all Directors. The Continuing education is expected to assist directors to consistently familiarize themselves with their roles and responsibilities, Corporate Governance, the Company's strategic plan, operations, and the business environment within which the company operates.

New directors undergo a three-day orientation and Induction programme which holds within three months of the director's appointment and entail an engagement with the Management of the company coordinated by the Company Secretary. The various sessions provides directors with understanding of the company's business, current strategy/business plan, Organization Structure, delegation of authority, Board and Board Committees' annual plan, Corporate Governance and Risk Management information, the company's Board approved policies and Code of Conduct. The session also provides an insight into the Financial and Capital Management of the company.

Directors are encouraged to attend internal and external seminars and workshops that are organized on the financial standards, new development within Corporate Governance and Mandatory trainings organized by the regulator, in order to enhance their skills and knowledge.

During the year, the directors of the company attended the following trainings/ seminars to enhance their knowledge in the discharge of their duties within the company.
- Board IFRS 9 & 17 Awareness Training organized by Ernst & Young.
- Insurance Directors Conference 2019 organized by National Insurance Commission and College of Insurance on Corporate Governance.

BOARD EVALUATION

The assessment of the effectiveness of the Board is key in the Board Governance Structure. The Board undergoes a rigorous evaluation process every year to assess the performance of the Board, its committees, individual directors and assessment of the Corporate Governance Practices. This exercise has been previously carried out by an independent external consultant with outcomes reported to the Board and the sectoral regulator.

Corporate Governance Report Continued
for the year ended 31 December 2019

In 2017 and 2018, the Society for Corporate Governance and Ernst & Young respectively, carried out the evaluation of the Board, its committees, the Chairman, individual Directors, and the Company's corporate governance practices.

The external evaluation that was conducted for the year 2018 was with reference to the National Insurance Commission Code of Corporate Governance 2009, best practice and readiness test against the principles in the Nigerian Code of Corporate Governance 2018 released by the Financial Reporting Council. This exercise consists of a one-one interview with directors and completion of Board effectiveness questionnaires.

In view of the requirement by the Nigerian Code of Corporate Governance 2018 which provides for Board Evaluation to be facilitated once every three years by an Independent External Consultant and having successfully carried out the evaluation of the last two years by Independent External Consultants, the evaluation for the year 2019 is being conducted internally by the Company's Secretariat. The internally-driven Board Evaluation for the year 2019 is to provide an opportunity for the Board to frankly resolve the identified gaps that undermines the effectiveness of the Board. The feedback from the Board effectiveness review process will be discussed with the Board with identified action plan for resolution and the report will be submitted to the company's regulator.

DIRECTORS STANDING FOR RE-ELECTION

In compliance with the Companies and Allied Matters Act Laws of the Federation of Nigeria 2004, one-third of the company's directors are required to retire by rotation at the Annual General Meeting (AGM). This is applicable to directors who have been longest in office since their last election.
Consequently, Mr. Jeremy Rowse and the Chairman, Gen. Martin Luther Agwai are up for retirement and are both eligible for re-election. They have both offered themselves for re-election.

The Nomination, Remuneration and Governance Committee has the responsibility to review and assess the performance of the Directors that are subject to re-election at the AGM and submits its recommendation to the Board for the proposed re-election being presented to the Shareholders for approval. The Committee makes its recommendation, taking into consideration, value contribution at Board and Board Committee meetings, deliverables on the expectations in relation to his role and responsibilities and continuing value to the Board through in-depth reasoning, knowledge, experience and expertise.

BOARD RESPONSIBILITY

The Board is saddled with the responsibility of making policies for the company, reviewing corporate performance, monitoring strategic decisions while ensuring regulatory compliance, safeguarding shareholders' interest and fulfilling the expectations of stakeholders. The Board met five times in the last financial year and through their leadership, the company was able to achieve its set objectives. The record of the attendance is provided below:

Meetings Held	1	2	3	4	5
Names	**21st March, 2019**	**23rd May, 2019**	**8th August, 2019**	**17th October, 2019**	**14th November, 2019**
Gen. (rtd) Martin Luther Agwai (Chairman, Independent)	√	√	√	√	√
Mr. Oye Hassan-Odukale (Managing Director)	√	√	√	√	√
Mr. Tunde Hassan-Odukale (Executive Director)	√	√	√	√	√
Ms. Adetola Adegbayi (Executive Director)	√	√	√	√	√
Mr. Jeremy Rowse (Non-Executive)	√	√	√	√	√
Mr. Eugene Curley (Non-Executive)	√	√	√	NLD	NLD
Mrs. Mowunmi Sotubo (Non-Executive)	√	NLD	NLD	NLD	NLD
Mr. Martyn Parker (Non-Executive)	NYA	NYA	NYA	NYA	NYA
Mr. Odein Ajumogobia (Non-Executive, Independent)	√	√	√	√	√
Mr. Seyi Bickersteth (Non-Executive, Independent)	√	*	√	√	√

Key:
√ Present *Apology NLD - No Longer a Director NYA - Not Yet Appointed

Committees of the board

The Board committees have been engineered to ensure proper coordination and effectiveness and these committees are saddled with responsibilities which are aimed at enhancing the operations of the company. Over the years, the committees have rendered immense assistance to the Board through regular reporting. Below are the committees of the Board:

Corporate Governance Report Continued
for the year ended 31 December 2019

a. Enterprise Risk Management and Technical Committee:

The Committee comprises three Non-Executive Directors and two Executive Directors. Mr. Jeremy Rowse Chairs the Committee and other members are Mr. Seyi Bickersteth (Independent), Mr. Odein Ajumogobia (Independent), Mr. Tunde Hassan-Odukale (Now Managing Director) and Ms. Adetola Adegbayi (Executive Director).

This committee assists the Board in carrying out its oversight responsibilities by:
* Coordinating and overseeing the application and effectiveness of technical controls and analysis in the insurance activities;
* Enhancing the quality, effectiveness and relevance of insurance technical reports and management information;
* Overseeing the strategic risk management process and monitoring the quality, integrity, reliability and effectiveness of the process;
* Reviewing the adequacy and effectiveness of controls on the development, introduction and maintenance of IT systems and processes.

The committee held four meetings in the year 2019 and the attendance of directors stated below:

Meetings Held	1	2	3	4
Names	19th March, 2019	21st May, 2019	6th August, 2019	12th November, 2019
Mr. Jeremy Rowse (Chairman)	√	√	√	√
Mr. Odein Ajumogobia (Non-Executive, Independent)	√	√	√	√
Mr. Seyi Bickersteth (Non-Executive, Independent)	√	√	√	√
Mr. Tunde Hassan-Odukale (Now Managing Director)	√	√	√	√
Ms. Adetola Adegbayi (Executive Director)	√	√	√	√

Key:
√ Present

b. Audit & Compliance Committee

The Committee comprises three Non-Executive Directors and one Executive Director. Mr. Seyi Bickersteth (Independent) Chairs the Committee and other members are Mr. Eugene Curley (Non-Executive Director, now resigned), Mrs. Mowunmi Sotubo (Non-Executive Director, now resigned) and Mr. Tunde Hassan-Odukale (Now Managing Director).

This committee assist the Board in carrying out its oversight responsibilities by:
* Monitoring the Nigerian regulatory environment for threats and/or opportunities
* Reviewing the Company's relationship with relevant regulatory agencies and authorities and recommend required steps and activities for improvement in such relationships;
* Monitoring overall compliance by the Company with the provisions of the National Insurance Commission (NAICOM) and other relevant industry regulations;
* Co-coordinating and overseeing the effectiveness of the Company's audit management and shall assist the internal and external Auditors in preparing financial reports;

The committee held four meetings in the year 2019 and the attendance of directors stated below:

Meetings Held	1	2	3	4
Names	20th March, 2019	22nd May, 2019	7th August, 2019	13th November, 2019
Seyi Bickersteth (Independent Chairman)	√	√	√	√
Mr. Eugene Curley (Non-Executive Director, now resigned)	√	√	√	NLD
Mrs. Mowunmi Sotubo (Non-Executive Director, now resigned)	√	NLD	NLD	NLD
Mr. Tunde Hassan-Odukale (Now Managing Director)	√	√	√	√

Key:
√ Present NLD - No Longer a Director

c. Finance, Investment & General Purpose Committee

The Committee comprises two Non-Executive Directors and two Executive Director. Mr. Odein AJumogobia (Independent) Chairs the Committee and other members are Mr. Jeremy Rowse (Non-Executive Director), Mr. Tunde Hassan-Odukale (Now Managing Director) and Ms. Adetola Adegbayi (Executive Director).

This committee assists the Board in carrying out its oversight responsibilities by:
* Reviewing Management Accounts and reporting to the Board on Best Practice;
* Developing, monitoring and reviewing efficiency of the Company's investment policies;
* Determining, developing and reviewing the Company's investment parameters consistence with business trends, Company's investment capacity and compliance obligations;
* Ensuring at all times that the Company's investment policies reflect the objectives of safety and maintenance of fair returns on investments;
* Establishing standards, rules and guidelines for the Company's investment management operations;
* Evaluating the value of the daily market-to-market portfolios and make proposals to the Company's Board accordingly;
* Reviewing from time to time the Company's investment strategy with a view to sustaining medium to long term competitive edge.

Corporate Governance Report Continued
for the year ended 31 December 2019

The committee held four meetings in the year 2019 and the attendance of directors stated below:

Meetings Held	1	2	3	4
Names	**20th March, 2019**	**22nd May, 2019**	**7th August, 2019**	**13th November, 2019**
Mr. Odein Ajumogobia (Independent, Chairman)	√	√	√	√
Mr. Jeremy Rowse (Non-Executive Director)	√	√	√	√
Mr. Tunde Hassan-Odukale (Now Managing Director)	√	√	√	√
Ms. Adetola Adegbayi (Executive Director)	√	√	√	√

Key:
√ Present

d. Nomination, Remuneration & Governance Committee

The Committee comprises two Non-Executive Directors. Mr. Eugene Curley (Non-Executive Director) Chairs the Committee and the other member is Gen. Martin Luther Agwai (Independent).

This committee assist the Board in carrying out its oversight responsibilities by:
* Annually reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and other Committees;
* Giving full consideration to and ensuring the company has a succession policy and planning for the Chairman of the Board, Managing Director, all other Executive Directors, Non-Executive Directors and other Senior Management positions;
* Being responsible for the process of identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
* Establishing a formal and transparent process for Board appointments, including establishing the criteria for appointment to the Board and Board committees, reviewing prospective candidates' qualifications and any potential conflict of interest; assessing the contribution of current Directors against their re-nomination suitability, and making appropriate recommendations to the Board;
* Developing a process for, and ensuring that the Board undertakes, an annual performance evaluation of itself, its committees, the Chairman and individual Directors, as well as the Company's corporate governance practices.
* Undertaking the annual assessment of the independent status of Independent Non-Executive Directors (INED);
* Considering the extent to which the company's governance arrangements are consistent with the various Corporate Governance Codes, and making recommendations to the Board accordingly;
* Reviewing the governance section of the annual report and making recommendations to the Board for approval;
* Develop, review, administer and recommend to the Board for approval of Corporate Governance policies;
* Reviewing annually the Key Performance Indicators (KPIs) set for the Chief Executive and Executive Directors by the Board and their performance evaluation;
* Ensuring the development and periodic review of Board charters, Board committee charters and other governance policies, such as the code of ethics, conflict of interest and whistle blowing policies among others.

The committee held two meetings in the year 2019 and the attendance of directors stated below:

Meetings Held	1	2	3	4
Names	**20th March, 2019**	**22nd May, 2019**	**1st November, 2019**	**13th November, 2019**
Mr. Eugene Curley (Non-Executive Director, Chairman)	√	√	NLD	NLD
Gen. Martin Luther Agwai (Independent)	√	√	√	√

Key:
√ Present
NLD - No Longer a Director

CUMMULATIVE YEARS OF SERVICE

a. Tenure of directors

The tenure for the Managing Director and the Executive Directors are determined by the Board taking into account performance, the existing succession planning mechanism, continuity of the Board and the need for continuous refreshing of the Board.
The tenure of each of the company's Non-Executive Director is for a defined period and can be re-elected for additional terms subject to satisfactory performance and approval by the shareholders. However, the principles of the Nigerian Code of Corporate Governance 2018 caps the tenure of an Independent Non-Executive Director at a cumulative term of nine years.

	Directors	Directors	Years of Service
1	Gen. (rtd) Martin Luther Agwai (Chairman, Independent)	10th November, 2016	3 years 3 months
2	Tunde Hassan-Odukale (Executive Director)	1st January, 2020	Two months
3	Jeremy Rowse (Non-Executive)	31st July 2007	12 years, 3 months
4	Adetola Adegbayi (Executive Director)	6th December, 2012	7 years, 3 months
5	Seyi Bickersteth (Non-Executive, Independent)	1st January, 2017	3 years, 1 month
6	Odein Ajumogobia (Non-Executive, Independent)	1st January, 2017	3 years, 1 month
7	Martyn Parker (Non-Executive)	3rd February, 2020	1 month

Our erstwhile Managing Director, Oye Hassan-Odukale retired from the Board effective 31st December, 2019 having successfully steered the wheels of the company for the past thirty-five years.

The Board of Directors and the company's regulator, the National Insurance Commission has approved the appointment of Tunde Hassan-Odukale as Managing Director effective 1st January, 2020.

The company is committed to consistently refreshing its Board and Board Committees to guarantee improved value contribution to the company in line with global best practice.

b. External auditor

KPMG Professional Services was appointed as the company's External Auditor in 2018 following the expiration of the 5 year tenure of PricewaterhouseCoopers Chartered Accountants as required by the National Insurance Commission Code of Corporate Governance 2009. This was before the advent of the Nigerian Code of Corporate Governance 2018 which provided for a 10 year tenure to External Auditors.

The Company went through a tender process and after careful review of the value proposition of the bidders and the commitment to avoid potential conflict of interests in relation to non-audit services and ensure the independence of the auditor, KPMG was selected and approved by the company's shareholders at the 2018 AGM.

The audit partner leading the 2019 financial audit is Kabir Okunlola and has held the role for two years. The role of audit partner will be rotated after completion of the 2022 year end audit in line with the Nigerian Code of Corporate Governance 2018 and best practice.

c. Statement on availability of code of business conduct and ethics

The company has a Board approved Code of Business Conduct and Ethics which sets out broad principles and practices that guide each and every member of the Board, Management and employees in their conduct and decision making for the company. The directors, Management and employees are abreast with the Code of Business Conduct and Ethics and have declared their understanding of their fiduciary duty to shareholders and other stakeholders of the Company.

Corporate Governance Report Continued

for the year ended 31 December 2019

HIGHLIGHTS OF HUMAN RESOURCES MANAGEMENT

HR policy highlights

The Company has established the underlined Human Resources policies which is undergoing Management review as part of the company's commitment to ensure continued applicability and growing changes in the Human Resource space and workspace dynamism.

- **Learning and Development Policy** focuses on the provision of effective and appropriate training and development for all employees to constantly update their knowledge, skills, abilities and attitudes using the 70:20:10 learning framework. It also fosters professional development by catering for subscription and certification with respective globally recognized bodies. Every employee is guaranteed at the minimum 16 hours of training annually.
- **Performance Management Policy** is to establish and maintain a performance culture, creating an enabling environment for employees to develop their abilities and achieve optimal possible potential to ensure a workplace where the staff performance review process is fair, consistently applied and shall not be perceived nor used as a punitive system. The process is designed to measure the achievement of company strategic goals.
- **Recruitment & Selection Policy** seek to attract, select, recruit and retain people with the right skill set, expertise, experience and qualifications to meet business aspirations, whilst offering a rewarding and fulfilling career with opportunities for growth and personal development. The recruitment process is driven by the Workforce plan, utilizing the Build, Borrow and Buy strategy.
- **Compensation & Benefit Policy** adopts a compensation philosophy that ensures employees are equitably remunerated within competitive market salary scales to drive and reward excellent performance utilizing global recognized frameworks. The aim is to maintain a pay structure that attracts, motivates and retains the highest caliber of talents at all levels. These include recognition awards, short and long term incentives pay as well as non-monetary rewards, benefits and perquisites.
- **Social Media (Internet Usage) Policy** is to enable employees to participate online in a respectful, relevant way that protects the company's reputation. The policy is intended to protect the business confidentiality, its network, computing resources and information assets.
- **Flexi – Work Policy** aims to encourage flexible working arrangements with the dynamics in the business environment. It recognizes that a better work-life balance can improve employee motivation, productivity, improved competitiveness while reducing staff turnover and ensuring employees fulfil their work requirements as well as other family/personal commitments.
- **Disciplinary Policy** is designed to correct unacceptable conduct or behaviour of employees where there is a breach of any rule, regulation, policy or procedure. The company takes comprehensive approach regarding discipline and will consider all facts before a decision is taken.
- **Grievance Policy** is designed to provide a transparent framework to deal with conflicts that may arise out of employment relationships. This is in alignment with company's desire to provide an environment that is productive, encourages growth and achieves business objectives. The process ensures that all employees are treated in a fair and consistent manner.
- **Expatriate Policy** provides a guide to ensuring standardized management of expatriates within the company, ensuring established need, value delivery, knowledge transfer, optimizing the cost in the engagement of expatriates and consistency in mobility policy.

Corporate Governance Report Continued
for the year ended 31 December 2019

WORKPLACE INITIATIVES

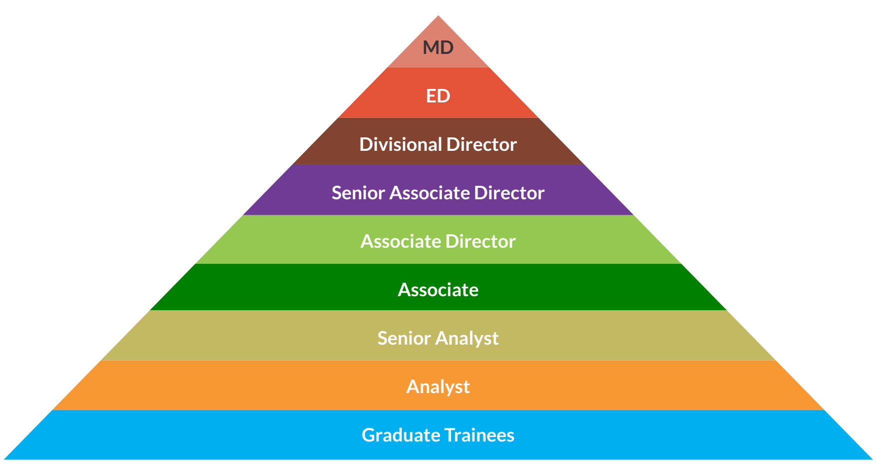
• **Capability Building** – One of such is Leader-led sessions, a business continuity initiative that ensures knowledge transfer across the company it provides the opportunity to directly address knowledge gaps from day to day operation and increase breadth of knowledge in teams. We also have instituted, job rotation and expansions, mentorship and coaching frameworks, Talent Exchange programme and pipeline building, Quarterly Performance Reviews where we proactively assess market dynamics and align our strategies accordingly.

• **Employee Engagement and Support** – The Company recognizes that employee engagement is a key driver of productivity which directly impacts profitability. It has multifaceted initiatives to feel the pulse of the workforce and creating tools and drivers for such engagements that drive workplace productivity. These include Annual Engagement Surveys, Town Halls and Village Meetings, Open days, Dial in sessions, CSR events etc. In addition we practice customized onboarding systems, Team Bonding, Happy Hour, motivational talks, career conversations. We have structured support systems such as fund channels, Health plans and annual medical checks, Gym, Crèche, Corporate Fitness, interdepartmental-games, Employee Wellbeing Sessions as well as Employee Assistance Programs in place to drive and create an exceptional employee experience.

•**Diversity and Inclusion** – As an equal opportunity organization, the company is committed to an inclusive culture that respects and embraces the diversity of employees, clients and community. This aimed to attract, develop and retain the best people from all culture, ethnicity, gender, abilities, background and experiences.

• **Acculturation** – This initiative aims to entrench the company's core values thereby sustaining the right culture among employees in order to drive business performance.

INTERNAL MANAGEMENT STRUCTURE



Corporate Governance Report Continued
for the year ended 31 December 2019

HIGHLIGHTS OF PROGRAMS ON SOCIAL ISSUES

HIGHLIGHTS OF CASES OF CLAW BACK

In line with the company's Claw Back policy, the Nomination, Remuneration & Governance Committee has reviewed the company's account and financial performance to ascertain if there has been undeserved award arising from the company's account and financial performance that has been materially false, misstated, misleading, erroneous, or there has been instances of misdemeanour, fraud, material violation of Company policy or material regulatory infractions.
The Committee has satisfied itself that there is no incidence necessitating the company to recover excess or undeserved reward, such as bonuses, incentives, share of profits, or any performance-based reward, from Directors and senior employees.

FINES AND PENALTIES

This has been disclosed in notes 41 & 42

NATURE OF ANY RELATED PARTY TRANSACTIONS

This has been disclosed in note 40

DIRECTORS' RENUMERATION POLICY

Remuneration policy of Leadway was approved in 2019 and shall apply for a period of three (3) years except there is an earlier review to ensure its continued appropriateness on applicability. The remuneration of Non-executive directors is not necessarily market leading but reflective of the prudence and conservatism of the company without undermining sufficient remuneration commensurate with the dedication and responsibility of directors.
The remuneration of executive directors is fairly competitive and incentivizes the directors to achieve the business plan, in alignment with company's long term strategy and to promote the retention of executive directors.
The remuneration of directors takes into primary consideration the performance of the company and prevailing economic situation.

Remuneration Elements	Payment mode
Basic Salary Salaries earned during the payroll period.	Monthly Annually
Variable Pay A performance based sum awarded to Executive Directors for attaining or exceeding their assigned KPIs.	Quantitative Gross Premium, Profit Before Tax (PBT), Taxes, Return on Invested Capital (ROIC) and performance of Leadway.
Long term incentive plan A plan created to reward directors for attaining company's long term goals and shareholders' interest. This aids the retention of key personnel and promotes commitment to long term growth.	·Qualitative Strategic milestones and initiatives that need to be achieved and implemented on areas such as strategy, innovation, business development, synergy, human capital management, financial management and societal development.

Corporate Governance Report Continued
for the year ended 31 December 2019

NON-EXECUTIVE DIRECTORS

Category-Fixed/Variable	Component	Component description
Fixed	Fees	A fixed annual sum provided to Non- Executive Directors for their ongoing contribution to the Board and as an incentive to attract and retain talent. This is payable on a quarterly basis.
Fixed	Meeting/Sitting allowance	A payment made to Non-Executive Directors on a per-meeting basis. This is condition on attendance (physical or virtual) which is a prerequisite for remittance.
Fixed	Medical Allowance	A fixed annual amount paid to Non-Executive Directors for the medical needs and upkeep. This is payable on the first working day of every year.

Notes of this report highlights the remuneration paid to directors.

SUMMARY OF RISK MANAGEMENT FRAMEWORK

Introduction
The Summary of the Risk Management Framework is contained in the Risk Management disclosures on page 72.

STATEMENT ON THE COMPANY'S ESG ACTIVITIES

The Company is aware of its responsibilities on Environmental, Social and Governance activities and is committed to economic growth and social value creation by supporting the development of the insurance industry, supporting internal and external stakeholders as well as the society in which it operates while promoting the education of the present and next generations. The Company also impacts tremendously the lives of the less privileged in the society through its corporate social responsibility, ensuring nationwide reach from Internally Displaced Persons to public schools and physically challenged persons in the parts of the country.

STATEMENT ON THE BOARD'S LEVEL OF APPLICATION OF THE CORPORATE GOVERNANCE CODE

The Board of Leadway Assurance engaged the services of Ernst & Young to evaluate its level of compliance with the Nigerian Code of Corporate Governance. The Board, in its commitment to ensure compliance with the Code, has taken steps to remedy gaps identified and is now sufficiently compliant with the Code. The Board is confident that the Corporate Governance Report in the 2020 annual report would reflect the Company's adequate compliance and application of the Code.

BY ORDER OF THE BOARD

Olumide Hanson
FRC/2019/NBA/00000019064
Company Secretary
121/123 Funso Williams Avenue
Iponri
Lagos
5 March 2020

Complaint and Feedback Statement

Strategy for Handling Customer Feedback and Complaints

We are currently running our three year planning horizon (2017 – 2020). As customers progressively become more informed and erudite, there is greater demand for customized and personalized insurance products and services.

One of our key strategy to providing an enhanced customer experience is our provision of a 24/7 customer service. This ensures continuous customer engagement through our complaints management and customer resolution. Our Investment in technology has grown tremendously to provide our customers with the option of self –service . To this regard a continuous gear to enhancing our own data management is very pertinent. We have also improved our feedback gathering mechanisms. Our services have been extended to managing our customers efficiently through our digital platforms which includes our Mobile Apps, Web chats, WhatsApp and CRM integration. We are constantly incorporating customer feedback from these channels into product design/ redesign. This has resulted in improved product acceptability and reduced cases of product failures and attainment of customer goodwill.

With the above, Leadway seeks to expand its customer loyalty with an all-inclusive view and wider understanding of the customer. Customer journey maps and plans are being developed based on insights and analysis from direct feedback from customers. This has proven to be very effective in understanding customer's pain points and boosting our customer retention.

Complaints Channels

We have provided various channels for customers to provide feedback on our products and services.
These platforms include:

- Our Leadway Assurance Company Limited Customer Service front desks, corporate office and designated branches for walk-in customers
- Complaint e-mail channel; insure@leadway.com
- Our Leadway Assurance Company Limited hotlines; 01-2700700, 01-2800700, 08129997027, 08129997178
- Our website platform; www.leadway.com
- Our Leadway Mobile App
- Our Leadway WhatsApp - 08080577724
- Social media
  - Facebook - www.facebook.com/LeadwayAssurance/
  - Twitter - @LeadwayInsure
  - Google Plus - Plus.google.com/+LeadwayAssurance
  - Linkedin - www.linkedin.com/company/leadway-assurance-co--ltd

Customers can also pay a visit to any of our Leadway Assurance Company Limited Welcome Centers located across the country for business enquiries and resolution.

Resolution Mechanism

At Leadway Assurance Company Limited, we have put in place a standard system to ensure that customers' feedback are received and promptly resolved. For this purpose we have a dedicated Customer Service Department (CSD) which is responsible for the prompt investigation and resolution of customers' complaints within the approved period. The Customer Service Department liaises with other units within the organization and ensures that customers' complaints are satisfactorily resolved.

Customers' complaints are stream-lined based on the type of complaints to provide an enabling environment for proper monitoring, proper documentation and effective feedback process of received complaints.

The process flow of customer complaint and resolution is as follows:

- The customer care officer acknowledges and attends to the various customers' complaints.
- The complaint is reviewed and it is determined if the complaint could be resolved at first-level.
- Where the complaint can be resolved at the first level, a resolution is immediately provided to the customer.
- If such complaint cannot be resolved at the first level, the customer care officer creates a case on our Dynamics CRM (Customer Relationship Management) application. This will in turn generate a Case ID number for escalation and tracking of case to resolution.
- Customer Care officer forwards and follow-up on the complaint with the appropriate unit in the organization to handle.
- Upon resolution, the customer is contacted and the resolution is explained to the customer.
- The case is closed and marked as resolved.

In addition to our present process, we are currently building a more robust CRM to adequately manage all complaints and to give the best response time in this area of our services.

Complaint and Feedback Statement Continued

Customers' loyalty and opinion on products

To enrich our customers experience we also periodically evaluate public/customer opinion about our services, products and policies. The evaluation is conducted in various ways including:

- One-on-one focus meetings with key customers
- Interviews with selected customers
- Online Customer Feedback Survey and Questionnaires administered to customers

This is to afford our organization the opportunity of receiving customers' perception about the company, in order to ensure that efforts can be put in place to close such gap(s) in our service delivery or improve upon the process, service or product.

Feedback on Customers' Complaints to Leadway Assurance

Feedback on customers' complaints is provided to Management and other relevant Units in the organization

The feedback gathered ensures that:

- Leadway Assurance Company Limited retains her customers as customers feel appreciated and respected,
- The quality service delivery at Leadway Assurance Company Limited is maintained and made uniform across board.
- A reliable source of identifying improvement opportunities is presented to management.
- A reliable source of data on customers' complaints and expectations is collated.

The feedbacks are circulated to management staff through the company's internal information channel for the general information of all staff.

Report of complaints received and resolved by the organization between January-December 2019.

Month	Complaints received during the year	Number of complaints resolved	Number complaints unresolved	Number of unresolved complaints within SLA*
January	10	7	-	3
February	3	2	-	1
March	6	5	-	1
April	1	1	-	-
May	3	3	-	-
June	1	1	-	-
July	5	4	-	1
August	8	8	-	-
September	4	4	-	-
October	2	1	-	1
November	2	2	-	-
December	4	3	-	1
Total	49	41		8

Complaints not resolved within the turnaround time, can be attributed mainly to the unavailability of these customers either via mail or phone call after resolution of their complaint but all complaints are usually treated within 24hrs (depending on the source of the error).

Independent Auditor's Report

KPMG

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KPMG Towers
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

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234(1) 271 8599
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Leadway Assurance Company Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Leadway Assurance Company Limited ("the Company") and its subsidiary (together, "the group"), which comprise the consolidated and separate statements of financial position as at 31 December, 2019, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information, as set out on pages 44 to 155.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Company and its subsidiary as at 31 December, 2019, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011 and the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") Circulars.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Insurance Contract Liabilities

The Company has significant life and general insurance contract liabilities of N296.70 billion (2018: N 225.44 billion). The valuation of insurance contract liabilities involves high estimation uncertainties and management makes significant judgments over uncertain future outcomes.

Independent Auditor's Report Continued

Provisions for reported claims are based on historical experience, however, the eventual liabilities may differ from the estimated amounts. Furthermore, the estimated liability for claims that have occurred but are yet to be reported in respect of general insurance contracts involve economic assumptions about inputs such as inflation rate, ultimate loss ratio and discount rates, hence the eventual outcome is uncertain.

The actuarial assumptions used in the valuation of life insurance contract liabilities are judgmental, particularly with respect to mortality rates, expenses and discount rates.

The level of complexity, the assumptions and judgment involved in estimating these amounts make insurance contract liabilities a matter of significance to our audit.

How the matter was addressed in our audit

Our audit procedures included the following:

- We tested the accuracy and completeness of the data used in actuarial valuations by checking selected samples of the claims paid, outstanding claims and underwriting information to the underlying data.
- We engaged our actuarial specialists to challenge the appropriateness of the methodology used by the Company's external actuary in calculating the insurance contract liabilities. This involved an assessment of the appropriateness of the valuation methods, taking into account industry practice and specific product features of the Company.
- With the assistance of our actuarial specialist, we evaluated the reasonableness of the actuarial assumptions used by the Company's external actuary and independently performed liability adequacy tests on insurance contract liabilities including assumptions and estimates on the projected cash flows, basic chain ladder runoff period, inflation rate, mortality and discount rate by comparing them to the Company specific data and market experience.
- We assessed whether the Company's valuation methodology and assumptions were consistent between reporting periods. We were also assisted by our actuarial specialists in this regard.

The Company's accounting policy on valuation of insurance contract liabilities and related disclosures are shown in notes 2.13 and 2.14 (accounting policy), note 4(a) (critical accounting estimates and judgments) and note 22 (insurance contract liabilities) respectively.

Other Information

The Directors are responsible for the other information. The other information comprises its corporate profile, directors' report, statement of directors' responsibilities, corporate governance report, complaint and feedback statement management discussions and analysis, value added statement, five year financial summary, general business statement of financial position, general business statement of comprehensive income, general business revenue account, life business statement of financial position, life business statement of comprehensive income, life business revenue account, deposit administration revenue account, life business annuity statement (but does not include the consolidated and separate financial statements and our auditor's report thereon) which we obtained prior to the date of this auditor's report. It also comprises the Chairman's statement, Leadway at a glance, information on Leadway subsidiary, branch directory report and corporate information (together "the outstanding reports"), which are expected to be made available to us after the date of this auditor's report.

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

Independent Auditor's Report Continued

KPMG

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

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

Responsibilities of the Directors for the Consolidated and separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission of Nigeria (" NAICOM ") Circulars, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement. whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated and separate Financial Statements

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

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

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

Independent Auditor's Report Continued

KPMG

concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (and Company) to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act, Cap C. 20, Laws of the Federation of Nigeria 2004 and Section 28(2) of the Insurance Act 2003

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Kabir O. Okunlola, FCA
FRC/2012/ICAN/00000000428
For: KPMG Professional Services
Chartered Accountants
22 May 2020
Lagos, Nigeria

Company Information and Summary of Significant Accounting Policies

for the year ended 31 December 2019

1 General information

Leadway Assurance Company Limited is a company incorporated and domiciled in Nigeria. The address of its registered office is NN 28/29 Constitution Road, Kaduna State, Nigeria. The Company was incorporated as a private limited liability company on 22 September 1970. It obtained a license to operate as an insurance company in January 1971 and commenced business in January 1971.

The Company is principally engaged in the business of providing risk underwriting and related financial services to its customers. Such services include provision of life and general insurance underwriting insurance risks to both corporate and individual customers.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Leadway Assurance Company Limited.

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRIC) as issued by the international Accounting Standards Board (IASB)

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

i. Financial instruments at fair value through profit or loss
ii. Available for sale financial assets measured at fair value
iii. Investment properties measured at fair value
iv. Revaluation of land and buildings measured at fair value
v. Insurance liabilities measured at fair value of estimated future cashflows

Use of estimates & judgements : The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

Financial & functional currency: These consolidated financial statements are presented in Naira which is the groups functional currency. All amounts are in thousands unless otherwise stated

2.2 Changes in accounting policy, amendments and disclosures

2.2.1 New and amended standards adopted by the company

The following new or revised standards and amendments which have a potential impact on the company are effective for the year ended 31 December 2019 and have been applied in preparing these consolidated financial statements.

Standard	Effective date	Comments
IFRS 16, 'Leases'	1 January 2019	IFRIS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change. This is the first set of company financial statements in which IFRS 16 'Leases' has been applied, the related changes to significant accounting policies are described in note 2.12
IFRIC 23, 'Uncertan Over Income Tax Treatments'	1 January 2019	The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates. If an uncertain tax treatment affects current tax and deferred tax (for example, if it affects both taxable profit used to determine current tax and tax bases used to determine deferred tax), an entity shall make consistent judgments and estimates for both current tax and deferred tax.

Company Information and Summary of Significant Accounting Policies Continued
for the year ended 31 December 2019

2.2.2 New standards and interpretations not yet effective

The following new or revised standards and amendments which have a potential impact on the company are not yet effective for the year ended 31 December 2019 and have not been applied in preparing these consolidated financial statements. The company also plans to apply all the standards and amendments disclosed below once they are applicable. However, the Company's assessments of the new standards and amendments is not yet concluded but is expected to have significant impact on our Company operations and financial position

IFRS	Effective Date	Key Requirements
IFRS 17, 'Insurance Contract'	January 2023	IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows

IFRS 9 Financial Instruments (Effective 1 Jan 2018)

IFRS 9, Financial instruments, issued by the IASB in July, 2014, fully replaces IASB 39 and provides a new approach on how to classify financial instruments based on their cash flow characteristics and the business model under which they are managed. Furthermore, the standard introduces new rules for forward-looking impairment model for debt instrument and provides new rules for hedge accounting.

It can be assumed that the main impact from IFRS9 will arise from the new classification rules leading to more financial instrument being measured at a fair value through income as well as the new impairment model. Interdependencies with IFRS17 will need to be considered to assess the ultimate combined impact of both standards.

The amendments to IFRS4, Applying IFRS9 Financial Instruments with IFRS4 Insurance Contracts, issued in September 2016, allow entities that issue insurance contracts within the scope of IFRS 4 to defer the implementation of IFRS 9 until January 2021 under certain circumstances. It is to be noted that the IASB has recently proposed to defer the IFRS9 effective date for such entities in scope by another year until 2022.

Given the strong interrelation between the measurement of direct participating insurance contracts and the underlying assets held, the Leadway Assurance Company has decided to use the option to defer the full implementation of IFRS 9 until IFRS 17 becomes effective.

In order to qualify for temporary exemption, an entity has to prove that its activities are predominantly connected to insurance as of 31 December 2015. Under the amended IFRS4, this condition is met if the insurer carries significant liabilities arising from contracts within the scope of IFRS4. Significant insurance-related liabilities are given, among others, if the percentage of the total carrying amount of liabilities connected with insurance relative to the total carrying amount of all liabilities is greater than 90%. A reassessment at a subsequent annual reporting date is required if, and only if, there was a change in the entity's activities during the annual period that ended on that date.

As of 31 December 2015, the Leadway Assurance Company recorded a total amount of liabilities connected with insurance of N114.6b, which represented more than 90% of its total liabilities of N119.3b. Moreover, of the amount connected with insurance contract, N109.2b were related to liabilities arising within the scope of IFRS 4. Other insurance related liabilities amounted to N5.4b and included mainly other liabilities like trade payables. The Company did not have any non-derivative investment contract liabilities measured at fair value through income statement. No change in the activities of the Leadway Assurance Company occurred subsequently that would have required a reassessment.

Company Information and Summary of Significant Accounting Policies Continued

for the year ended 31 December 2019

Company				
FINANCIAL ASSET UNDER IFRS 9 CLASSIFICATION OF ASSET				
As At 31st Dec 2019	***Financial Assets that meet SPPI		All Other Financial Asset	
	Fair Value	Fair Value Change	Fair Value	Fair Value Change
	N'000			
Cash and cash equivalent	26,210,607			
Debt Securities:				
Treasury Bill	5,178,618	-	-	-
Government Bonds	29,341,025	2,571,954	-	-
Corporate Bonds	6,638,943	(15,425)	-	-
Sub Total	**41,158,586**	**2,556,529**	**-**	**-**
Loans and advances	1,229,744	(320,695)	-	-
Other Assets	529,508	(35,762)	-	-
Equity Securities-Quoted	-	-	15,487,864	(2,051,933)
Equity Securities-Unquoted	-	-	6,186,378	579,704
Others	-	-		
Sub Total	-	-	**21,674,242**	**(1,472,229)**
Grand Total	**69,128,445**	**2,200,072**	**21,674,242**	**(1,472,229)**

******These exclude those that meet the definition of held for trading under IFRS 9 or those managed and whose performance is evaluated on fair value basis.***

Company						
CARRYING AMOUNT OF FINANCIAL ASSET THAT MEET SPPI CRITERION BY RATING						
	Rating Agency	**Cash and cash Equivalents**	**Treasury Bill**	**Government Bonds**	**Corporate Bonds**	**Others**
Investment Grade						
B2	Moody	-	5,178,618	29,341,025	-	-
B2	Moody	-	-	-	6,459,633	-
A+	OCR	-	-	-	-	-
Not rated		26,210,607	-	-	179,310	1,759,252
		26,210,607	**5,178,618**	**29,341,025**	**6,638,943**	**1,759,252**

Company Information and Summary of Significant Accounting Policies Continued

for the year ended 31 December 2019

Prepayment Features with Negative comparison (Amendments to IFRS 9)

This amendment was published to address the concerns about how IFRS 9 'Financial Instruments' classifies particular prepayable financial assets. In addition, the IASB clarifies an aspect of the accounting for financial liabilities following a modification. The amendments are to be applied retrospectively for fiscal years beginning on or after 1 January 2019, i.e. one year after the first application of IFRS 9 in its current version. Early application is permitted so entities can apply the amendments together with IFRS 9 if they wish so.

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates(the 'functional currency'). Except otherwise stated the consolidated financial statements are presented in thousands of Naira (NGN), which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate on the date when the fair value was determined. Non-monetary assets that are measured based on historcial cost in a foreign currency are translated at the exchange rate on the date of the transaction.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income within 'finance income or cost'.

Company Information and Summary of Significant Accounting Policies Continued

for the year ended 31 December 2019

Changes in the fair value of debt securities denominated in foreign currency and classified as available for sale are analysed between translation differences resulting from changes in the fair value of the security, and translation differences arising from changes in amortised cost. Translation differences related to changes in amortised cost are recognised in statement of comprehensive income while translation related to changes in fair value are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities held at fair value through statement of comprehensive income are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale financial assets are included in 'other comprehensive income'. except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss.

The assets and liabilities of foreign operations including goodwill and fair value adjustments arising on acquisition are translated at the exchange rate on the reporting date.
The income and expenses of foreign operations are translated at the exchange rate at the dates of transactions.
Foreign currency differences on foreign operations are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

Company Information and Summary of Significant Accounting Policies Continued

for the year ended 31 December 2019

2.6 Financial assets and liabilities

In accordance with IAS 39, all financial assets and liabilities (including derivative financial instruments) have to be recognised in the consolidated financial statements and measured in accordance with their assigned categories.

Category (as defined by IAS 39)		Classes as determined by the Company		Sub-classes
Financial assets	Financial assets at fair value through profit or loss	Financial assets at fair value through profit or loss	Listed Debt Securities	Federal Government of Nigeria bonds
			Listed Equity securities	Shares
		Held for trading	Listed Equity securities	
	Loans and receivables	Cash and cash equivalent		Cash in hand and bank Placements Treasury bills with original maturity not more than 90 days.
		Loans and advances		Commercial loans Loans to policyholders Agency loans Advances under finance lease
		Trade receivables	Insurance receivables	Due from contract, brokers, agents and Insurance companies
		Reinsurance assets		Due from reinsurers
		Other receivables		Other receivables
	Available for sale	Investment securities	Listed equity	Shares
			Unlisted equity	Shares
			Listed debt securities	State Government bonds FGN Treasury bills Corporate bonds Eurobonds FGN bonds
Financial liabilities	Financial liabilities at fair value through P&L	Nil	Nil	Nil
	Financial liabilities at amortised cost	Trade payables		Reinsurance payable Insurance payable Commission payable Investment contract payable Accrued expenses Outstanding claims Life funds Term loans Others
		Other liabilities		
		Insurance contract liabilities		
		Borrowings		

2.6.1. Financial Assets

Initial recognition
Regular-way purchases and sales of financial assets are recognised on the settlement date i.e. the date on which the company receives value for a purchase/sale of assets. All financial assets are initially recognized at fair value, which includes directly attributable transaction costs for financial instruments not classified at fair value through the statement of comprehensive income

Subsequent measurement
Subsequent to initial measurement, financial instruments are measured either at fair value or amortised cost, depending on their classification:

(a) *Financial assets held at fair value through profit or loss*

A financial asset is classified into the "financial assets at fair value through profit or loss" category at inception if so designated by management at inception.

Financial assets designated as fair value through profit or loss at inception are those that are held in internal funds to match insurance and investment contracts liabilities that are linked to the changes in fair value of these assets. The designation of these assets to be at fair value through profit or loss eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as " an accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Upon initial recognition, attributable transaction costs are recognised in the statement of comprehensive income as incurred. Subsequent to initial recognition, they are remeasured at fair value, with gains and losses arising from

Company Information and Summary of Significant Accounting Policies Continued
for the year ended 31 December 2019

changes in this value recognized in Net fair value gains/(losses) in the statement of comprehensive income in the period in which they arise. The fair values of quoted investments in active markets are based on current bid prices.

Interest earned and dividends receivable while holding trading assets at fair value through profit or loss are included in investment income.

Financial assets at fair value through profit or loss are presented within "Operating activities" as part of changes in working capital in the statement of cash flows.

(b) *Held-to-maturity*

Held-to-maturity investments are non-derivative financial assets with fixed determinable payments and fixed maturities that management has both the positive intention and ability to hold to maturity other than:
- those that the Company upon initial recognition designates as at fair value through statement of comprehensive income;
- those that the Company designates as available for sale; and
- those that meet the definition of loans and receivables.

Held to maturity investments include corporate and government bonds. Interests on held-to- maturity investments are included in the consolidated financial statement and reported as interest income within investment income.

Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs and are subsequently carried at amortised cost, using the effective interest method, less any accumulated impairment losses. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the Company from classifying financial assets as held-to-maturity for the current and the following two financial years.

(c) *Available-for-sale*

Available for sale financial investments are made up of equities. The Company classifies as available-for-sale those financial assets that are generally not designated as another category of financial assets, and strategic capital investments held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Available-for-sale financial assets are carried at fair value, with the exception of investments in equity instruments where fair value cannot be reliably determined, which are carried at cost. Fair values are determined in the same manner as for investments designated at fair value through statement of comprehensive income. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income while the investment is held, and are subsequently transferred to the statement of comprehensive income upon sale or de-recognition of the investment.

Dividends received on available-for-sale instruments are recognised in the statement of profit or loss when the Company's right to receive payment of the dividend has been established & the amount can be measured reliably.

(d) *Loans and receivables*

Loans and receivables include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the Company as fair value through statement of comprehensive income or available-for-sale. Loans and receivables consist of cash & cash equivalent, loans & advances, reinsurance& co-insurance receivables, trade receivables and other receivables. These are managed in accordance with a documented policy.

Loans and receivables are measured at amortised cost using the effective interest method, less any accumulated impairment losses. Loans granted at below market rates are fair valued by reference to expected future cash flows and current market interest rates for instruments in a comparable or similar risk class and the difference between the historical cost and fair value is accounted for as employee benefits under staff costs.

- Cash & cash equivalents

Cash and cash equivalents include cash in hand and at bank, call deposits and short term highly liquid financial assets with original maturities of three months or less from the acquisition date, which are subject to insignificant risk of changes in their fair value, and are 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.

- Trade receivables

Trade receivables arising from insurance contracts are stated net of allowance made for specific debts considered doubtful of recovery. Trade receivables are reviewed at every reporting period for impairment (See 2.6.1 (f) (iii)) for the accounting policy on impairment of trade receivables).

Company Information and Summary of Significant Accounting Policies Continued

for the year ended 31 December 2019

- Loans & advances

Loans & advances includes commercial loans, loans to policy holders, staff loans, annuity loans, mortgage loans and agency loans and are recognised at amortised cost.

- Reinsurance and Co-insurance recoverables

The company cedes business to reinsurers in the normal course of business for the purpose of limiting its net loss through the transfer of risks. Premium ceded comprise the share of gross written premiums transferred to reinsurers based on agreed arrangements. Reinsurance arrangements does not relieve the Company from its direct obligation to policy holders.

(e) Fair value measurement

The best evidence of the fair value of a financial instrument on initial recognition is the transaction price, i.e. the fair value of the consideration paid or received, unless the fair value is evidenced by comparison with other observable current market transactions in the same instrument, without modification or repackaging, or based on discounted cash flow models and option pricing valuation techniques whose variables include only data from observable markets.

Subsequent to initial recognition, the fair values of financial instruments are based on quoted market prices or dealer price quotations for financial instruments traded in active markets. If the market for a financial asset is not active or the instrument is an unlisted instrument, the fair value is determined by using applicable valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analyses, pricing models and valuation techniques commonly used by market participants.

Where discounted cash flow analyses are used, estimated cash flows are based on management's best estimates and the discount rate is a market-related rate at the balance sheet date from a financial asset with similar terms and conditions.

Where pricing models are used, inputs are based on observable market indicators at the balance sheet date and profits or losses are only recognised to the extent that they relate to changes in factors that market participants will consider in setting a price.

(f) Impairment of financial assets

(i) Financial assets carried at amortised cost

The carrying amounts of these assets are reviewed at each reporting date to determine whether there is any objective evidence of impairment. A financial asset is considered to be impaired if objective evidence indicates that one or more events that have occurred since the initial recognition of the asset have had a negative effect on the estimated future cash flows of that asset and can be reliably estimated. Objective evidence that a financial asset or company of assets is impaired includes observable data that comes to the attention of the Company about the following events:

- Significant financial difficulty of the issuer or debtor;
- A breach of contract, such as a default or delinquency in payments;
- It becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cashflow from a company of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Company.

For financial assets measured at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying value and the present value of the estimated future cash flows discounted at the original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. The Company may measure impairment on the basis of an instrument's fair value using an observable market price.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics. Those characteristics are relevant to the estimation of future cashflows for groups of such assets by being indicative of the issuer's ability to pay all amounts due under the contractual terms of the debt instrument being evaluated. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improved credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the statement of comprehensive income.

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for the year ended 31 December 2019

(ii) *Assets classified as available-for-sale*

Available-for-sale financial assets are considered impaired if there is objective evidence of impairment, resulting from one or more loss events that occurred after initial recognition but before the reporting date, that have an impact on the future cash flows of the asset. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss. In this respect, a decline of 20% or more is regarded as significant, and a period of 12 months or longer is considered to be prolonged. If any such quantitative evidence exists for available-for-sale financial assets, the asset is considered for impairment, taking qualitative evidence into account.

All impairment losses are recognized through statement of comprehensive income. If any loss on the financial asset was previously recognized directly in equity as a reduction in fair value, the cumulative net loss that had been recognized in equity is transferred to the statement of comprehensive income and is recognized as part of the impairment loss. The amount of the loss recognized in the statement of comprehensive income is the difference between the acquisition cost and the current fair value, less any previously recognized impairment loss.

Subsequent decreases in the amount relating to an impairment loss, that can be linked objectively to an event occurring after the impairment loss was recognized in the statement of comprehensive income, is reversed through the statement of comprehensive income. An impairment loss in respect of an equity instrument classified as available-for-sale is not reversed through the statement of comprehensive income but accounted for directly in equity.

(iii) *Trade receivables*

Trade receivables, are a significant part of loans and receivables, are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment. An allowance for impairment is made when there is an objective evidence (such as the probability of solvency or significant financial difficulties of the debtors) that the Company will not be able to collect all the amount due under the original terms of the invoice. Allowances are made based on an impairment model which considers the loss given default for each customer, probability of default and emergence period which serves as an impairment trigger based on the age of the debt. Impaired debts are derecognised when they are assessed as uncollectible. If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reverse date. Any subsequent reversal of an impairment loss is recognised in the statement of comprehensive income.

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

2.6.2 Financial liabilities

The company classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortized cost or fair value through profit and loss

Investment contracts
Investment contracts are those contracts that transfer financial risk with no significant insurance risk.
Investment contracts with guaranteed and fixed terms are initially measured at fair value less transaction cost that are incremental and directly attributable to the acquisition or issue of the contract.

The Company re-estimates at each reporting date the expected future cashflows and recalculate the carrying amount of the financial liability by calculating the present value of estimated future cashflows using the financial liability's original effective interest rate. Any adjustment is immediately recognised as income or expense in the statement of comprehensive income.

Trade and Other Payables
Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year discounting is omitted.

2.6.3 Offsetting financial instruments

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

Company Information and Summary of Significant Accounting Policies Continued

for the year ended 31 December 2019

2.6.4 De-recognition of financial instruments

A financial asset is derecognized when the contractual rights of the Company to the cash flows from the asset expire, or its rights to receive the contractual cash flows on the financial asset in a transaction that transfers substantially all the risks and rewards of ownership of the financial asset are transferred, or when it assumes an obligation to pay those cash flows to one or more recipients, subject to certain criteria.

Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

2.7 Deferred acquisition costs

Acquisition costs comprise all direct and indirect costs arising from the origination of insurance contracts.
Deferred acquisition costs represent a portion of commission which are incurred during a financial year and are deferred to the extent that they are recoverable out of future revenue margins. It is calculated on a time apportionment basis over the tenor of the policies.

2.8 Investment property

Investment property comprises investment in land or buildings held primarily to earn rentals or capital appreciation or both.

The Company's investment property is initially recognized 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 cost of day to day servicing of an investment property. An investment property is subsequently measured at fair value with any change therein recognised in statement of profit or loss. Fair values are determined individually, on a basis appropriate to the purpose for which the property is intended and with regard to recent market transactions for similar properties in the same location.

Fair values are reviewed annually by independent valuer, holding a recognized and relevant professional qualification and with relevant experience in the location and category of investment property being valued.

Subsequent expenditure on investment property is capitalized only if future economic benefit will flow to the Company otherwise they are expensed as incurred.

Investment properties are disclosed separate from the Property and equipment used for the purposes of the business.

The Company separately accounts for a dual purpose property as investment property if it occupies only an insignificant portion. Otherwise, the portion occupied by the Company is treated as property and equipment.

2.9 Statutory deposit

These deposits represent bank balances required by the insurance regulators of the Company to be placed with relevant central banks of Company's operating jurisdictions. These deposits are stated at cost. Interest on statutory deposits is recognized as earned in other receivables and the corresponding amount is recognised in statement of comprehensive income within investment income.

2.10 Intangible assets

(a) Goodwill
Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill has an indefinite useful life and it is tested annually for impairment.

Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified in accordance with IFRS 3.

Goodwill has an indefinite useful life and is tested annually as well as whenever a trigger event has been observed for impairment by comparing the present value of the expected future cash flows from a cash generating unit with the carrying value of its net assets, including attributable goodwill and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(b) Purchased software
Recognition of software acquired is only allowed if it is probable that future economic benefits to this intangible asset are attributable and will flow to the Company.

Internally developed software is capitalized when the Company has the intention and demonstrates the ability to complete the development and use of the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs include all costs directly attributable to the development of the software. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortisation is recognised in statement of comprehensive income on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is three years subject to annual reassessment.

2.11 Property and equipment

Recognition & measurement

Property and equipment comprise land and buildings and other properties owned by the Company.
Items of Property and equipment are carried at cost less accumulated depreciation and impairment losses except for land and building which is carried at revalued amount.
Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs
Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of comprehensive income during the financial period in which they are incurred.

Subsequent costs on replacement parts on an item of property are recognized in the carrying amount of the asset and the carrying amount of the replaced or renewed component is derecognized.

Subsequent measurement

All items of property and equipment except land and buildings are subsequently measured at cost less accumulated depreciation and impairment losses.

Land and buildings

Land and buildings are subsequently carried at revalued amounts, being fair value at the date of revaluation less subsequent accumulated depreciation and impairment losses, if any. They are valued on an open market basis by qualified property valuers at each reporting date. Land is however not depreciated.

When an individual property is revalued, any increase in its carrying amount (as a result of revaluation) is transferred to a revaluation reserve, except to the extent that it reverses a revaluation decrease of the same property previously recognised as an expense in the statement of statement of comprehensive income.

When the value of an individual property is decreased as a result of a revaluation, the decrease is charged against any related credit balance in the revaluation reserve in respect of that property. However, to the extent that it exceeds any surplus, it is recognised as an expense in the statement of statement of comprehensive income.

When Land and buildings are revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Depreciation

Depreciation is calculated on property and equipment excluding land on the straight line basis to write down the cost of each asset to its residual value over its estimated useful life.

Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is erecognised or classified as held for sale in accordance with IFRS 5.

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

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for the year ended 31 December 2019

Land	-	Not depreciated
Buildings	-	50 years
Office equipment	-	5 years
Computer equipment	-	3 years
Furniture and fittings	-	5 years
Motor vehicles	-	4 years

Capital work in progress is not depreciated. The Company's capital work in progress relates to capital expenditure on properties to be for the company's activities. Upon completion it is transferred to the relevant asset category.
Depreciation methods, useful lives and residual values are reassessed at each reporting date.

De-recognition

Upon disposal of any item of property and equipment or when no future economic benefits are expected to flow from its use, such items are derecognized from the books. Gains and losses on disposal of assets are determined by comparing proceeds with their carrying amounts and are recognized in the statement of comprehensive income in the year of de-recognition.

Re-classification to investment property

When the use of a property changes from owner-occupied to investment property, the property is re-measured to fair value and reclassified accordingly.
Any gain arising on this re-measurement is recognised in statement of comprehensive income to the extent that it reverses a previous impairment loss on the specific property with any remaining gain recognised in OCI and presented in revaluation reserve.
Any loss is recognised in statement of comprehensive income. However, to the extent that an amount is included in revaluation surplus for that property, the loss is recognised in OCI and reduces the revaluation surplus in equity.

2.12 Leases

The Company initially adopted IFRS 16 Leases from 1 January 2019.
IFRS 16 introduced a single, on-balance sheet accounting model for leases. As a result, the Company, as a lessee has recognized the right-of-use assets representing its right to use the underlying assets. Lessors accounting remains similar to previous accounting policies.
The major lease transaction wherein the Company is a lessee relates to the lease of Leadway Assurance's operating branches in several locations.
The Company has applied IFRS 16 using the modified retrospective approach. Accordingly, the comparative information presented for 2018 is not restated – i.e it is presented, as previously reported, under IAS 17 and related interpretations.
The details of the changes in accounting policies are disclosed below.

A. Definition of a lease

On transition to IFRS 16, the Company has elected to apply the practical expedient available not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to apply to those leases entered or modified before 1 January 2019.

Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The change in definition of a lease mainly relates to the concept of control. IFRS 16 distinguishes between leases and service contracts on the basis of whether the use of an identified asset is controlled by the customer. Control is considered to exist if the customer has:
* The right to obtain substantially all of the economic benefits from the use of an identified asset; and
* The right to direct the use of that asset.

The Company will apply the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or modified on or after 1 January 2019 (whether it is a lessor or a lessee in the lease contract).
At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Company has elected not to separate non-lease components and will instead account for the lease and non-lease component as a single component.

B. As a Lessee

Leases, under which the Company possess a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration is disclosed in the Company's statement of financial position and recognized as a leased asset.

Company Information and Summary of Significant Accounting Policies Continued
for the year ended 31 December 2019

To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, it has both of the following:
(a) the right to obtain substantially all of the economic benefits from use of the identified asset, and
(b) the right to direct the use of the identified asset.
The Company recognizes expenses associated with these leases as an expense on straight line basis over the lease term.
The Company presents right-of-use assets as a separate class under 'property and equipment'.

i. Significant accounting policies
The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

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

The lease liability (where applicable) is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

ii. Transition
Previously, the Company classified property leases as operating leases under IAS 17. These properties are Leadway Assurance's operating branches/welcome centres
* At transition, right-of-use assets are measured at an amount equal to the lease liability (where applicable), adjusted by the amount of any prepaid or accrued lease payments - the Company applied this approach to all other leases.

The Company used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.
* Applied the exemption not to recognize right-of-use assets and liabilities (where applicable) for leases with less than 12 months of leaseterm.

* Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
* Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

C. As a lessor
The company leases out it's investment property, including own property and right-of-use assets. The company has classified these leases as operating leases. The company is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor, except for a sub-lease.

D. Transition impact on financial statements
On transition to IFRS 16, the Company recognized additional right-of-use assets as summarized below:

In millions of Naira 1 January 2019	
Operating lease presented as part of prepayments as at 31 December 2018.	88.15
Recognition exemption for leases of low-value	-
Recognition exemption for short term leases	-
Right-of-use asset recognized as at 1 January 2019	88.15

As a result of initially applying IFRS 16, in relation to the leases that were previously classified as operating leases, the Company recognized N88.15 million of right-of-use assets.
Also, in relation to those leases under IFRS 16, the Company has recognized depreciation instead of operating lease expense. During the year, the Company recognizes N56.78 million of depreciation charges.

Company Information and Summary of Significant Accounting Policies Continued
for the year ended 31 December 2019

2.13 Classification of insurance contracts

The Company enters into insurance contracts as its primary business activities. Insurance contracts are those that the Company accepts significant insurance risk from another party (the policy holder) by agreeing to compensate the policy holder or other beneficiary, if a specified uncertain future event (the insured event) adversely affects the policy holder or the other beneficiary. The Company as a guide defines significant insurance risk as the possibility of having to pay benefit on the occurrence of an insured event that are at least 10% more than the benefit payable if the insured event did not occur.

The Company classifies financial guarantee contracts and account for these as insurance contracts in accordance with IFRS 4.

(a) Types of insurance contracts

The Company classifies insurance contracts into life and general insurance contracts. The company also makes a distinction between Short and Long term insurance contracts as follows:

	Short Term	Long Term
General Insurance contracts	Most general insurance contract policies	Some insurance contracts under special risks
Life Contracts	Group life insurance contract policies	Insurance contract policies over human life

(i) *General insurance contract*

These contracts are accident, casualty and property insurance contracts.

Accident and casualty insurance contracts protect the Company's customers against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability).

Property insurance contracts mainly compensate the Company's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities.

general insurance contracts protects the Company's customers from the consequences of events (such as death or disability) that would affect the ability of the customer or his/her dependants to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the insured. There are no maturity or surrender benefits.

(ii) ***Life insurance contract***

These contracts insure events associated with human life (for example, death or survival) over a long duration.
-Indivdual and group life insurance contracts
Individual life contracts are usually long term insurance contracts and span over one year while the company life insurance

contracts usually cover risk within one year. A liability for contractual benefits that are expected to be incurred in the future when the premiums are recognised. The liability is determined as the sum of the expected discounted value of the benefit payments and the future administration expenses that are directly related to the contract, less the expected discounted value of the theoretical premiums that would be required to meet the benefits and administration expenses based on the valuation assumptions used. The liability is based on assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued.

-Annuity contracts

These contracts insure customers from consequences of events that would affect the ability of the customers to maintain their current level of income. There are no maturity or surrender benefits. The annuity contracts are fixed annuity plans. Policy holders make a lump sum payment recognised as part of premium in the period when the payment was made. Constant and regular payments are made to annuitants based on terms and conditions agreed at the inception of the contract and throughout the life of the annuitants. The annuity funds are invested in long tailed government bonds and reasonable money markets instruments to meet up with the payment of monthly/quarterly annuity payments. The annuity funds liability is actuarially determined based on assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued.

(b) Insurance contracts- Recognition and measurement

(I) Premiums

Gross premiums comprise the premiums on insurance contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. This is recognised gross of commission expense.

Premiums on reinsurance inward are included in gross written premiums and accounted for as if the reinsurance was considered direct business, taking into account the product classification of the reinsured business.

Outward reinsurance premiums are accounted for in the same accounting period as the premiums for the related direct insurance or reinsurance business assumed.

The earned portion of premiums received is recognized as revenue. Premiums are earned from the date of attachment of risk, over the insurance period, based on the pattern of risk underwritten. Outward reinsurance premiums are recognized as an expense in accordance with the pattern of risk reinsured.

(ii) Unearned premiums

Unearned premiums are those proportions of premiums written in the year for general insurance contracts that relate to periods of risks after the reporting date. It is computed separately for each general insurance contract using a time apportionment basis, or another suitable basis for uneven risk contracts. Provision for unexpired risk is made for unexpired risks arising where the expected value of claims and expenses attributable to the unexpired period of policies in force at the reporting date exceeds the unearned premium in relation to such policies after deduction of any deferred acquisition costs.

(iii) Reinsurance

The Company cedes out insurance risks in the normal course of business for the purpose of limiting its net loss on policies written. Premium ceded comprise written premiums ceded to reinsurers, adjusted for the reinsurers' share of the movement in the provision for the unearned premiums. Reinsurance arrangements do not relieve the Company from its direct obligations to its policy holders.

Premium ceded, claims reimbursed and commission recovered are presented in the statement of comprehensive income and statement of financial position separately from the gross amounts.

Reinsurance assets represent balances due from reinsurance contracts. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised at cost.

Reinsurance recoverables are estimated in manner consistent with the outstanding claims provision and claims incurred associated with the reinsurer's polices and are in accordance with the related insurance contract. They are measured at their carrying amount less any impairment charges. Amounts recoverable under reinsurance contracts are assessed for impairment at each Statement of financial position date. If there is objective evidence of impairment, the Company reduces the carrying amount of its reinsurance assets to its recoverable amount and recognizes the impairment loss in the statement of comprehensive income as a result of an event that occurred after its initial recognition, for which the Company may not be able to recover all amounts due and the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer.

Company Information and Summary of Significant Accounting Policies Continued
for the year ended 31 December 2019

(iv) *Commission income*

Commissions are recognized on ceding business to the reassurer, and are credited to the statement of comprehensive income.

(v) *Underwriting expenses*

Underwriting expenses are made up of acquisition and maintenance expenses.

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

(vi) *Claims incurred*

Claims incurred consist of claims and claims handling expenses paid during the financial year together with the movement in the provision for outstanding claims. The provision for outstanding claims represent the Company's estimate of the ultimate cost of settling all claims incurred but unpaid at the balance sheet date whether reported or not. The provision includes an allowance for claims management and handling expenses.

The provision for outstanding claims for reported claims, is estimated based on current information and the ultimate liability may vary as a result of subsequent information and events and may result in significant adjustments to the amounts provided. Adjustments to the amounts of claims provision for prior years are reflected in the statement of comprehensive income in the financial period in which adjustments are made, and disclosed separately if material.

Reinsurance recoverables are recognized when the Company records the liability for the claims and are not netted off claims expense but are presented separately in the statement of comprehensive income.

Claims incurred in respect of long-term insurance contracts especially pure life business and annuity contracts consist of claims arising during the year including provision for policy holders' liabilities. Outstanding claims on long-term insurance contracts that have occurred at the balance sheet date and have been notified by the insured are carried at the claim amounts advised.

(viii) Salvages

Some general insurance contracts permit the Company to sell (usually damaged) property acquired in the process of settling a claim. The Company may also have the right to pursue third parties for payment of some or all costs of damages to its client's property (i.e. subrogation right). Salvage recoveries are presented net of the claim expense.

2.14 Insurance contract liabilities

The recognition and measurement of Insurance contract liabilities is determined as follows:

(i) *General Insurance business*

(a) *Reserves for unearned premium and unexpired risk*

The reserve for unearned premium is calculated on a time apportionment basis in respect of risk accepted during the year with the exception of construction all risk policies where the risk increases with term and progress on the project at hand and marine policies where actuarial valuation is used to determine the liabilities. A provision for additional unexpired risk reserve is recognised for an underwriting year where it is determined that the estimated cost of claims and expenses would exceed the unearned premium reserve.

(b) *Reserves for outstanding claims*

The reserve for outstanding claims is maintained at the total amount of outstanding claims incurred plus claims incurred but not reported ("IBNR") as at the reporting date. The IBNR is based on the liability adequacy test.

(c) *Liabilities Adequacy Test*

The net liability for insurance contracts is tested annually for adequacy by actuarial valuation. This is carried out by discounting current estimates of all future contractual cash flows and comparing this amount to the carrying value of the liability net of deferred acquisition costs.

Where a shortfall is identified, an additional provision is made and the Company recognizes the deficiency in the statement of comprehensive income for the year. The method of valuation and assumptions used, the cashflows considered and the discounting and aggregation practices adopted have been set out in the following notes.

Reserving methodology and assumptions

For general insurance risks, the Company uses different methods to incorporate the various assumptions made in order to estimate the ultimate cost of claims. The two methods more commonly used are the Discounted Inflation-adjusted Basic Chain Ladder and the Expected Loss Ratio methods adjusted for assumed experience to date.

Claims data was grouped into triangles by accident year or quarter and payment year or quarter. The choice between quarters or years was based on the volume of data in each segment. Analysis was conducted by line of business.

Discounted inflation-adjusted basic chain ladder method

Historical claims paid were grouped into cohorts – representing when they were paid after their underwriting year. These cohorts are called claim development years and the patterns were studied. The historical paid losses are projected to their ultimate values for each underwriting year by calculating the loss development factors for each development year. The ultimate claims are then derived using the loss development factors and the latest paid historical claims.

The historical paid losses are inflated using the corresponding inflation index in each of the accident years to the year of valuation and then accumulated to their ultimate values for each accident year to obtain the projected outstanding claims. These projected outstanding claims are then further multiplied by the future inflation index from the year of valuation to the future year of payment of the outstanding claims.

The resulting claims estimated is discounted to the valuation date using a discount factor raised by years as a result of applying historical inflation rates to determine the appropriate discount rate to allow for a margin of prudence.

The future claims (the ultimate claim amount less paid claims to date) are allocated to future payment periods in line with the development patterns. The outstanding claims reported and that paid to date are then subtracted from the total future claims to give the resulting IBNR figure per accident year or quarter. i.e. IBNR = (Ultimate claim amount) minus (paid claims till date) minus (claims outstanding).

Assumptions underlying the Discounted Inflation-adjusted Basic Chain Ladder method

This method assumes the following:

- The future claims follows a trend pattern from the historical data.
- Payment patterns will be broadly similar in each accident year. Thus, the proportionate increases in the known cumulative payments from one development year to the next is used to calculate the expected cumulative payments for the future development periods.
- The run off period is six (6) years and hence the method assumes no more claims will be paid subsequently.

Expected loss ratio method

This method was adopted where the volume of data available is too small to be credible when using a statistical approach. Special risk reserves were estimated based on this method. Under this method, the ultimate claims was obtained by assuming loss ratio of 50%, where loss ratio is defined as claims incurred divided by earned premiums.
Outstanding claims is stated as amount estimated less paid claims.

(ii) Life business

These contracts insure events associated with human life (for example, death or survival) over a long duration. Premiums are recognised as revenue when they become payable by the contract holder. Premiums are shown before deduction of commission.

Benefits are recorded as an expense when they are incurred.

Company Information and Summary of Significant Accounting Policies Continued
for the year ended 31 December 2019

A liability for contractual benefits that are expected to be incurred in the future is recorded when the premiums are recognised. The liability is determined as the sum of the expected discounted value of the benefit payments and the future administration expenses that are directly related to the contract, less the expected discounted value of the theoretical premiums that would be required to meet the benefits and administration expenses based on the valuation assumptions used (the valuation premiums). The liability is based on assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued. A margin for adverse deviations is included in the assumptions.

Where insurance contracts have a single premium or a limited number of premium payments due over a significantly shorter period than the period during which benefits are provided, the excess of the premiums payable over the valuation premiums is deferred and recognised as income in line with the unexpired insurance risk of the contracts in force or, for annuities in force, in line with the amount of future benefits expected to be paid.

The liabilities are recalculated at each balance sheet date using the assumptions established at inception of the contracts.

Actuarial valuation of the life fund is conducted annually to determine the net liabilities on the existing policies and the adequacy of the assets representing the insurance funds as at the date of the valuation. All deficits arising therefore are charged to the statement of comprehensive income while the surplus is appropriated to the shareholders and credited to the statement of comprehensive income.

2.15 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows discounted at a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2.16 Employee benefits

Short-term benefits

Short-term employee benefit obligations include wages, salaries and other benefits which the Company has a present obligation to pay, as a result of employees' services provided up to the balance sheet date. The accrual is calculated on an undiscounted basis, using current salary rates.

A provision is recognised 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.

Post employment benefits

The Company operates a defined contributory retirement scheme as stipulated in the Pension Reform Act 2004. Under the defined contribution scheme, the Company pays fixed contributions of 10% to a separate entity – Pension Fund Administrators; employees also pay 8% to the same entity. Once the contributions have been paid, the Company retains no legal or constructive obligation to pay further contributions if the Fund does not hold enough assets to finance benefits accruing under the retirement benefit plan. The Company's obligations are recognised in the statement of comprehensive income.

The Company introduced a defined contributory post employment benefit scheme during the year for its Executive Directors. Under the scheme, the Company contributes fixed amounts as determined by the Board of Directors to their respective Pension Fund Administrators. The contribution made in the year and for past service has been charged to profit or loss.

Termination benefits

Termination benefits are payable whenever an employee's 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 either to terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal, or to provide termination benefits as a result of an offer made to encourage voluntarily redundancy if it is probable that the offer will be accepted and the number of acceptances can be estimated. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

2.17 Income tax

(i) 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 for general business and 0.5% of gross income for life business.

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.

(ii) Deferred taxation

Deferred taxation, which arises from timing differences in the recognition of items for accounting and tax purposes, is calculated using the liability method. Deferred taxation is provided fully on timing differences, which are expected to reverse at the rate of tax likely to be in force at the time of reversal. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future and differences arising from investment property measured at fair value whose carrying amount will be recovered through use. 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 realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

2.18 Share capital and reserves

Share capital

The Company classifies ordinary shares and share premium as equity when there is no obligation to transfer cash or other assets.
Incremental costs directly attributable to issue of shares are recognised as deductions from equity net of any tax effects.

Dividend on ordinary shares

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders. Dividends that are proposed but not yet declared are disclosed in the notes to the financial statements. Dividends on the Company's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Company's shareholders.

(a) Contingency reserves

The Company maintains contingency reserves in accordance with the provisions of the Insurance Act 2003 to cover fluctuations in securities and variations in statistical estimates at the rate equal to the higher of 3% of total premium or 20% of

Company Information and Summary of Significant Accounting Policies Continued
for the year ended 31 December 2019

the total profit after taxation until the reserve reaches the greater of minimum paid up capital or 50% of net premium for general insurance business. Contingency reserve for life business is credited with the higher of 1% of gross premium and 10% of profit after taxation. The insurance subsidiary in Cote d'Ivoire (Leadway Vie) maintains a Legal reserve in accordance with the provisions of Article 346 of the OHADA Treaty on Commercial Companies and Economic Interest Groupings, a company is expected to set aside 10% of its profit after tax, after payment of dividends minus carried forward losses as legal reserve. This ceases to be mandatory when the amount so set aside reaches 20% of its stated capital.

(b) Assets revaluation reserves

Assets revaluation reserves represents the fair value differences on the revaluation of items of Property and equipment as at the balance sheet date.

(c) Fair value reserves

Fair value reserves represents the fair value gains or losses on valuation of financial assets measured at fair value through equity.

(d) Treasury shares

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury shares reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deifcit on the transaction is presented within share premium.

2.19 Earnings per share

The Company presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the company by the number of shares outstanding during the year.

Diluted Earnings per share is determined by dividing the statement of comprehensive income attributable to ordinary shareholders by the weighted average number of ordinary shares adjusted for the bonus shares issued.

2.20 Revenue recognition

Revenue comprises the fair value for services, net of value-added tax, after eliminating revenue within the Company. Revenue is recognised as follows:

(i) *Insurance contracts:*

See accounting policy 2.13 b(i) for recognition of premium on insurance contracts.

(ii) Investment and other operating income

Investment income comprises interest income earned on short-term deposits, rental income and income earned on trading of securities including all realised and unrealised fair value changes, interest income on loans and finance leases, dividends and foreign exchange differences. Investment income is accounted for on an accrual basis.

Other operating income comprises of fee income and profit on disposal of property and equipment.

(iii) *Dividend income*

Dividend income for available for sale equities are recognised when the right to receive payment is established.

(iii) *Rendering of Services*

Revenue arising from asset management and other related services offered by the Company are recognised in the accounting period in which the services are rendered.
Fee income consist primarily of investment management fees and pension administration fees. These fees are recognised in the period in which the services are rendered.

2.21 Management expense

Management expenses are expenses other than claims and underwriting expenses. They include depreciation expenses and other operating expenses. They are recognised on an accrual basis.

Company Information and Summary of Significant Accounting Policies Continued

for the year ended 31 December 2019

2.22 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

2.23 Impairment of non-financial assets

The Company's non-financial assets with carrying amounts other than investment property 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. For intangible assets that have indefinite useful lives or that are available for use, the recoverable amount is estimated each year at the same time.

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 largely are independent from other assets and groups. Impairment losses are recognised in statement of comprehensive income.

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

Financial Statements

Company Statement of Financial Position

As at 31 December 2019

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Notes	Company 31-Dec-19	Company 31-Dec-18
ASSETS			
Cash and cash equivalents	6	26,210,607	32,978,304
Trade receivables	7	102,459	395,585
Investment securities	8		
- Financial assets at fair value through profit or loss	8.1	238,425,827	156,009,761
- Available for sale financial assets	8.2	62,200,278	53,279,959
Reinsurance assets	9	39,038,453	43,688,887
Deferred acquisition cost	10	825,367	851,069
Other receivables and prepayments	11	2,132,561	1,417,602
Loans and advances	12	1,402,795	1,395,564
Property and equipment	13	4,412,066	3,428,095
Investment properties	14	17,199,024	16,414,443
Investment in subsidiaries	15	2,153,425	2,153,425
Intangible assets	17	162,448	255,339
Statutory deposits	18	500,000	500,000
TOTAL ASSETS		**394,765,310**	**312,768,033**
LIABILITIES			
Trade payables	19	9,690,123	11,573,804
Current income tax liabilities	20	859,502	1,083,948
Other liabilities	21	4,539,823	5,627,973
Insurance contract liabilities	22	296,704,133	225,437,157
Investment contract liabilities	23	26,796,212	21,890,990
Deferred tax liabilities	16	1,883,284	1,883,284
TOTAL LIABILITIES		**340,473,077**	**267,497,156**
EQUITY			
Issued and paid up share capital	24	10,000,000	10,000,000
Share premium	24	588,575	588,575
Retained earnings	24	24,297,458	18,361,621
Other reserves	24	19,406,200	16,320,681
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**54,292,233**	**45,270,877**
Non controlling interest	25	-	-
TOTAL EQUITY		**54,292,233**	**45,270,877**
TOTAL EQUITY AND LIABILITIES		**394,765,310**	**312,768,033**

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS ON 5 March 2020 BY:

Mr. Tunde Hassan Odukale
FRC/2013/IODN/00000002040
Chief Executive Officer

General (Rtd) Martin Luther Agwai
FRC/2019/CDIR/00000019923
Chairman

Mr. Raphael Akomolede
FRC/2013/ICAN/00000001912
Ag. Chief Financial Officer

The notes are an integral part of these consolidated financial statements.

Company Statement of Comprehensive Income

For the year ended 31 December 2019

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Notes	Company 31-Dec-19	Company 31-Dec-18
Gross premium written	26	**90,596,192**	**87,519,720**
Gross premium income	26	88,854,306	87,737,230
Reinsurance expenses	27	(17,956,199)	(16,615,355)
Net premium income		70,898,107	71,121,875
Commission income	28	2,888,179	1,879,671
Underwriting income		73,786,286	73,001,546
Claims expenses	29	(38,474,501)	(33,891,693)
Increase in annuity fund		(73,125,802)	(30,020,421)
Increase in individual life fund		(993,480)	(120,183)
Underwriting expenses	30	(8,128,704)	(6,159,494)
Total underwriting expense		(120,722,487)	(70,191,791)
Total underwriting (loss)/profit		**(46,936,201)**	**2,809,755**
Investment income	31	31,853,455	22,805,449
(Loss)/profit on investment contracts	31(a)	602,697	239,712
Net fair value gain/(loss) on assets at fair value	32	33,858,052	(11,809,671)
Other operating income	33	705,604	4,262,904
Gain on assets distributed	5	-	2,931,805
Employee benefit expenses	34	(3,196,138)	(3,845,148)
Other operating expenses	35	(5,595,554)	(6,004,804)
		11,291,915	**11,390,001**
Net impairment (losses)/ write back	36	(5,450)	22,781
Profit before income tax		**11,286,465**	**11,412,782**
Income tax expense	37	(434,750)	(2,229,461)
Profit for the year from continuing operations		**10,851,715**	**9,183,321**
Loss for the year from discontinued operations	5	**-**	**-**
Profit for the year		**10,851,715**	**9,183,321**
Other comprehensive income:			
Items that may be subsequently reclassified to the profit or loss account:			
Changes in available-for-sale financial assets net of taxes		832,396	(2,855,554)
Net amount transferred to the income or (loss) statement on sale of Available for sale Debt instrument		275,836	110,070
Items within OCI that will not be reclassified to profit or loss:			
Gain on revaluation of properties and equipment net of tax		61,409	91,776
Other comprehensive income for the year		**1,169,641**	**(2,653,708)**
Total comprehensive income for the year		**12,021,356**	**6,529,613**
Profit attributable to:			
- Owners of the Company		10,851,715	9,183,321
- Non-controlling interest (Loss)		-	-
Profit for the year		**10,851,715**	**9,183,321**
Total Comprehensive income attributable to:			
- Owners of the Company		12,021,356	6,529,613
- Non-controlling interest (Loss)		-	-
Total comprehensive income for the year		**12,021,356**	**6,529,613**
Total Comprehensive income attributable to equity shareholders arises from:			
- Continuing operations		12,021,356	6,529,613
Total comprehensive income for the year		**12,021,356**	**6,529,613**
Basic/Diluted - Earnings per share (kobo):			
- From continuing operations	38	109	59
- From Discontinued operations	38	-	-
- Total Comprehensive Income for the Year	38	109	59

Company Statement of Changes in Equity

For the year ended 31 December 2019

(All amounts in thousands of Nigerian Naira unless otherwise stated)

ATTRIBUTABLE TO OWNERS OF THE PARENT

2019	Share capital	share premium	Retained earnings	Fair value reserve on Available for sale financial assets	Contingency reserve	Asset revaluation reserve	Total
As at 1 January 2019	**10,000,000**	**588,575**	**18,361,621**	**3,090,660**	**11,732,730**	**1,497,291**	**45,270,877**
Profit for the year	-	-	10,851,715	-	-	-	10,851,715
Other comprehensive income							
			-				
Net changes in fair value of AFS financial instruments	-	-		832,396	-	-	832,396
Net amount transferred to Income statement			-	275,836	-		275,836
Fair value on disposal of property and equipment	-	-				-	-
Fair value gain on property and equipment net of tax	-	-		-	-	61,409	61,409
Total comprehensive income for the year	-	-	**10,851,715**	**1,108,232**	**-**	**61,409**	**12,021,356**
Transaction with owners & directly in equity:							
Transfer to contingency reserve	-	-	(1,915,879)	-	1,915,879	-	-
Contingent consideration on investment in parent			-	-	-	-	-
Contributions of equity net of transaction costs	-	-	(3,000,000)				-
Cash dividend paid to equity holders					-	-	(3,000,000)
Total transactions with owners of equity	-	-	**(4,915,879)**	**-**	**1,915,879**	**-**	**(3,000,000)**
As at 31 December 2019	**10,000,000**	**588,575**	**24,297,457**	**4,198,892**	**13,648,609**	**1,558,700**	**54,292,233**

Separate Statement of Changes in Equity

For the year ended 31 December 2019

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	ATTRIBUTABLE TO OWNERS OF THE PARENT						
Company 2018	**Share capital**	**share premium**	**Retained earnings**	**Fair value reserve on Available for sale financial assets**	**Contingency reserve**	**Asset revaluation reserve**	**Total**
As at 1 January 2018	**4,682,450**	**4,433,748**	**20,795,498**	**5,836,144**	**9,877,208**	**1,435,515**	**47,060,563**
Profit for the year	-	-	9,183,321	-	-	-	**9,183,321**
Other comprehensive income							
Net changes in fair value of AFS financial instruments	-	-	-	(2,855,554)	-	-	**(2,855,554)**
Net amount transferred to Income statement				110,070			**110,070**
Fair value transferred on disposal of property an equipment	-	-	30,000		-	(30,000)	**-**
Fair value gain on property and equipment net of tax	-	-	-	-	-	91,776	**91,776**
Total comprehensive income for the year	**-**	**-**	**10,851,715**	**(2,745,484)**	**-**	**61,409**	**6,529,613**
Transaction with owners & directly in equity:							
	-	-	(1,855,522)	-	1,855,522	-	**-**
Transfer to contingency reserve					-	-	**(1,750,000)**
Contingent consideration on investment in parent	-	-	(1,750,000)	-			**-**
Cash dividend paid to equity holders							
Issue of Bonus Shares	5,317,550	(3,845,173)	(1,472,377)				**(3,637,494)**
Distribution of Non - Insurance Subsidiaries			(3,637,494)				
Fair value remeasurement of non - insurance subsidiaries			(2,931,805)				**(2,931,805)**
Total transactions with owners of equity	**5,317,550**	**(3,845,173)**	**(11,647,198)**	**-**	**1,855,522**	**-**	**(8,319,299)**
As at 31 December 2018	**10,000,000**	**588,575**	**18,361,621**	**3,090,660**	**11,732,730**	**1,497,291**	**45,270,877**

Company Statement of Cash Flows
As at 31 December 2019

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Notes	Company 31-Dec-19	Company 31-Dec-18
Operating activities			
Insurance premium received	27	82,530,537	77,964,613
Reinsurance premium paid	28	(18,022,240)	(16,018,811)
Reinsurance commission received	30	2,888,179	1,879,671
Insurance benefits and claims paid	23	(41,956,098)	(47,092,940)
Deposit received on investment contracts	23	9,856,703	7,954,712
Claims paid on investment contracts		(6,747,694)	(10,808,192)
Reinsurance claims received		2,895,711	15,533,139
Commission paid		(2,933,299)	(4,073,354)
Premium received in advance		6,102,664	7,349,516
Cash paid to insurance brokers and reinsurers		(2,455,320)	(1,783,496)
Cash paid to employees		(4,157,432)	(3,025,832)
Cash paid to external parties		(8,032,207)	(5,297,432)
		19,969,505	**22,581,594**
Corporate tax paid	20	(659,196)	(788,745)
Net cash used in operating activities		**19,310,309**	**21,792,849**
Cash flows from investing activities			
Investment income received		28,588,662	23,367,307
Purchase of investment property	14	(576,704)	(430,509)
Dividend received		1,322,094	724,382
Other income received		1,317,394	3,118,789
Proceeds on disposal of property and equipment		13,376	132,319
Purchase of Financial assets designated at fair value	8.1	(92,148,721)	(53,566,530)
Purchase of available for sale financial asset	8.2	(43,766,851)	(11,649,449)
Purchase of Held to Maturity Investment Securities		-	(22,981,328)
Payment for Loans and Receivables		(508,760)	(853,120)
Purchase of intangible assets	17	(60,708)	(27,008)
Purchase of property and equipment	13	(1,390,236)	(415,691)
Proceeds on disposal of Investment securities		83,556,638	44,198,619
Loans repayment received		616,160	370,072
Refund of deposit for shares to subsidiary		-	246,422
Cash on acquisition		-	
Cash from subsidiaries distributed		-	
		-	
Proceeds on disposal of investment property		-	-
Net cash used in investing activities		**(23,037,654)**	**(17,765,725)**
Cash flows from financing activities			
Dividend paid to equity holders (parents)		(3,000,000)	(1,750,000)
Net cash used in financing activities		**(3,000,000)**	**(1,750,000)**
Net increase in cash and cash equivalents		(6,727,345)	2,277,124
Effect of exchange rate fluctuations on cash held		(40,352)	1,706,164
Cash and cash equivalents at beginning of year	6	32,978,304	28,995,016
Cash and cash equivalent at end of year	6	**26,210,607**	**32,978,304**

Notes to the Company Financial Statements

(All amounts in thousands of Nigerian Naira)

ENTERPRISE RISK MANAGEMENT (ERM) STATEMENT

3 Introduction

Leadway Assurance Company Limited (Leadway) applies an entity-wide approach to its risk management process such that both existing and anticipated risks are identified upfront and appropriate responses are applied to reduce the likelihood of the risk downside while exploiting the opportunities inherent in the risks, thus creating value. The ERM framework has assisted all levels of operation in achieving the company's strategic objectives through systematic and portfolio approach to evaluating and improving on effectiveness of risk management and control.

Purpose

The general purpose of Leadway's ERM Framework is to provide the internal stakeholders with the guidance that ensures that all decisions made and activities conducted with regard to risk management are in congruence with the entity's goals and business units' objectives.

The specific benefits we envisage gaining from our ERM framework are to:
-Protect and strengthen the company's capital base such that risk acceptances are guided by our Risk Appetite Framework and exposures are curtailed within tolerance limits.
-Give reasonable assurance to our policyholders and the regulators about our ability to pay promptly, claims arising now and in the future.
-Communicate the risks being taken by the company to the investors and ensure that the objectives of the organization are aligned with the expectations of capital providers.
-Reduce Leadway's susceptibility to systemic risks generated by other sectors in the financial system.
Make our capital requirements more risk-sensitive and to improve the alignment of our company's capital standards.
-Provide the means to promote and demonstrate best practices in governance and risk management, and deliver more efficient use of capital.

Enterprise Risk Management Culture and Philosophy

-Our risk management philosophy and culture represent our shared values, attitude and practice of how we consider risk in our day-to-day operations across all levels. As insurers, we anticipate risks and in advance, respond appropriately.
-We regard every one of our employees as a risk manager and we all take individual and collective ownership of the ERM responsibilities.
-We observe prudence in underwriting and limit risks to our appetite and set tolerances beyond which we object to unguided exposures.
-We weigh the risk and reward inherent in our daily transactions and pursue those that support value creation to all customers and shareholders.
-We have no tolerance for infractions of laws and regulations and we detest business relationship with disreputable business entities and individuals.
-We have recorded visible improvement in our risk management strategy that has helped us sustain our leadership position in the Nigerian insurance market and surpass stakeholders' expectations.
-Leadway will continue to pursue value-based risk management objective that strives for an optimal trade- off between risk and reward.

Risk Management Strategy

Our risk management methodology recognises that there cannot be total elimination of risk but we are determined to reduce both the severity and probability of the occurrence of risk events through appropriate responses. We have deployed an ERM policy that focuses on taking enterprise-level view of interrelationship among various risks with a view to providing an effective responses to managing the material risks that present the greatest threats to our existence and operations as an insurance and investment company. In so doing we will, in the long run, manage risks that are less significant.

We adopt the following strategies in managing risks in Leadway:
-i) Incorporate risk management principles into all functions and ensure an environment in which the Board and senior management set the tone for effective controls.
-ii) Establish well defined risk management process for risk identification, assessment, controlling, monitoring and reporting.
-iii) Entrench a structured and disciplined approach to assets balancing that will prevent concentration of risk in any sector, industry, instrument, product or entity.
-iv) Formulation of policies and procedures that ensure that appropriate risk responses, as well as other entity directives, internal policies and control procedures are carried out.
-v) Ensure good corporate governance and pursue zero tolerance for non-compliance with regulatory compliance.

External Perspectives
Leadway has continued to be at the forefront of many industry initiatives that seek to ensure setting and adhering to global best practice. This informed its involvement at the trade, association and regulatory levels in setting the tone for compliance with legislations, regulations, guidelines and standards designed for global ratings among insurers. We are conversant with the regulatory direction and we (re)position our business to proactively respond to both local and global insurance standards and regulations.

Risk Governance, Roles & Responsibilities
Our risk governance focuses on directing and controlling the management of risks within the company by spelling out the roles and responsibilities for the board, management and employees. The policy adopts the three-lines-of-defence model of risk management governance that revolves around the Board, Risk Management Committee and the Audit Committee.

Risk Management Strategy
Our risk management methodology recognises that there cannot be total elimination of risk but we are determined to reduce both the severity and probability of the occurrence of risk events through appropriate responses.

Roles and Responsibilities

The Board
The board has the ultimate accountability for the risk and the related control environment and as such, is responsible for the following:
-To approve the risk management framework, set the risk appetite/tolerance level and the risk management strategy escalated to it, from time to time.
-To appraise the risk management process and the internal controls for effectiveness, appropriateness and adequacy.
-To ensure that the company's ERM Framework is subject to periodic audit by competent personnel independent of the company's risk management functions.

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

Board Risk & Technical committee

-To review risk management framework and policies and present same for board's approval.
-Ensure that the ERM framework takes a portfolio view of risk and that strategy and objectives formulation are predicated on sound understanding and assessment of major risks.
-To challenge risk information and examine the appropriateness of the judgments underlying the setting of the company's risk tolerance/limits.

Risk Management Committee

-To establish an appropriate structure that recognises the required level of independence between the risk management officers and those engaged in the normal insurance operations.
-Put in place, a well-resourced risk management department with clearly defined responsibilities and authorities for the company's risk management activities.
-Develop risk management initiatives and regularly review the company's methodology for risk identification, assessment, measurement, mitigation and report escalation.
-Design and document risk policies and procedures that reflect changes in entity-risk portfolio and ensure their enterprise-wide implementation.

Business Units

Many of the operational risks reside in the business units and risk owners/champions in these units have responsibilities for risk management in the respective risks. Specifically, business units are responsible for the following:
-To carry out a monthly review of risks profile in the department/unit in compliance with the entity's risk policies and procedures.
-Apply appropriate control measures to manage identified risks and solicit the involvement of the Enterprise Risk Management Division in the escalation of material risks to Risk Management Committee.
-Be involved in all activities designed to propagate risk management culture within the company and in building firewalls against emerging exposures that may affect the achievement of the company's objectives.
-Produce risk management reports input for consolidation into the overall report repository domiciled in the Enterprise Risk Management Division.
-Provide information towards the development of new approaches to risk management in its domain and collaborate with Enterprise Risk Management Division to prepare appropriate risk mitigation plans for the unit.

Enterprise Risk Management Division

-Responsible for facilitation and co-ordination of risk management activities across the company.
-Provision of technical assistance and guidance to business units. It will be responsible for raising awareness of risk management across the company.
-Reviews and analyses the company's business and investment proposals to ensure that risks have been adequately identified and proper mitigating factors put in place.
-Develop Key Risk Indicators (KRIs) for monitoring key drivers associated with identified major risks.
-Prepare for the Risk Management Committee's review, necessary exception reports with recommendations for improvement of the entire risk management and reporting system.
-Monitor compliance with the company's ERM policies/procedures on risk limits and assess the impact regulatory requirements will have on the company's operations.

Internal Audit

-To adopt a risk-based approach to planning and executing the internal audit process/activities by directing internal auditing resources at those areas most important to the organization.
-Evaluate the adequacy and effectiveness of controls encompassing the organization's

governance, operations, and information systems.
-Develop internal audit plans that identify and assess risks relevant to the activity under review and ensure that the internal auditing objectives reflect the results of the risk assessment.
-To contribute to the effectiveness of enterprise risk management, by participating in separate evaluations of internal controls and the ERM programme, and recommending improvements.
-To provide advice in the design and improvement of control systems and risk mitigation strategies.
-To challenge the basis of management's risk assessments and evaluate the adequacy and effectiveness of risk treatment strategies.

Risk Landscape
The company's risk landscape comprises of the core risks around our business operations and other risks that are external to them. The key risk classifications that have been reported include:

i) Insurance Risk – the risk of loss as a result of improper pricing or/and inadequate reserving. The risk may arise as the insurers are exposed to the risk of timing and expectation of claims and benefit payments. The risk is miptigated through a strong reinsurance programme and effective underwriting strategy that diversifies through appropriate mix.

ii) Operational Risk – the company is exposed to risks associated with process inefficiencies, system failure, human errors and external events. In mitigating the risk we deployed strategies for mining operational loss data and institute effective internal controls to minimise both the occurrence and severity of operational risk.

iii) Market/Financial Risk – the risk of volatility in the financial market that can expose our income streams to market fluctuations, and assets value being jeopardised due to falling stock prices.

iv) Regulatory/Compliance Risk – the risk of loss arising from regulatory infractions that attract fines and penalties. The company deploys appropriate trainings aimed at achieving the status of 'most significantly- compliant insurer'. The company Governance and Compliance Policies are periodically audited.

v) Competition Risk: the risk of losing business and market share arising from voluntary customer attrition, price war, inefficient work process and poor service delivery. Our company is able to manage this risk through efficient, technology driven premium service delivery and prompt resolution of customer complaints that has enabled the company sustain its market leadership status.

vi) Emerging Risk – these are risks that are developing and/or existing risks that are changing to develop other dependencies. We have envisaged that country risk and product risks will become noticeable in the ensuing periods due to the forthcoming elections, the company's strategic expansion and business growth. We have scanned the environment and have started putting in place, appropriate structures to mitigate against possible crystalisation of these potential risks.

3.1 Capital Management Policies, Objectives and Approach

Approach to capital management

Leadway seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and policyholders.

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

Leadway's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital level on a regular basis and taking appropriate actions to influence the capital position of the company in the light of changes in economic conditions and risk characteristics. An important aspect of the company's overall capital management process is the setting of target risk adjusted rates of return, which are aligned to performance objectives and ensure that the Company is focused on the creation of value for shareholders.

The Company's primary source of capital includes its equity shareholders' funds. Leadway also utilizes adequate and efficient reinsurance arrangements to protect shareholders' funds by reducing the need for further funding following unfavorable events such as catastrophes or large claims through treaty and facultative reinsurance arrangements.

The capital requirements are routinely forecast on a periodic basis and assessed against both the forecast available capital and the expected internal rate of return, including risk and sensitivity analyses. The process is ultimately subject to approval by the Board.

The Company has developed a framework to identify the risks and quantify their impact on the economic capital. The framework estimates how much capital is required to reduce the risk of insolvency to a remote degree of probability. The framework has also been considered in assessing the capital requirement.

The Company's objectives with respect to capital management are to maintain a capital base that is structured to exceed regulatory requirement and to decide on the efficient use of capital by assessing the return on capital allocated to the various classes of business and/or products.

	Company 31-Dec-19 ₦'000	Company 31-Dec-18 ₦'000
Maximum Regulatory Capital	5,000,000	5,000,000
Maximum authorized capital	10,000,000	10,000,000
Paid up share capital	10,000,000	10,000,000

The Company has different requirements depending on the specific operations which it engages in. The Company's main business is Insurance risk underwriting. The insurance business is divided into life and general insurance business. Note 24a shows the authorized and paid up capital for the life and general insurance businesses.

Insurance industry regulator measures the financial strength of general insurers using a solvency margin model. This test compares insurers' capital against the 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 which ever is greater. During the year, the Company has complied with this capital requirement. The regulator has the authority to request more extensive reporting and can place restrictions on the Company's operations if the Company falls below this requirement as deemed necessary.

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

Effective December 2020, the industry's regulatory body (NAICOM) has increased the minimum required regulatory capital for insurance companies as shown below;

1. Life Insurers: Increased to N8 billion from N2 billion
2. General Insurers: Increased to N10 billion from N3 billion

This implies that composite insurers like Leadway Assurance will now have its minimum required regulatory capital increased to N18 billion from its current N5 billion.

We will comply with the above listed requirement as a composite insurer.

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

The company's solvency margin as at 31 December 2019 is as follows:

		December 2019			December 2018		
	Notes	TOTAL	ADMISSIBLE	INADMISSIBLE	TOTAL	ADMISSIBLE	INADMISSIBLE
ASSETS		**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Cash and Cash Equivalents	6	26,210,607	21,640,794	4,569,813	32,978,304	32,156,991	821,313
Trade Receivables	7	102,459	102,459	-	395,585	395,585	-
Investment Securities	8	300,626,105	300,626,105	-	209,289,720	209,289,720	-
Reinsurance Asset	9	39,038,453	39,038,453	-	43,688,887	43,688,887	-
Deferred Acquisition Cost	10	825,367	825,367	-	851,069	851,069	-
Other Receivables and Prepayments	11	2,132,561	-	2,132,561	1,417,602	-	1,417,602
Loans and Advances	12	1,402,795	69,827	1,332,968	1,395,564	1,395,564	-
Intangible assets	17	162,448	162,448	-	255,339	255,339	-
Property & Equipment	13	4,412,066	4,412,066	-	3,428,095	3,428,095	-
Investment Properties	14	17,199,024	15,757,091	1,441,933	16,414,443	7,040,510	9,373,933
Investment in Subsidiaries	15	2,153,425	2,153,425	-	2,153,425	2,153,425	-
Statutory Deposit	18	500,000	500,000	-	500,000	500,000	-
Total Assets		**394,765,310**	**385,288,035**	**9,477,275**	**312,768,033**	**301,155,185**	**11,612,848**

		December 2019			December 2018		
		TOTAL	ADMISSIBLE	INADMISSIBLE	TOTAL	ADMISSIBLE	INADMISSIBLE
LIABILITIES		**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Trade payables	19	9,690,123	9,690,123	-	2,564,194	2,564,194	-
Current Income Tax Liabilities	20	859,502	859,502	-	1,083,948	1,083,948	-
Other Liabilities	21	4,539,823	4,539,823	-	14,637,584	14,637,584	-
Insurance Contract Liabilities	22	296,704,133	296,704,133	-	225,437,157	225,437,157	-
Investment Contract Liabilities	23	26,796,212	26,796,212	-	21,890,990	21,890,990	-
Deffered Tax Liabilities	16	1,883,284	-	1,883,284	1,883,284	-	1,883,284
Total Liabilities		**340,473,077**	**338,589,793**	**1,883,284**	**267,497,157**	**265,613,873**	**1,883,284**

		December 2019	December 2018
Excess of admissible assets over liabilities		**46,698,242**	**35,541,312**
Test I	Gross Premium	88,854,306	87,737,230
	Less: Reinsurance expense	(17,956,199)	(16,615,355)
	Net premium	70,898,107	71,121,875
	15% thereof	10,634,716	10,668,281
Test II	Minimum paid-up capital	5,000,000	5,000,000
	The higher thereof:		
	SURPLUS OF SOLVENCY	**36,063,526**	**24,873,031**
	Solvency ratio	**439%**	**333%**

3.2 Asset and liability management

The Companyis exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long-term its investment proceeds are not sufficient to fund the obligations arising from its insurance and investment contracts. The most important components of this financial risk are interest rate risk, equity price risk, foreign currency risk and credit risk.

These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The risks that the Company primarily faces due to the nature of its investments and liabilities are interest rate risk and equity price risk. The Company manages these positions within an ALM framework that has been developed to achieve long term investment returns in excess of its obligations under insurance and investment contracts. Within the ALM framework, the Company periodically produces reports at portfolio, legal entity and asset and liability class level that are circulated to the Company's key management personnel. The principal technique of the Company's ALM is to match assets to the liabilities arising from insurance and investment contracts by reference to the type of benefits payable to contract holders. For each distinct class of liabilities, a separate portfolio of assets is maintained. The Company has not changed the processes used to manage its risks from previous periods.

The Company's ALM is integrated with the management of the financial risks associated with the Company's other classes of financial assets and liabilities not directly associated with insurance and investment liabilities. The notes below explain how financial risks are managed using the categories utilized in the Company's ALM framework.

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

Asset Cover Item	Form	31-Dec-19 Current Period	31-Dec-18 Prior Period	% Change
Gross Insurance Funds		**323,500,345**	**247,316,422**	31%
Less				
Reinsurance Receivables				
1 Reinsurance				
2 Reinsurance expenses prepaid		3,193,766	3,127,725	2%
3 Reinsurers share of Claims expense paid		492,135	68,751	616%
4 Reinsurers share of Claims expense outststanding		35,352,553	40,492,412	-13%
5 Reinsurers share of Incurred but not reported claims				
Net Insurance Funds		**284,461,892**	**203,627,535**	40%
Admissible Assets				
1 Cash and Cash Equivalents		5,428,864	5,644,868	-4%
2 Treasury bills and Government Bonds		265,259,821	177,769,334	32%
3 Placement with Financial Insititutions		20,781,743	27,333,436	-24%
4 Corporate Bonds & Debenture		11,492,170	8,691,659	49%
5 Ordinary & Preference Shares		23,874,114	22,828,727	5%
6 Agency Loan		45,699	31,550	45%
7 Loan to Policy holders		378,220	288,000	31%
8 Other Loans & Investments		8,185,951	6,677,050	23%
9 Investment in subsidiaries,		-	-	
10 Investment in Associates		-	-	
11 Investment in jointly controlled entities				
12 Investment Properties		15,757,091	7,040,510	124%
Total Admissible Assets		**351,203,673**	**256,305,134**	37%
SURPLUS(DEFICIT) IN ASSETS COVER		**66,741,781**	**52,677,600**	27%

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

3.2 ASSET AND LIABILITY MANAGEMENT
(a) HYPOTHECATION OF ASSETS

As at 31 December 2019

(All amounts in thousands of Nigerian Naira unless otherwise stated)

COMPANY

	General Insurance			Life					
	Shareholder's fund	Policy holder's Fund	Others	Shareholder's fund	Deposit Admin. Fund	Annuity Fund	Policy holder's Fund (LIFE)	Others	Total
TOTAL INVESTMENTS:	**30,709,225**	**66,644,120**	**12,163,663**	**23,583,009**	**26,796,212**	**220,634,739**	**9,425,272**	**5,541,594**	**395,497,834**
Fixed Assets:									
Real Estate	-	4,065,450	-	12,870,374	-	-	263,200	-	17,199,024
Office Equipments	137,583	-	-	105,685	-		-	-	243,268
Motor Vehicles	280,110	-	-	210,683	-		-	-	490,793
Furniture and Fittings	6,684	-	-	21,546	-		-	-	28,230
Intangible Assets	104,356	-	-	58,093	-		-	-	162,449
Others Investments:	-	-	-		-			-	-
Commercial loans	135,829	-	-	145,519	656,238	-	-	-	937,586
Loans to Policy holders	-	-	-	-	378,220		-	-	378,220
Statutory Deposit	300,000	-	-	200,000	-		-	-	500,000
Treasury Bills	-	444,680	-	132,540	3,181,827	740,953	678,617	-	5,178,618
Government Bonds	6,466,736	17,380,982	-	1,573,459	20,684,406	204,626,724	6,535,216	2,941,270	260,208,794
Corporate bonds	5,813,670	645,963	-	267,838	532,524	3,856,275	248,309		11,364,580
Quoted Securities	4,159,872	2,773,248	-	1,048,148	866,982	8,638,771	705,675	-	18,192,695
Unquoted Securities	648,153	324,077	2,268,538	2,414,133	-	-	26,516	-	5,681,417
Bank Placements	3,492,550	13,970,198	-	1,075,685	218,598	1,662,974	361,738	-	20,781,743
Bank and Cash Balances		3,846,200	-	268,252	189,517	1,109,041	15,853	-	5,428,863
Related Companies Securities	-	-	-	2,153,425	-	-		-	2,153,425
Related Companies Loans	-	-	-	-	-	-	-	-	-
Other assets (see "A" below)	9,076,151	23,193,322	9,982,656	1,037,852	87,900	-	590,148	2,600,099	46,568,128
TOTAL	**30,621,694**	**66,644,120**	**12,251,194**	**23,583,232**	**26,796,212**	**220,634,739**	**9,425,274**	**5,541,369**	**395,497,833**

OTHER DETAILS (A)

	GENERAL BUSINESS	LIFE BUSINESS	COMPANY
Intangible assets			
Other PPE (L &B, WIP, ROUA)	2,068,776	1,580,999	3,649,775
Prepaid Reinsurance & Recoverables	38,674,736	363,717	39,038,453
Deferred Acquisition Expenses	825,367	-	825,367
Premium Debtors	97,595	4,864	102,459
Deferred Tax Assets	-	-	-
Other assets: (Staff loans , prepayments, and sundry debtors)	585,655	2,366,419	2,952,074
TOTAL	**42,252,129**	**4,315,999**	**46,568,128**

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

3.3 Financial risk management

The Company is exposed to a range of financial risks through its financial instrument, reinsurance assets and insurance liabilities. The key financial risk is that in the long term its investments proceeds are not sufficient to fund the obligations arising from its insurance and investment contracts. The most important components of the financial risks are:

- Credit risks
- Liquidity risks
- Market risks

3.3.1 Credit risks

Credit risks arise from the default of a counterparty to fulfil its on and/or off- balance sheet contractual obligations. Exposure to this risk results from financial transactions with a counterparty including issuer, debtor, investee, borrower, broker, policy holder, reinsurer or guarantor.

The Company has policies in place to mitigate its credit risks.

(i) The Company's Enterprise risk management policy sets out the assessment and determination of what constitutes credit risk for the company. Compliance with the policy is monitored and exposures and breaches are reported to the company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

Net exposure limits are set for each counterparty or company of counterparties, geographical and industry segment (i.e. limits are set for investments and cash deposits, foreign exchange trade exposures and minimum credit ratings for investments that may be held).

(ii) The Company's set guidelines determine when to obtain collateral and guarantees. The Company also maintains strict control limits by amount and terms on financial assets. The amounts subject to credit risk are limited to the fair value of 'in the money' financial assets against which the Company either obtains collateral from counterparties or requires margin deposits. Collateral may be sold or repledged by the Company and is repayable if the contract terminates or the contract's fair value falls.

(iii) Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year by the management and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment.

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

(v) The credit risk in respect of customer balances incurred on non–payment of premiums or contributions will only persist during the grace period specified in the policy document or trust deed until expiry, when the policy is either paid up or terminated. Commission paid to intermediaries is netted off against amounts receivable from them to reduce the risk of doubtful debts.

(vi) In evaluating credit risk (impairment), the company determines impairment on loans that are not specifically impaired using a model in line with the requirements of IFRS as follows:

Impairment = EAD * PD * LGD

the parameters are defined as follows:

1. Probability of default (PD) : This is the probability that a counterparty will defualt on an exisiting commitment usually over a 12 months period
2. Loss given default (LGD) : This is the portion of a loan or receivable determined to be irrecoverable, our methods considers prior period experience, other qualitative factors and future economic prospect
3. Exposure at default (EAD): This represents the amount that is due or outstanding at the time of default.

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

3.3.1.1 Maximum exposure to credit risk

	Note	Company 31-Dec-19	Company 31-Dec-18
Cash and cash equivalents (See note 1 below)	6	26,204,721	32,975,063
Trade receivables	7	102,459	395,585
Investment securities:			
- Fair value through profit or loss (See note 2 below)	8.1	235,720,995	153,254,493
- Available for sale	8.2	41,030,996	33,206,500
Reinsurance Assets (See note 3 below)	9	35,844,688	40,561,162
Other receivables (See note 4 below)	11	760,069	723,613
Loans and advances	12	1,402,795	1,395,564
Statutory deposits	18	500,000	500,000
Total assets exposed to credit risk		**341,566,723**	**263,011,980**

1. Cash and cash equivalents excludes the balance representing cash in hand which is not exposed to credit risk.

2. Assets measured at fair value through profit or loss and Available for sale financial instrument do not include the balance of equity securities in these classes of asset as equity securities are not exposed to credit risk.

3. Reinsurance Assets only includes amount recoverable on claims reported (excluding IBNR) and amount due from reinsurers. The balance on prepaid reinsurance is excluded from this analysis.

4. Other receivables excludes prepayments and other non financial assets. (see note 11)

   The Company further manages its exposure to credit risk through counterparty risk via established limits as approved by the Board. These limits are determined based on credit ratings of the counterparty amongst other factors. All fixed income investments are measured for performance on a quarterly basis and monitored by management on a monthly basis.

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

3.3.1.2 Counterparty risk

(a) Cash and cash equivalent

The company and company's counterparty exposure of its cash and cash equivalent is represented below:

Counterparty	Company 31-Dec-19	Company 31-Dec-18
National banks	19,783,476	30,296,857
Foreign banks	4,569,813	821,313
Investment house	1,851,432	1,856,893
	26,204,721	**32,975,063**

Counterparty	Company 31-Dec-19	Company 31-Dec-18
National banks	76%	92%
Foreign banks	17%	2%
Investment house	7%	6%
	100%	**100%**

(b) Investment securities

The company and company's counterparty exposure of its investment securities is represented below:

Counterparty	Company 31-Dec-19	Company 31-Dec-18
Federal Government of Nigeria	264,792,768	176,924,863
State Government in Nigeria	868,794	938,363
Corporates with acceptable risk ratings	11,090,429	8,597,767
	276,751,991	**186,460,993**

(c) Trade receivables

Credit risk exposure to trade receivables arises from the 30 days window given by NAICOM in the "No Premium No Cover" policy. This give the brokers latitude to withhold premium collected from the insured for 30 days before remittance. However, they are expected to issue their credit note and remit the premium on or before the expiration of the 30 days grace period. Brokers who fail to remit are reported on a quarterly basis to NAICOM and are subject to the downgrading process in line with the Company's policy. The Company's risk exposure to credit risk is low as the receipt of insurance premium from the insured is a pre-condition for the issuance of insurance cover.

(d) Loans and advances

Credit risk exposure to direct business is low as the Company requires debtors to provide guarantees before inception of insurance policies. The Company's exposure to credit risk arising from brokered business is relatively moderate and the risk is managed by the Company's internal rating model for brokers. Our credit risk internal rating model is guided by several weighted parameters which determine the categorization of brokers the Company transacts businesses with.

(e) Reinsurance receivable

Reinsurance contract is executed only with reinsurers with a minimum acceptable credit rating. Management monitors the credit worthiness of reinsurers by reviewing their annual financial statements and through ongoing communications. Reinsurance treaties are reviewed annually by management prior to renewal of reinsurance contracts.

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

Company
2019

		AA+/AA-	A+/A-	BB+/BB-	UNRATED	TOTAL
Neither past due nor impaired						
Cash and cash equivalents (excl. cash on hand)	6	7,754,023	13,432,901	4,380,750	637,047	26,204,721
Investment securities - FVTPL (excl. equity)	8.1	1,847,477	1,573,446	232,300,072	-	235,720,995
Investment securities - AFS (excl. equity)	8.2	54,380	6,524,338	34,324,688	127,590	41,030,996
Trade receivables	7	-	-	-	102,459	102,459
Loans and advances	12	-	-	-	1,295,437	1,295,437
Other receivables - financial assets	11	-	-	-	760,069	760,069
Statutory deposits	18	-	-	500,000	-	500,000
Reinsurance assets (Due from reinsurers)	9	-	-	-	35,844,688	35,844,688
Past due but not impaired						
Loans and advances					107,358	107,358
Past due and impaired						
Loans and advances		-	-	-	356,457	356,457
Less specific impairment on past due and impaired:						
Loans and advances		-	-	-	(324,754)	(324,754)
		9,655,880	**21,530,685**	**271,505,510**	**38,906,351**	**341,598,426**

Company
2018

		AA+/AA-	A+/A-	BB+/BB-	UNRATED	TOTAL
Neither past due nor impaired						
Cash and cash equivalents (excl. cash on hand)	6	10,568,316	19,035,155	920,006	2,451,586	32,975,063
Investment securities - FVTPL (excl. equity)	8.1	-	1,645,709	151,394,875	213,908	153,254,493
Investment securities - AFS (excl.	8.2		1,202,099	31,879,954	124,448	33,206,500
Trade receivables	7	-	-	-	395,585	395,585
Loans and advances	12	-	-	-	1,155,822	1,155,822
Other receivables - financial assets	11	-	-	-	723,613	723,613
Statutory deposits	18	-	-	500,000	-	500,000
Reinsurance assets (Due from reinsurers)		-	-	-	40,561,162	40,561,162
Past due but not impaired						
Loans and advances		-	-		239,742	239,742
Past due and impaired						
Loans and advances		-	-	-	351,008	351,008
Less specific impairment on past due and impaired:						
Loans and advances		-	-	-	(308,842)	(308,842)
		10,568,316	**21,882,963**	**184,694,835**	**45,908,031**	**263,054,146**

(All amounts in thousands of Nigerian Naira)

Global Corporate Rating (GCR)'s rating symbols and Definitions	
AAA	Extremely strong financial security characteristics and is the highest FSR assigned by GCR.
AA+ AA AA-	Has very strong financial security characteristics, differing only slightly from those rated higher.
A+ A A-	Has strong financial security characteristics, but is somewhat more likely to be affected by adverse business conditions than assurers with higher ratings.
BBB+ BBB BBB-	Has good financial security characteristics, but is much more likely to be affected by adverse business conditions than assurers with higher ratings.
BB+	Has vulnerable financial security characteristics, which might outweigh its strengths. The ability of these companies to discharge obligations is not well safeguarded in the future.

	Company 31-Dec-19	Company 31-Dec-18
Past due and impaired		
0 - 90 days	324,754	203,855
90 - 180 days	-	-
181 days and above	-	-
	324,754	**203,855**

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

Concentration of credit risk

		Financial institution	Manufacturing /telecom	Public sector	Others	Total
Company 2019						
Cash and cash equivalents	6	26,204,721	-	-	-	26,204,721
Investment securities - FVTPL (excl. equity)	8.1	3,080,604	-	230,867,769	1,772,622	235,720,995
Investment securities - AFS (excl. equity)	8.2	4,354,119	-	32,034,441	4,642,436	41,030,996
Investment securities - HTM	0			-	-	
Trade receivable	7	-	-	-	102,459	102,459
Loans and advances	12	728,094		-	674,701	1,402,795
Other receivables - financial assets	11	-	-	-	760,069	760,069
Statutory deposits	18	500,000	-	-	-	500,000
Reinsurance Assets	9	35,844,688	-	-	-	35,844,688
Total		**70,712,226**	**-**	**262,902,210**	**7,952,287**	**341,566,723**

Company 2018		Financial institution	Manufacturing /telecom	Public sector	Others	Total
Cash and cash equivalents	6	32,975,063	-	-	-	32,975,063
Investment securities - FVTPL (excl. equity)	8.1	1,240,317	-	151,369,243	644,933	153,254,493
Investment securities - AFS (excl. equity)	8.2	5,315,614	-	27,451,035	439,851	33,206,500
Trade receivable	7	-	-	-	395,585	395,585
Loans and advances	12	514,162		-	881,402	1,395,564
Other receivables - financial assets	11	-	-	-	723,613	723,613
Statutory deposits	18	500,000	-	-	-	500,000
Reinsurance Assets	9	40,561,162	-	-	-	40,561,162
Total		**81,106,318**	**-**	**178,820,278**	**3,085,384**	**263,011,980**

3.3.2 Liquidity risks

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments. In respect of catastrophic events there is also a liquidity risk associated with the timing differences between gross cash out–flows and expected reinsurance recoveries.

The following policies and procedures are in place to mitigate the company's exposure to liquidity risk:

- The Company's liquidity risk policy which sets out the assessment and determination of what constitutes liquidity risk for the company. Compliance with the policy is monitored and exposures and breaches are reported to the company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

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

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

The table that follows summarizes the maturity profile of the non–derivative financial assets and financial liabilities of the Company based on remaining undiscounted contractual obligations, including interest payable.

For insurance contracts liabilities and reinsurance assets, maturity profiles are determined based on estimated timing of net cash outflows from the recognised insurance liabilities. Unearned premiums and the reinsurers' share of unearned premiums have been excluded from the analysis as they are not contractual obligations.

Repayments which are subject to notice are treated as if notice were to be given immediately.

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

Maturity analysis (contractual undiscounted cash flow basis for non–derivatives)

Using the behavioural pattern of our funding sources over time, the Company's expected cash flows on some financial assets and liabilities to vary significantly from the contractual cash flows. As part of management of liquidity risk arising from financial liabilities, the Company maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flow.

The table below shows the undiscounted cash flow on the Company's financial assets and liabilities and on the basis of the earliest possible contractual maturity. The gross nominal inflow/outflow disclosed in the table is the contractual, undiscounted cash flows on the financial assets and liabilities. Whilst the table below have been prepared based on the contractual maturities, the maturity profile based on the behavioural pattern of the assets and liabilities observed over a very long period (five years) presents management with a reliable basis to manage the inherent liquidity risks.

Company		**Contractual maturities of financial assets and liabilities**						
31 December 2019	**Note**	**Carrying amount**	**Gross nominal**	**0-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**Over 5 years**
Assets								
Cash and cash equivalents	6	26,210,607	26,280,983	26,280,983	-	-	-	-
Trade receivables	7	102,459	102,459	102,459	-	-	-	-
Investment securities - FVTPL	8.1	238,425,827	675,557,975	8,997,846	7,342,519	13,804,130	123,872,622	521,540,858
Investment securities - Available for sale	8.2	62,200,278	112,852,062	9,564,554	3,254,650	12,695,587	25,328,829	62,026,443
Reinsurance assets (Excl. prepaid reinsurance)	9	35,844,688	35,844,688	21,381,607	14,463,081	-	-	-
Other receivables - financial assets	11	760,069	760,069	760,069	-	-	-	-
Loans and advances	12	1,402,795	1,615,850	795,346	117,193	233,961	469,350	-
Statutory deposit	18	500,000	500,000	-	-	-	-	500,000
Total financial assets		**365,446,723**	**853,514,086**	**67,864,864**	**25,177,443**	**26,733,678**	**149,670,801**	**584,067,301**
Trade payables	19	9,690,123	9,690,123	9,690,123	9,690,123	-	-	-
Other liabilities - financial liabilities	21	2,822,414	2,996,236	1,815,669	1,180,567	-	-	-
Insurance contract liabilities (excl. IBNR and unearned premium))	22	271,787,023	651,683,566	54,583,499	7,318,604	14,633,950	116,424,810	458,722,703
Investment contract liabilities	23	26,796,212	26,796,212	1,321,951	682,032	1,079,130	10,811,387	12,901,713
Total financial liabilities		**311,095,772**	**691,166,137**	**67,411,242**	**9,181,203**	**15,713,080**	**127,236,197**	**471,624,417**
Gap		**54,350,951**	**162,347,949**	**453,622**	**15,996,240**	**11,020,598**	**22,434,604**	**112,442,885**

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

Contractual maturities of financial assets and liabilities

Company

31 December 2018	Notes	Carrying amount	Gross nominal	0-3 months	3-6 months	6-12 months	1-5 years	Over 5 years
Cash and cash equivalents	6	32,978,304	35,136,623	33,221,646	1,914,977	-	-	-
Trade receivables	7	395,585	357,441	214,465	142,976	-	-	-
Investment securities - FVTPL	8.1	156,009,761	464,320,161	7,096,944	3,723,570	10,967,077	92,332,734	350,199,836
Investment securities - Available for sale	8.2	53,279,959	58,867,116	1,139,039	418,249	1,830,568	25,172,473	30,306,787
Reinsurance assets (Excl. prepaid reinsurance)	9	40,561,162	40,561,163	9,877,010	16,776,921	13,907,232	-	-
Other receivables - financial assets	11	723,613	520,662	520,662	-	-	-	-
Loans and advances	12	1,395,564	1,609,670	792,304	116,745	233,066	467,555	-
Statutory deposit	18	500,000	500,000	-	-	-	-	500,000
Total financial assets		**285,843,948**	**601,872,836**	**52,862,070**	**23,093,438**	**26,937,943**	**117,972,762**	**381,006,623**
Trade payables	19	2,564,194	2,564,194	1,538,516	1,025,678	-	-	-
Other liabilities - financial liabilities	21	3,459,082	1,702,618	30,000	1,482,515	190,103	-	-
Insurance contract liabilities (excl. IBNR and unearned premium))	22	207,217,344	207,217,342	4,144,347	7,252,607	10,360,867	12,433,040	173,026,481
Investment contract liabilities	23	21,890,990	21,890,990	1,010,795	559,033	884,518	8,861,645	10,574,999
Total financial liabilities		**235,131,610**	**233,375,144**	**6,723,658**	**10,319,833**	**11,435,488**	**21,294,685**	**183,601,480**
Gap		**50,712,338**	**368,497,692**	**46,138,412**	**12,773,605**	**15,502,455**	**96,678,077**	**197,405,143**

It is not expected that cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

(g) Market risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

- The Company's enterprise risk management policy sets out the assessment and determination of what constitutes market risk . Compliance with the policy is monitored and exposures and breaches are reported to the company risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.
- Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholder's liabilities and that assets are held to deliver income and gains for policyholders which are in line with expectations of the policyholders.
- The Company stipulates diversification benchmarks by type of instrument and geographical area, as the Company is exposed to guaranteed bonuses, cash and annuity options when interest rates falls.

(h) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's principal transactions are carried out in Naira and its exposure to foreign exchange risk arise primarily with respect to US dollar and CFA.

The Company's financial assets are primarily denominated in the same currencies as the related insurance and investment contract liabilities. The main foreign exchange risk arises from recognised assets and liabilities denominated in currencies other than those in which insurance and investment contract liabilities are expected to be settled.

The table below summarises the Company's financial assets and liabilities by major currencies. Note that irrespective of the currency in which the assets are held, the amounts disclosed against individuals currencies are the Naira equivalent of the respective currencies. The exchange rates applied for each of the listed currencies have been obtained from reliable sources depicting reliable market transactions on 31 December 2019.

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

Company

31 December 2019	Notes	Naira (₦)	US Dollars (USD)	UK Pound Sterling (GBP)	Euro	CFA France CFA	Others	Total
Cash and cash equivalents	6	5,887,994	19,855,546	223,581	243,487	-	-	26,210,607
Trade receivables	7	102,459	-	-	-	-	-	102,459
Investment securities - FVTPL	8.1	235,092,745	3,333,082	-	-	-	-	238,425,827
Investment securities - Available for sale	8.2	37,986,764	24,213,514	-	-	-		62,200,278
Reinsurance assets (Excl. prepaid reinsurance)	9	5,534,709	30,309,979	-	-	-	-	35,844,688
Other receivables - financial assets	11	676,471	-	-	-	83,598	-	760,069
Loans and advances	12	1,402,795	-	-	-	-	-	1,402,795
Statutory deposits	18	500,000	-	-	-	-	-	500,000
Total financial assets		**287,183,937**	**77,712,121**	**223,581**	**243,487**	**83,598**	**-**	**365,446,723**
Trade payables	19	5,154,739	4,535,384	-	-	-		9,690,123
Other liabilities - financial liabilities	21	2,822,414	-	-	-	-		2,822,414
Insurance contract liabilities (excl. IBNR and unearned premium))	22	231,004,624	40,782,399	-	-	-	-	271,787,023
Investment contract liabilities	23	26,796,212	-	-	-	-	-	26,796,212
Total financial liabilities		**265,777,990**	**45,317,783**	-	**-**	**-**		**311,095,773**
							-	
Net FCY exposure		**21,405,948**	**32,394,338**	**223,581**	**243,487**	**83,598**		**54,350,951**
							-	

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

Company

31 December 2018	Notes	Naira (₦)	US Dollars (USD)	UK Pound Sterling (GBP)	Euro	CFA France CFA	Others	Total
Cash and cash equivalents	6	6,609,820	26,210,499	22,023	31,350	104,612	-	32,978,304
Trade receivables	7	395,585	-	-	-	-	-	395,585
Investment securities - FVTPL	8.1	152,278,951	3,730,810	-	-	-	-	156,009,761
Investment securities - Available for sale	8.2	29,638,069	23,641,890	-	-	-		53,279,959
Reinsurance assets (Excl. prepaid reinsurance)	9	1,574,878	38,920,142	1,350	64,792	-		40,561,162
Other receivables - financial assets	11	723,613	-	-	-	-	-	723,613
Loans and advances	12	1,169,834	225,730	-	-	-	-	1,395,564
Statutory deposits	18	500,000	-	-	-	-	-	500,000
Total financial assets		**192,890,750**	**92,729,071**	**23,373**	**96,143**	**104,612**	**-**	**285,843,949**
Trade payables	19	2,005,234	558,960	-	-	-		2,564,194
Other liabilities - financial liabilities	21	3,459,082	-	-	-	-		3,459,082
Insurance contract liabilities (excl. IBNR and unearned premium))	22	158,410,066	48,807,278	-	-	-		207,217,344
Investment contract liabilities	23	21,890,990	-	-	-	-	-	21,890,990
Total financial liabilities		**185,765,372**	**49,366,238**	-	**-**	**-**	**-**	**235,131,610**
Net FCY exposure		**7,125,378**	**43,362,833**	**23,373**	**96,143**	**104,612**	**-**	**50,712,339**

(All amounts in thousands of Nigerian Naira)

Foreign currency sensitivity

The tables below shows the sensitivity of the Company's profit before tax to appreciation or depreciation of the naira in relation to other currencies. Based on the past years behaviour, it is reasonable to assume 1000 basis points appreciation and 1000 basis points depreciation of the Naira holding all other variables constant.

Company Currency	Change in variables	31 December 2019 Impact on profit before tax	31 December 2019 Impact on equity	31 December 2018 Impact on profit before tax	31 December 2018 Impact on equity
US Dollar	+ 1000 basis points	3,239,434	2,267,604	4,336,283	3,035,398
Pound sterling	+ 1000 basis points	22,358	15,651	2,337	1,636
Euro	+ 1000 basis points	24,349	17,044	9,614	6,730
US Dollar	- 1000 basis points	(3,239,434)	(2,267,604)	(4,336,283)	(3,035,398)
Pound sterling	- 1000 basis points	(22,358)	(15,651)	(2,337)	(1,636)
Euro	- 1000 basis points	(24,349)	(17,044)	(9,614)	(6,730)

(i) Interest rate risks:

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

Exposure to this risk primarily results from timing differences in the repricing of assets and liabilities as they mature (fixed rate instruments) or contractually repriced (floating rate instruments).

The Company monitors this exposure through periodic reviews of the assets and liability position. Estimates of cash flows, as well as the impact of interest rate fluctuations relating to the investment portfolio and insurance provisions are modeled and reviewed .

The overall objective of these strategies is to limit the net change in value of assets and liabilities arising from interest rate movements.

While it is more difficult to measure the interest sensitivity of insurance liabilities than that of the related assets, to the extent that such sensitivities are measurable then the interest rate movements will generate asset value changes that substantially offset changes in the value of the liabilities relating to the underlying products. The table below details the interest rate sensitivity analysis of the Company as at 31 December 2019 holding all other variables constant. Based on historical data, 100 basis points change is deemed to be reasonably possible and are used when reporting interest rate risk.

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

Company 31 December 2019	Notes	Non-interest bearing	0-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	Total
Cash and cash equivalents	6	5,304,711	20,905,896	-	-	-	-	26,210,607
Investment securities - FVTPL	8.1	9,153,567	-	2,680,505	168,093	20,196,515	206,227,147	238,425,827
Investment securities - AFS	8.2	26,984,599	597,845	2,511	65,461	14,648,846	19,901,015	62,200,278
Loans and advances	12	7,231		149,301	400,468	845,795	-	1,402,795
Statutory deposits	18	-	-	-	-	-	500,000	500,000
Total		**41,450,108**	**21,503,741**	**2,832,317**	**634,022**	**35,691,156**	**226,628,162**	**328,739,507**
Investment contract liabilities	23	-	1,321,951	682,032	1,079,130	10,811,387	12,901,713	26,796,212
Total		**-**	**1,321,951**	**682,032**	**1,079,130**	**10,811,387**	**12,901,713**	**26,796,212**
Gap		**41,450,108**	**20,181,790**	**2,150,285**	**(445,108)**	**24,879,769**	**213,726,449**	**301,943,294**
Cumulative gap		**41,450,108**	**61,631,898**	**63,782,183**	**63,337,075**	**88,216,844**	**301,943,294**	
Impact on profit before tax		-	6,163,190	6,378,218	6,333,707	8,821,684	30,194,329	57,891,129
Taxation at 30%		-	1,848,957	1,913,466	1,900,112	2,646,505	9,058,299	17,367,339
Impact on equity		-	4,314,233	4,464,753	4,433,595	6,175,179	21,136,031	40,523,791

Company 31 December 2018	Notes	Non-interest bearing	0-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	Carrying amount
Cash and cash equivalents	6	5,138,147	27,840,157	-	-	-	-	32,978,304
Investment securities - FVTPL	8.1	-	-	2,386,215	336,052	11,480,151	141,807,344	156,009,761
Investment securities - AFS	8.2	0	-	382,364	3,182,306	5,276,352	44,943,897	53,784,919
Loans and advances	12	-		149,301	400,468	845,795	-	1,395,564
Statutory deposits	18	-	-	-	-		500,000	500,000
Total		**5,138,147**	**27,840,157**	**2,917,880**	**3,918,826**	**17,602,298**	**187,251,241**	**244,668,548**
Investment contract liabilities	23	-	1,010,795	559,033	884,518	8,861,645	10,574,999	21,890,990
Borrowings		-	-	-	-	-	-	-
Total		**-**	**1,010,795**	**559,033**	**884,518**	**8,861,645**	**10,574,999**	**21,890,990**
Gap		**5,138,147**	**26,829,362**	**2,358,847**	**3,034,308**	**8,740,653**	**176,676,242**	**222,777,558**
Cumulative gap		**5,138,147**	**31,967,509**	**34,326,356**	**37,360,664**	**46,101,316**	**222,777,558**	
Impact on profit before tax			3,196,751	3,432,636	3,736,066	4,610,132	22,277,756	37,253,340
Taxation at 30%			959,025	1,029,791	1,120,820	1,383,039	6,683,327	11,176,002
Impact on profit after tax			2,237,726	2,402,845	2,615,246	3,227,092	15,594,429	26,077,338

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

(j) Equity price risk

The Company manages its exposure to equity price risk through adherence to investment in eligible equities as approved by the Board and in line with NAICOM investment guidelines. Management Investment Committee establishes and approves a list of eligible stocks in line with approval as approved by the Board through its Board Investment Committee. The investment decisions are subject to authorization(s) levels.

Management Investment Committee

1. An investment which would result in exposure to the invested company for not greater than 5% of the issue under consideration i.e. Equities, Bonds etc.
2. Investment in any unquoted stock with value less than N500m.

Board Investment Committee

i. An investment which would result in exposure to the invested company for greater than 5% of the issue under consideration.
ii. Any investment where the value of total exposure to the invested corporate on completion, as a percentage of total Leadway's Asset Under Management will exceed 2.5% as at the time of the investment.
iii. An Investment in any unquoted stock with value greater than N500m.
iv. Investment in a start-up venture with value over N100m.
v. Investments in a company, which will result in the Leadway having control of management.
vi. Securities lending, leveraged investments, derivatives or hedging.

We have exposure to equity risk through asset/liability mismatches, including our investments in equity securities held in our investment portfolio. Changes in equity prices create risk that the resulting changes in asset values will differ from the changes in the value of the liabilities. Additionally, changes in equity prices may impact other items including, but not limited to investment income of the Company.

Financial assets	Company 31-Dec-19 +/- 1500 basis points	Company 31-Dec-18 +/- 2000 basis points
Listed equities (FVTPL)	405,725	275,527
Listed equities(AFS)	2,323,180	1,087,383
Unlisted equities (AFS)	852,213	919,963
Impact on profit before tax	405,725	275,527
Tax charge of 30%	(121,717)	(82,658)
Impact on profit after tax	**284,007**	**192,869**
Impact on equity	**3,459,400**	**2,200,215**

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

3.4 Fair values of financial assets and liabilities

Accounting classification, measurement basis and fair values
The table below sets out the Croup's classification of each class of financial assets and liabilities, and their fair valuesot limited to investment income of the Company.

Company 31 December 2019	Notes	At fair value through P/L	Held to Maturity	Loans and receivables	Available for sale	Other financial liabilities at amortised cost	Total carrying amount	Fair Value
Assets								
Cash and cash equivalents	6	-	-	26,210,607	-	-	26,210,607	26,210,607
Trade receivables	7	-	-	102,459	-	-	102,459	102,459
Investment securities - FVTPL	8.1	238,425,827	-	-	-	-	238,425,827	238,425,827
Investment securities - AFS	8.2	-	-	-	62,200,278	-	62,200,278	62,200,278
Reinsurance assets (Excl. prepaid reinsurance)	9	-	-	35,844,688	-	-	35,844,688	35,844,688
Other receivables	10	-	-	760,069	-	-	760,069	760,069
Loans and advances	12	-	-	1,402,795	-	-	1,402,795	1,402,795
Statutory deposits	18	-	-	500,000	-	-	500,000	500,000
Total		**238,425,827**	**-**	**64,820,618**	**62,200,278**	**-**	**365,446,723**	**365,446,723**
Liabilities								
Trade payables	19	-	-	-	-	9,690,123	9,690,123	9,690,123
Other liabilities	21	-	-	-	-	2,822,414	2,822,414	2,822,414
Insurance contract liabilities (excl. IBNR and unearned premium))	22	224,547,452	-	-	-	47,239,571	271,787,023	271,787,023
Investment contract liabilities	23	-	-	-	-	26,796,212	26,796,212	26,796,212
Total		**224,547,452**	**-**	**-**	**-**	**86,548,321**	**311,095,773**	**311,095,773**

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

Company 31 December 2018	Notes	At fair value through P/L	Held to Maturity	Loans and receivables	Available for sale	Other financial liabilities at amortised cost	Total carrying amount	Fair Value
Assets								
Cash and cash equivalents	6	-	-	32,978,304	-	-	32,978,304	32,978,304
Trade receivables	7	-	-	395,585	-	-	395,585	395,585
Investment securities - FVTPL	8.1	156,009,761	-	-	-	-	156,009,761	156,009,761
Investment securities - AFS	8.2	-	-	-	53,279,959	-	53,279,959	53,279,959
Reinsurance assets (Excl. prepaid reinsurance)	9	-	-	40,561,162	-	-	40,561,162	40,561,162
Other receivables	10	-	-	723,613	-	-	723,613	723,613
Loans and advances	12	-	-	1,395,564	-	-	1,395,564	1,395,564
Statutory deposits	18	-	-	500,000	-	-	500,000	500,000
Total		**156,009,761**	**-**	**76,554,228**	**53,279,959**	**-**	**285,843,948**	**285,843,948**
Liabilities								
Trade payables	19	-	-	-	-	2,564,194	2,564,194	2,564,194
Other liabilities	21	-	-	-	-	3,459,082	3,459,082	3,459,082
Insurance contract liabilities (excl. IBNR and unearned premium)	22	150,428,171	-	-	-	56,789,173	207,217,344	207,217,344
Investment contract liabilities	23	-	-	-	-	21,890,990	21,890,990	21,890,990
Total		**150,428,171**	**-**	**-**	**-**	**84,703,439**	**235,131,610**	**235,131,610**

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

3.4.1 Fair value hierarchy

The Company's accounting policy on fair value measurement is disclosed in note 2.6. The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). These may include quoted prices for similar assets or liabilities in active markets or quoted prices for identical or similar assets and liabilities in markets that are not active.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data (that is, unobservable inputs). It also includes financial instruments whose fair values could not be reliably determined and so they were measured at cost.

(a) The following table presents the financial assets and liabilities that are measured at fair value as at 31 December 2019. See note 4.1b for non-financial assets that are measured at fair value.

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

Company
31 December 2019

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Investment securities:				
Fair value through profit or loss				
- Equity securities	2,705,428	-	-	2,705,428
- Federal government bond	230,712,790	-	-	230,712,790
- State government	167,210	-	-	167,210
- Corporate bonds	4,840,399	-	-	4,840,399
			-	-
Available for sale		149,107		
- Listed equity securities	15,338,757	-	-	15,487,864
- Unlisted equity securities at cost	-	-	5,681,418	5,681,418
- Listed debt securities	41,030,996	-	-	41,030,996
Total	**294,795,580**	**149,107**	**5,681,418**	**300,626,105**

Company
31 December 2018

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Investment securities:				
Fair value through profit or loss				
- Equity securities	2,755,268	-	-	2,755,268
- Federal government bond	124,218,042	-	-	124,218,042
- State government	-	1,174,286	-	1,174,286
- Corporate bonds	-	2,286,615	-	2,286,615
-		-		-
Available for sale			-	
- Listed equity securities	10,873,826	-	1,559,679	10,873,826
- Unlisted equity securities at cost	-	-	-	1,559,679
- Listed debt securities	33,624,019	-	1,774,017	33,624,019
- Unlisted equity securities	-	2,939,739	**3,333,696**	4,713,756
Total	**171,471,155**	**6,400,640**		**181,205,491**

There were no transfers between levels 1 and 2 during the year

(i) *Financial instruments in level 1*
The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry company, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the company is the current bid price.

(ii) *Financial instruments in Level 2*
The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:
(i) Quoted market prices or dealer quotes for similar instruments;
(ii) Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments

The Company's level 2 corporate bonds, state bonds and unlisted equities were valued using quoted market prices for similar instruments at the measurement date.

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

(iii) Financial instruments in level 3

The following table presents the changes in Level 3 instruments for the year ended 31 December 2019

All amounts are in thousands of Naira unless otherwise stated

Equity securities - Available for sale	Company 31-Dec-19	Company 31-Dec-18
Opening balance	2,656,311	2,272,484
Acquisitions	465,000	-
Disposals	-	-
Reclassification from investments at cost less impairment (see note 8.2.1a)	1,080,000	183,000
Reclassifications from Level 2	3,033,000	-
Changes in fair value recognised in other comprehensive income	(1,558,000)	200,827
Balance, end of year	5,676,311	2,656,311

Varying valuation techniques in determining the fair value of Level 3 item, investments in AFC, Capital Bancorp, Lekky Budget Limited, Mainstreet Technologies, Oakwood Park Limited, Energy & Allied Limited, JDI Investment Company, Nigeria Liability Insurance Pool are as follows:

Valuation technique	Unobservable inputs	Range of unobservable inputs (probability - weighted average)	Relationship of unobservable inputs to fair value
Market Approach	P/BV multiples EV/EBITDA multiples	0.85x - 5.88x 5.73x - 15.57x	The higher the multiples the higher the fair value of the asset.

EV/EBITDA or P/E valuation multiple - the company determines appropriate comparable public company/ies based on industry, size, developmental stage, revenue generation and strategy. The company then calculates a trading multiple for each comparable company identified. The multiple is calculated by either dividing the quoted price of the comparable company by its net income (P/E).

Financial instruments not measured at fair value

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

Company
31 December 2019

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	-	26,210,607	-	26,210,607
Held to maturity investment securities:				
State bonds	-	-	-	-
Corporate bonds	-	-	-	-
Federal government bonds	-	-	-	-
Federal government treasury bills	-	-	-	-
Available for sale: Unlisted equity at cost	-	-	102,459	102,459
Trade receivables	-	-	1,402,795	1,402,795
Loans and advances	-	-	35,844,688	35,844,688
Reinsurance assets (Excl. prepaid reinsurance)	-	-	760,069	760,069
Other receivables	-	-	-	-
Statutory deposits	-	-	-	-
Total financial assets	**-**	**26,210,607**	**38,110,011**	**64,320,618**
Liabilities				
Investment contract liabilities	-	-	26,796,212	26,796,212
Trade payables	-	-	9,690,123	9,690,123
Other liabilities	-	-	2,822,414	2,822,414
Total financial liabilities	**-**	**-**	**39,308,750**	**39,308,750**

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

Company
31 December 2018

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	-	32,978,304	-	32,978,304
Held to maturity investment securities:				
State bonds	-	-	-	-
Corporate bonds	-	-	-	-
Federal government bonds	-	-	-	-
Federal government treasury bills	-	-	-	-
Available for sale: Unlisted equity at cost	-	-	-	-
Trade receivables	-	-	395,585	395,585
Loans and advances	-	-	1,395,564	1,395,564
Reinsurance assets (Excl. prepaid reinsurance)	-	-	40,561,162	40,561,162
Other receivables	-	-	723,613	723,613
Statutory deposits	-	-	-	-
Total financial assets	**-**	**32,978,304**	**43,075,924**	**76,054,228**
Liabilities			21,890,990	21,890,990
Investment contract liabilities	-	-	2,564,194	2,564,194
Trade payables	-	-	3,459,082	3,459,082
Other liabilities	-	-	-	-
Total financial liabilities	**-**	**-**	**27,914,266**	**27,914,266**

The fair value for financial assets and liabilities that are not carried at fair value were determined respectively as follows:

(i) **Cash**
Included in the balances of cash and cash equivalents are cash and balances with banks and short term placement. The carrying amount of cash and cash equivalents is a reasonable approximation of fair value.

(ii) **Loans and advances**
The estimated fair value of loans and advances represents the discounted amount of estimated future cashflows expected to be received. Expected future cashflows are discounted at the current market rate to determine the fair value.

(iii) **Trade receivables, Other Receivables, Reinsurance Assets (Excl. prepaid reinsurance), Trade payables and Other liabilities**
The estimated fair value of receivables and payables with no stated maturity which includes no interest payables and receivables is the amount repayable or received on demand. The carrying amounts are reasonable approximation of their fair values which are payable on demand.

(iv) **Investment contract liabilities**
Investment contracts are those that do not transfer significant insurance risk from the contract holder to the issuer. The carrying amount of investment contract liability is a reasonable approximation of fair value.

3.4 Management of insurance risk

The Company issues contracts that transfer insurance risk or financial risk or both. This section summarizes these risks and the way the Company manages them.

Insurance Risk
Insurance risk arises from accepting risks which turn out to be inappropriate or pricing the risks accepted inappropriately. The principal risk that the Company faces under its insurance contracts is that the actual claims and benefits payments 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 could vary from year to year from the level established using statistical techniques.

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.

General Insurance Contracts

(a) Frequency and severity of claims: The frequency and severity of claims can be affected by several factors. The most significant are the increasing level of awards for the damages suffered as a result of road accidents. The Company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling and investigations.

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 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.

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.

Company Life Reinsurance

The table below shows the Company life risk exposure by industry or sector in 2019. The table shows that the company's exposure is highly skewed towards Civil Service/Government agency followed by Estate Management/Insurance, Banking & Financial Institutions.

All amounts are in thousands of Naira unless otherwise stated

Industry/Sector	Before Reinsurance	Share of Gross	After Reinsurance	Share of net SA
Civil Service/Government Agency	241,999,824,227	18%	240,408,490,188	19%
Education, Research & Professional Institutions	28,122,248,392	2%	27,657,772,250	2%
Engineering & Construction	77,380,822,431	6%	70,125,391,152	5%
Estate Management/Insurance, banking & Financial Institutions	280,055,160,170	21%	274,717,029,305	21%
Foods & Beverages/Agro-allied	37,904,653,425	3%	36,921,548,824	3%
Health Service provider	17,588,281,802	1%	17,375,655,099	1%
Hotels and Resorts/catering services	10,653,473,759	1%	10,626,856,257	1%
Manufacturing	26,290,175,700	2%	25,013,640,718	2%
Marine & Aviation	23,088,800,951	2%	21,992,806,781	2%
Marketing & Consulting/Supplies & Trading/Courier Services	99,157,329,111	7%	96,258,868,134	7%
Others	51,992,685,362	4%	50,240,460,428	4%
NNPC	21,938,204,609	2%	21,938,204,609	2%
Oil & Gas	60,283,093,781	5%	46,842,252,319	4%
Radio & Television/ Electronics & Telecommunications	35,145,440,000	3%	33,793,649,038	3%
Religious institutions/NGO/Clubs& Associations	95,005,134,073	7%	93,923,216,729	7%
Security Personnel	217,181,311,829	16%	217,113,308,129	17%
	1,323,786,639,622	**100%**	**1,284,949,149,960**	**100%**

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

b) Sources of uncertainty in the estimation of future claim payments

Claims on general insurance contracts are payable on a claims-occurrence basis. The Company is liable for all insured events that occurred during the term of the contract. There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures they adopted. The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries.

The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The reserves held for these contracts comprises of a provision for IBNR, a provision for reported claims not yet paid and a provision for unearned premiums at the end of the reporting period.

c) Process used to decide on assumptions

General insurance contract liabilities: The discounted inflation adjusted chain ladder method (IABCL) was applied for reserving in respect of general insurance risk, with the exception of special risk policies reserved using the Expected Loss Ratio Approach. The discounted inflation adjusted chain ladder method (IABCL) method involves historical paid losses adjusted for inflation using the corresponding inflation index in each of the accident years to the year of valuation and then accumulated to their ultimate values for each accident year to obtain the projected outstanding claims. The projected outstanding claims are then further multiplied by the future inflation index from the year of valuation to the future.

The Expected Loss Ratio Approach was adopted for the special risk sub-category of general insurance risks due to the volume of data available being too small to be credible when using a statistical approach. Under this method, the ultimate claims is obtained by assuming loss ratio. Paid claims already emerged is then deducted for from the estimated ultimate claims.

The provision for outstanding claims, including IBNR, was determined for each line of business on both gross and net of reinsurance basis. A yearly cohort from year 2007 has been adopted in building the historical claims.

Year	Inflation index	Accumulated Inflation Index
2007	6.6%	319.2%
2008	15.1%	293.2%
2009	13.9%	241.6%
2010	11.8%	199.9%
2011	10.3%	168.3%
2012	12.0%	143.2%
2013	8.0%	117.2%
2014	8.3%	101.1%
2015	9.6%	85.7%
2016	18.5%	69.4%
2017	15.4%	43.0%
2018	11.3%	23.9%
2019	11.4%	11.4%
2020+	12.0%	

See note 22.4 for claims development tables

Key assumptions

The methods assumes that future claims follow a regression pattern from the historical data. Hence payment patterns will be broadly similar in each accident year. Thus the proportionate increase in the known cumulative payments from one development year to the next is used to calculate the expected cumulative payments for the future development periods.

- An implicit assumption of the chain ladder is that weighted past average inflation will remain unchanged in to the future.
- We assume gross claim amount includes all related claim expenses. If this is not the case, we will hold a separate reserve to cover claim expenses.
- The UPR is calculated on the assumption that risk will occur evenly during the duration of the policy.
- The BF method assumes past experience is not fully representative of the future.
- Historical average loss ratio under gross Special Risk is 26% and 6.5% is the proportion of recoveries to ceded premiums, we have assumed loss ratio of 50% and 20% respectively.

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

Life insurance contract liabilities- Individual risk business comprises whole life assurances, endowment assurances and term assurances of descriptions, including mortgage protection and credit life. For all individual risk business the gross premium method of valuation was adopted. Reserves were calculated via a cashflow projection approach, taking into account future office premium, expenses and benefit payments, including payments on surrender where applicable. Future cashflows were discounted back to the valuation date at the valuation rate of interest.
An unexpired premium reserve was included for Company life business, after allowing for acquisition expenses. Where required, an additional unexpired risk reserve is held for any inadequacies in the unexpired risk reserve for meeting claims in respect of the unexpired period. The claim rates underlying the determination of additional unexpired risk reserve were based on pooled historical scheme claims experience.

An allowance was made for incurred but not reported (IBNR) claims in company life to take care of delay in reporting claims. This was based on Chain Ladder method, where the company business was grouped into two classes - Public and Private Businesses. Historical claims were grouped into accident year cohorts-representing how they were paid after their accident year to form development triangles. For each accident year, paid claims were accumulated to the valuation date and projected into the future to obtain the expected ultimate claim arising for that year. This assumes the trends observed in the historical data will continue. The gross claim reserve is calculated as the difference between the estimated ultimate claims and the accumulated paid claims. For the later years where the cohorts are underdeveloped or has less than expected claims, the Bornheutter Ferguson (BF) method was used to estimate the ultimate claims. The appropriate loss ratio used in estimating the BF ultimate claim was the average of fully developed historical years.

Key assumptions

Material judgment is required in determining the liabilities and, in particular, in the choice of assumptions. Assumptions in use are based on past experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable reserves are set aside to meet liabilities.

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

(i) Sensitivity analysis on insurance contract liabilities

The analysis which follows is performed for reasonably possible movements in key assumptions with all other assumptions held constant, and shows the impact on gross and net liabilities, profit before tax and equity. 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, the assumptions had to be changed on an individual basis.

It should be noted that movements in these assumptions are non-linear. Sensitivity information will also vary according to the current economic assumptions, mainly due to the impact of changes to both the intrinsic cost and time value of options and guarantees. When options and guarantees exist, they are the main reason for the asymmetry of sensitivities.

Sensitivities were not applied to the Reinsurance for individual life business as its value is immaterial. Also, Mortality sensitivity tests were applied in the opposite direction for the annuity business. These are as shown below:

Life insurance contract liabilities

N'000m	Base	Interest rate +1%	Interest rate -1%	Expenses +10%	Expenses -10%	Expense Inflation +2%	Expense Inflation -2%	Lapses +10%	Lapses -10%	Mortality +5%	Mortality -5%
Investment Linked Plans - Fund Balance	17,088,550	17,088,550	17,088,550	17,088,550	17,088,550	17,088,550	17,088,550	17,088,550	17,088,550	17,088,550	17,088,550
Investment Linked Plans - Risk Reserve	167,328	164,517	170,294	186,404	148,691	174,323	161,036	167,328	167,328	168,658	166,003
Traditional Plans (excluding Annuity)	3,884,533	3,796,798	3,984,655	3,923,459	3,845,959	3,899,917	3,870,827	3,860,078	3,910,781	3,932,730	3,835,817
Annuity	220,436,034	209,436,964	232,574,882	220,856,608	220,015,460	221,233,886	219,805,915	220,436,034	220,436,034	221,625,508	219,276,667
Group DA	9,707,662	9,707,662	9,707,662	9,707,662	9,707,662	9,707,662	9,707,662	9,707,662	9,707,662	9,707,662	9,707,662
Group Life – UPR	1,687,347	1,687,347	1,687,347	1,687,347	1,687,347	1,687,347	1,687,347	1,687,347	1,687,347	1,687,347	1,687,347
Group Life – IBNR	1,308,642	1,308,642	1,308,642	1,308,642	1,308,642	1,308,642	1,308,642	1,308,642	1,308,642	1,308,642	1,308,642
Other Group Risk	25,693	25,588	25,800	26,791	24,604	25,827	25,559	25,616	25,770	26,322	25,079
Outstanding Claims	2,516,571	2,516,571	2,516,571	2,516,571	2,516,571	2,516,571	2,516,571	2,516,571	2,516,571	2,516,571	2,516,571
Additional reserves	34,212	34,212	34,212	34,212	34,212	34,212	34,212	34,212	34,212	34,212	34,212
Reinsurance	(363,717)	(363,717)	(363,717)	(363,717)	(363,717)	(363,717)	(363,717)	(363,717)	(363,717)	(363,717)	(363,717)
Net liability	**256,492,853**	**245,403,133**	**268,734,898**	**256,013,981**	**256,013,981**	**257,313,220**	**255,842,604**	**256,468,323**	**256,519,179**	**257,732,484**	**255,282,832**
% Change in net liability	**-**	**-4.32%**	**4.77%**	**0.19%**	**-0.19%**	**0.32%**	**-0.25%**	**-0.01%**	**-0.01%**	**0.48%**	**-0.47%**
Summary	**Base**	**Interest rate +1%**	**Interest rate -1%**	**Expense +10%**	**Expense -10%**	**Expense Inflation +1%**	**Expense Inflation -1%**	**Lapse +20%**	**Lapse -20%**	**Mortality +1%**	**Mortality -1%**
Individual	241,841,761	230,752,146	254,083,698	242,320,339	241,363,978	242,661,994	241,191,646	241,817,307	241,868,010	243,080,763	240,632,354
Group	14,651,092	14,650,987	14,651,199	14,652,191	14,650,003	14,651,227	14,650,959	14,651,016	14,651,169	14,651,722	14,650,478
Net liability	**256,492,853**	**245,403,133**	**268,734,898**	**256,972,529**	**256,013,981**	**257,313,220**	**255,842,604**	**256,468,323**	**256,519,179**	**257,732,484**	**255,282,832**
% change in liability	-	-4.32%	4.77%	0.19%	-0.19%	0.32%	-0.25%		-0.01%	0.48%	-0.47%

---The mortality stress has been applied in the opposite direction for annuities. For example the 5% strengthening of the mortality assumption was modelled as 5% lighter mortality for annuitants.
---All stresses were applied independently
--- All stresses were applied independently

(All amounts in thousands of Nigerian Naira)

(b) General insurance contract liabilities

Class of business	Base	5% Development Ratio	-5% Development Ratio	1% Inflation Rate	-1% Inflation Rate	1% Discount Rate	-1% Discount Rate
General Accident	1,057,128,163	1,061,812,824	1,053,181,098	1,066,341,345	1,047,981,571	1,049,232,671	1,065,207,866
Engineering	500,873,684	503,378,642	497,898,549	504,708,048	497,051,131	497,969,575	503,829,567
Fire	2,240,883,588	2,269,943,925	2,206,574,244	2,251,942,195	2,229,864,210	2,227,244,756	2,254,773,189
Marine	1,269,657,002	1,276,622,936	1,259,867,172	1,276,558,078	1,262,772,120	1,262,776,431	1,276,654,463
Motor	1,450,113,088	1,496,528,008	1,406,816,108	1,463,866,741	1,436,421,950	1,441,227,231	1,459,177,800
Agric	209,634,812	231,812,593	187,457,031	209,634,812	209,634,812	209,634,812	209,634,812
Bond	642,662,511	660,436,653	634,110,480	648,502,665	636,824,666	639,730,615	645,635,551
Special Risks	50,647,006,401	50,660,285,681	50,632,168,918	50,819,762,915	50,475,232,953	50,294,213,624	51,007,265,705
Total	58,017,959,249	58,160,821,263	57,878,073,600	58,241,316,800	57,795,783,413	57,622,029,714	58,422,178,954
Account outstanding	44,723,650,216	44,723,650,216	44,723,650,216	44,723,650,216	44,723,650,216	44,723,650,216	44,723,650,216
Difference	13,294,309,033	13,437,171,048	13,154,423,382	13,517,666,584	13,072,133,197	12,898,379,498	13,698,528,739
Percentage change		0.25%	-0.24%	0.39%	-0.38%	-0.68%	0.70%

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

The key assumptions to which the estimation of liabilities is particularly sensitive to are as follows:

Mortality and morbidity rates

Our assumptions are based on standard industry and national tables, according to the type of contract written . They are adjusted when appropriate to reflect historical experience of the portfolio.

An appropriate, but not excessive prudent allowance is made for expected future improvements.

An increase in rates on products other than life annuities will lead to a larger number of expected claims (and claims could occur sooner than anticipated), which will increase the reserve and reduce reported profits for the shareholders. For Life annuities, the converse will be true.

Longevity

Our assumptions are based on standard industry and national tables, according to the type of contract written . They are adjusted when appropriate to reflect historical experience of the portfolio.

An appropriate, but not excessive prudent allowance is made for expected future improvements.

An increase in longevity rates will lead to an increase in the expected number of annuity payments to be made, which will increase the reserve and reduce reported profits for the shareholders.

Investment return

The actual yield curve is derived from the spot rates of the FGN fixed income securities as provided by FMDQ. These rates are based on current market returns as well as expectations about future economic and financial developments.

An increase in investment return would lead to a reduction in reserves and an increase in reported profits for the shareholders.

Expenses

Operating expense assumption reflects the projected costs of maintaining and servicing in–force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.

An increase in the level of expenses would result in an increase in expected expenditure thereby reducing reported profits for the shareholders.

Lapses and surrender rates

Lapses relate to the termination of risk policies due to non–payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Company's experience and vary by product type.

Usually, an increase in lapse rates early in the life of the policy would tend to reduce profits for shareholders to the unrecouped initial expenses.

Life insurance liabilities are determined as the sum of the discounted value of the expected future benefits and future administration expenses directly related to the contract, less the discounted value of the expected future premiums from the contract. Discount rates are based on the risk free rate at different tenors plus an adjustment for risk.

A decrease in the discount rate will increase the value of the insurance liability and therefore reduce profits for the shareholders with the exception of a perfectly matched annuity portfolio where both assets and liabilities will increase by the same magnitude.

The following table outlines the general form of terms and conditions that apply to contracts sold in each category of business, and the nature of the risk incurred by the Company.

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

	Name	Features
1	Leadway Immediate Annuity Plan	Designed to help with the cost of retirement by providing a guaranteed income for the rest of the policyholder's life. The annual payments can be made monthly, quarterly or annually. During the stated guarantee period, the annuity payments will continue whether the annuitant is alive or not. If the annuitant dies before the end of the guarantee period the present value of the outstanding payment due within the guarantee period shall be payable in a lump sum to the name beneficiary or to the estate of the annuitant under probate.
2	Annuity certain	Policyholder buys into this product and pays a lump-sum premium. The policyholder in turn receives pre-defined payments throughout the term of the policy. If the policyholder dies within the annuity period, the balance in the annuity is payable to the beneficiary, but if he survives the annuitant (policy holder) gets the annuity.
3	Education Protection Plan	The policy covers payment of fees for the named beneficiary children or ward whilst in school or college in the event of death, total permanent disablement (optional cover) or critical illness (optional cover) of the named parent and/or Policyholder. The policy has a minimum term of one year and has options for Level Benefit and Decereasing benefit. The benefit shall be payable to the named school through the named legal guardian for the unexpired school years as stated in the schedule.
4	Family Benefit Plan	A whole Life Assurance product that pays sum assured on death of policyholder or any of the parents or spouse insured. - Policy terminates on first death. - Additonal grocery voucher of N25,000 on death of any member and a family support benefit payable for 6 months in installments of N20,000 on death of policyholder.
5	Family Benefit Plan Plus	A Whole Life Assurance that pays sum assured on death of each of the members covered by the policy Policy terminates on the death of the policyholder. Additonal grocery voucher of N25,000 on death of any member and a family support benefit of N20,000 payable for 6 months on death of policyholder.
6	Company life	Sum assured is payable in the event of death of a member while in the service of the employer and before retirement. Refund of premium: in the event that the life assured is terminated before the normal retirement date from any cause other than death, the Company will pay to the employer a rebate in respect of the relative premium proportionate to the unexpired portion of the then current year of assurance. Premium rates are annually renewable. Leadway has the right to charge extra premiums on medical grounds.
7	Credit Life	Credit Life Protection that pays outstanding loan amount on death. There are disability and job loss riders.
8	Personal Loan Protection Plan	Credit Life Protection that pays outstanding loan amount on Death. It has PTD and Job Loss Covers.
9	Term Assurance	The Term Assurance product pays out a lump sum if death (or any the insured event) occurs during the period of cover.
10	Mortgage Protection Plan	Credit Life Protection that pays outstanding loan amount on death. It also has optional CIC, 12 months Job loss and PTD riders.
11	REN Credit Life	Credit Life Protection that pays outstanding loan amount on Death. It has PTD , Critical Illness and 6 months Job Loss cover.
12	RSL Credit Life Insurance	Credit Life Protection that pays outstanding loan amount on Death. It has PTD , Critical Illness and 6 months Job Loss cover.
13	Vehicle Loan Protection Plan	Credit Life Protection that pays outstanding loan amount on Death. It has PTD , Critical Illness and 6 months Job Loss cover.
14	Heritage Credit Life Protection	Credit Life Protection that pays outstanding loan amount on Death. It has PTD and 6 months Job Loss cover

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

	Name	Features
15	BORSTAL MFB Credit LIfe Protection	Credit Life Protection that pays outstanding loan amount on Death. It has PTD and 3 months Job Loss cover.
16	CRUTECH MFB Credit LIfe Protection	Credit Life Protection that pays outstanding loan amount on Death. It has PTD, Critical Illness and 3 months Job Loss cover.
17	EcoBank Credit Life Protection	Credit Life Protection that pays outstanding loan amount on Death and PTD. It has 6 months job loss cover.
18	MICROCRED MFB Credit LIfe Protection	Credit Life Protection that pays outstanding loan amount on death, critical illness and Permanent Disablility. Outstanding loan less terminal benefit is paid on job loss. Minimum term is 1 year.
19	WEMA Credit Protection	Credit Life Protection that pays outstanding loan amount on Death, critical illness and Permanent Total Disablility.
20	Heritage Personal Protection Plan	Credit Life Protection that pays outstanding loan amount on Death.
21	Small and Medium Enterprise	Credit Life Protection that pays outstanding loan amount on Death. It has PTD and 6 months job loss cover.
22	Credit Card Protection	Credit Life Protection that pays outstanding loan amount on Death or named Critical Illness.
23	GTB Credit Life protection	Credit Life Protection that pays outstanding loan amount on death.
24	Personal Credit Loan	Credit Life Protection that pays outstanding loan amount on Death and PTD. It has 6 months job loss cover.
25	Term Loan Protection Plan	Credit Life Protection that pays outstanding loan amount with one month Job loss.
26	Company Credit Life	Credit Life Protection that pays outstanding loan amount on Death or Critical Illness or PTD. It has 6 months Job Loss also.
27	Company Mortgage Protection	Credit Life Protection that pays outstanding loan amount on Death. It has PTD or 12 months Job Loss cover.
28	Private Health Plan	One year renewable term assurance with sum assurance payable on death. PTD benefit is payable if specified by the policyholder.
29	Education Target Plan	Payment of Sum Assured (Target amount) upon Death or Maturity, whichever comes earlier. Policy terminates after payment of any benefit. Critical Illness, Accidental, Total and Permanent disability are optional riders and attract additional premium.
30	Leadway Target Plan	Payment of Sum Assured (Target amount) upon Death or Maturity, whichever comes earlier. Policy terminates after payment of any benefit. Critical Illness, Accidental, Total and Permanent disability are optional riders and attract additional premium.
31	Leadway Lifestyle Protection Plan	Leadway Lifestyle Protection is a life assurance plan that provides you with a life cover and also optionally protects you against Critical Illness, Permanent Total Disability and Job Loss. The product pays a sum assured on occurrence of the insured risks within the policy term. The minimum policy term is one year. For having consecutive claim-free years, you receive a cash-back payment which is a rate on the premiums paid in the year.

Investment contract liabilities

The following table outlines the deposit based (DA) products)

	Name	Features
1	Deferred annuity plan	This product meets protection and savings needs of a policyholder towards funding an annuity pension at retirement. Contributions from policy holder are to be invested in a fund. The accumulated return on the investment as well as the invested amount is due on maturity. Payment of Sum Assured + Savings account balance upon death. Minimum policy term is 3 years. On choosing critical illness and/or PTD riders, payment of sum assured on the riders + Savings account balance in the event of claim.
	Name	**Features**
2	Leadway Investment Plan	Single Premium endowment assurance that pays the higher of "Invested single premium plus an additional 20% of invested Single Premium" and "Accumulated value of single premium" on death or maturity. The 20% of Single Premium is subject to a maximum death risk benefit of N5 million. On Maturity, the guaranted accumulated value of the premium is paid. A guaranteed amount (known at inception) is paid upon maturity of the investment. Policyholders can avail additional Life Cover, Critical illness and PTD cover.
3	Personal Savings Plan	Deposit Based Savings. Death benefit is sum assured + savings account balance upon death.
4	Education Target Plan	Payment of Sum Assured + Savings account balance upon death, Minimum policy term is 3 years, on choosing critical illness and/or PTD riders, payment of sum assured on the riders.
5	Leadway Savings Plan	Payment of Sum Assured + Savings account balance upon death. At maturity, account deposit balance is paid. On choosing critical illness and/or PTD riders, payment of sum assured on the riders + Savings account balance in the event of claim.
6	Custodian	Deposit based savings, Risk component is the outstanding premium payable. It is thus a decreasing term assurance with start sum assured equal to contracted total premium. Risk benefit is funded by the Nil and partial allocations on the premiums. The structure for Nil and Partial allocation. Year 1- 75% allocation.Year 2 to year 4 - 90% allocation.Year 6 afterwards- 97% allocation. The product is running off.
7	Individual Deposit Admin	The life cover granted during the policy shall be future unpaid premiums up to cessation date provided the policy is in force. This policy has nil allocation between 4 months to 8 months during which the overhead cost of the Company are met.If term assurance is not opted for, 100% premium will be transferred to the policyholder's account for investment purpose. When policyholder dies, the balance in the policyholder's account plus total premium due after death and before maturity is payable to the beneficiary. If the policyholder surrenders or terminates the policy; the balance in the policyholder's account is payable. On maturity, accumulated balance in the policy holder's account is paid or instalment payment of the maturity benefit through the period of child's education.
8	Pearl	Deposit based savings. No risk cover.The product is running off. No new business.

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

9	Company Deposit Admin	Guaranteed interest (renewable annually) on all deposits received from employer. Contribution to the fund can be on individual basis or on pool basis. If a member leaves the service of the employer before normal retirement date, accrued benefit up to withdrawal date in respect of employee's and employer's contribution shall be paid to the member. Pension option: In the event of the benefit becoming payable; it could be applied in whole or in part to secure a Pension. This pension is payable at equal intervals to the member until he dies , however the payment is guaranteed for a predefined period. If a member leaves the service of the employer before normal retirement date, accrued benefit up to withdrawal date in respect of employee's and employer's contribution shall be paid to the member. If a member dies before the expiration of the guaranteed period a cash sum shall be payable.

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

4 Critical accounting estimates and judgement.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

These disclosures supplement the commentary on enterprise risk management (see note 3). Estimates where management has applied judgements are:

(a) Ultimate liability arising from claims made under insurance contracts
(b) Determination of fair value of level 3 financial instruments (unquoted equities)
(c) Assessment of impairment of goodwill on acquired subsidiaries

(a) The ultimate liability arising from claims made under insurance contracts

The estimation of the ultimate liability arising from claims made under insurance contracts is one of the Company's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Company will ultimately pay for such claims.

The ultimate cost of outstanding claims is estimated by using a standard actuarial claims projection techniques called the Basic Chain Ladder (BCL).

The main assumption underlying these technique is that the Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, this method extrapolates the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years and the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgment is used to assess the extent to which past trends may not apply in future, (for example to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims, inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

See note 3.4 (i) for sensitivity analysis on insurance contract liabilities.

(b) Determination of fair value of level 3 financial instruments (Unquoted equities)

Investments in unquoted equity securities that are classified as equity securities at fair value available for sale financial instrument in line with the accounting policies as set out in note 2.6 of the statement of significant accounting policies. See note 3.4 for the valuation methodology for the determining the fair value.

(c) Assessment of impairment of goodwill on acquired subsidiary

Leadway Assurance owns 99.9% of the shareholdings of Leadway Vie, goodwill was recognised upon acquisition of the subsidiary. The goodwill amount was tested for impairment using discounted cash flow valuation method at year end. Projected cash flows were discounted to present value using a discount rate of 11.1%, a first year revenue growth of 100% and subsequent average revenue growth rate of 7.7% over a period of 4 years. The Company determined the appropriate discount rate at the end of the reporting period. See note 17 for further details.

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

5 Non current assets distributed and discontinued operations

Pursuant to the approval of the shareholders at the Annual General Meeting of Leadway Assurance Company Limited held in May 2018, the Company distributed all of its holdings in Leadway Pensure PFA Limited; Leadway Hotels Limited, Leadway Capital & Trusts Limited and Leadway Properties & Investments Limited to the shareholders of the company as at that date and this was effected immediately.

The approval to distribute Non-insurance subsidiaries and the actual distribution was concluded in the same year, Consequently all the related assets and liabilities relating to the subsidiaries above have been derecognised in these financial statements. An analysis of the residual impact of this "discontinued operations" is summarised below:

a. Analysis of the result of discontinued operations

	Company 31-Dec-19	Company 31-Dec-18
Revenue	-	-
Expenses	-	-
Profit before tax of discontinued operations	**-**	**-**
Tax	-	-
Profit for the year from discontinued operations	**-**	**-**

b. Gain on Assets Distributed and Loss on Discontinued Operations

The loss/gain on distribution of the company's Non-current assets is analysed below:

	Company 31-Dec-19	Company 31-Dec-18
- Carrying value of assets	-	3,637,495
- Fair value remeasurement adjustment	-	2,931,805
Fair value of assets distributed	**-**	**6,569,300**
Less:		
Net assets of subsidiaries distributed		
Goodwill on subsidiaries disposed		
Profit recorded by the subsidiaries during the period		
Reversal of fair value reserves		
Reversal of treasury shares		
Cost of investments in subsidiaries disposed		
NCI on subsidiaries disposed	-	3,637,495
(Loss)/ Gain on Assets Distributed	**-**	**2,931,805**

c. Cashflow (used in)/from discontinuing operations

	Company 31-Dec-19	Company 31-Dec-18
Net cash used in operating activities	-	(216,539)
Net cash (used in)/from investing activities	-	(1,243,315)
Net cash used in financing activities	-	-

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

6 Cash and cash equivalents

	Company 31-Dec-19	Company 31-Dec-18
Cash on hand	5,886	3,241
Cash at bank	5,422,978	5,641,627
Tenored deposits	20,781,743	27,333,436
	26,210,607	**32,978,304**

Tenored deposits are made up of placements with banks and other financial institutions with less than 3 months maturity from the date of acquisition. The carrying amounts disclosed above reasonably approximates fair value at the reporting date.

7 Trade receivables

(a) Trade receivable comprises the following:

	Company 31-Dec-19	Company 31-Dec-18
General Insurance receivables	97,595	381,436
Life Insurance receivables	4,864	14,149
	102,459	**395,585**
Insurance receivable is analysed as follows:		
Due from Contract holders		
Due from Brokers	-	-
Due from Agents	102,459	395,585
Due from Insurance companies	-	-
	-	-
	102,459	395,585
Current		
	102,459	395,585

(b) The age analysis of gross insurance receivables as at the end of the year is as follows:

	Company 31-Dec-19	Company 31-Dec-18
Analysis of premium debtors in days		
0 - 30 days	**102,459**	**395,585**

8 Investment securities:

The Company's investment securities are summarised below by measurement category in the table below:

	Company 31-Dec-19	Company 31-Dec-18
Financial assets at fair value through profit or loss (see note 8.1 below)	238,425,827	156,009,761
Available for sale (see note 8.2 below)	62,200,278	53,279,959
	300,626,105	**209,289,720**
Current	3,370,650	6,286,937
Non Current	297,255,455	203,002,783
	300,626,105	**209,289,720**

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

The assets comprised in each of the categories above are detailed in the tables below:

8.1 Financial assets at fair value through profit or loss

	Company 31-Dec-19	Company 31-Dec-18
Designated at fair value through profit or loss		
Debt securities:		
- Listed	**235,720,995**	**153,254,493**
Held for trading		
Equity securities:		
- Listed	**2,704,832**	**2,755,268**
Total financial assets at fair value through profit or loss	**238,425,827**	**156,009,761**
Current	2,704,832	2,722,267
Non Current	235,720,995	153,287,494
	238,425,827	**156,009,761**

Movement in financial assets at fair value through profit or loss

	Company 31-Dec-19	Company 31-Dec-18
Opening balance	156,009,761	129,997,627
Additions	92,148,721	53,566,530
Disposals	(43,953,156)	(15,592,212)
Distribution of subsidiaries	-	-
Accrued Interest on bonds	24,944,542	19,638,174
Interest received	(24,374,217)	(19,379,727)
Fair value changes	33,650,175	(12,220,631)
Closing balance	**238,425,827**	**156,009,761**

8.2 Available for sale financial assets

Certain unquoted investment securities listed below for which fair values could not be reliably estimated have been carried at cost less impairment. There are no active markets for these equity instruments, fair value information are therefore not available making it impracticable for the company to fair value these investments. The company does not intend to dispose any of these investments within the next financial year.

	Company 31-Dec-19	Company 31-Dec-18
Equity securities at fair value	15,487,864	10,873,826
- Listed	5,706,378	8,144,914
- Unlisted (see note a(I) below)		
Equity securities at cost	480,000	1,559,679
- Unlisted (see note a(ii) below)		
Debt securities:	41,030,996	33,206,500
- Listed	62,705,238	53,784,919
Less: allowance for impairment loss (see note (b) below)	(504,960)	(504,960)
Total available for sale financial assets	**62,200,278**	**53,279,959**
Current	665,818	3,564,670
Non Current	61,534,460	49,715,289
	62,200,278	**53,279,959**

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

a (i) Analysis of unlisted available for sale financial assets:

		Company 31-Dec-19	Company 31-Dec-18
At fair value			
Africa Finance Corporation		1,186,757	1,058,169
African Reinsurance Company Limited		1,496,056	1,678,105
Capital Bancorp		156,197	153,098
Food Concept Limited		7,000	6,600
Lekky Budget Limited		37,038	33,945
Mainstreet Technologies		339,285	151,999
Energy and Allied Insurance pool of Nigeria		310,969	221,405
MTN (reclassified to listed equities)		-	1,187,962
Oakwood Park Limited		-	33,593
West African Milk Company Limited		49,514	67,072
JDI investment company Ltd		23,866	47,319
Nigeria Liability Insurance Pool		94,180	74,488
Lagos Building Investment Company Ltd		104,603	56,159
Central Security Clearing System		-	3,375,000
Verod Capital Management Ltd (see a(ii) below)		1,900,912	
	A	5,706,378	**8,144,914**

a (ii) *At cost*

MotorWays Assets Limited		480,000	480,000
Verod Capital Management Ltd		-	1,079,679
	B	**480,000**	**1,559,679**
Less: Specific allowance for impairment (unquoted equity securities)	**C**	(504,960)	(504,960)
Total unlisted equities (A+B +C)		**5,681,418**	**9,199,633**
Fair value movement			
Verod Capital Management			
Opening balance		1,079,679	-
Addition		465,142	-
Fair value adjustment		356,091	-
Closing balance		**1,900,912**	**-**

(b) The movement in the allowance for impairment losses on available for sale unquoted equities is as follows:

	Company 31-Dec-19	Company 31-Dec-18
Balance, beginning of year	504,960	504,960
Charge for the year	-	-
Write off	-	-
Balance, end of year	**504,960**	**504,960**

(c) **Movement in Available for sale assets:**

	Company 31-Dec-19	Company 31-Dec-18
Opening balance	53,279,959	17,007,767
Additions	43,766,851	11,649,449
Reclasification to AFS from HTM	-	27,547,995
Reclasification from AFS to Deposit for share**	(641,462)	-
Disposals	(35,732,013)	(620,942)
Distribution of subsidiaries		-
Acquired from subsidiary	-	-
Fair value changes	1,108,232	(2,745,484)
Exchange gains	(6,158)	441,173
Interest received	(3,228,577)	-
Impairment	-	-
Accrued Interest on bonds & treasury bill	3,929,282	-
Closing balance	**62,476,114**	**53,279,959**

***A Togo Bond was reclassified from AFS to Deposit for Shares during the year as part of Capital Injection to our Subsidiary in Cote d'Ivoire. The transfer was completed in January 2020*

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

9 Reinsurance assets

	Company 31-Dec-19	Company 31-Dec-18
Prepaid reinsurance	3,193,766	3,127,725
Reinsurance recoverable	35,352,553	40,492,413
Due from reinsurers	492,135	68,750
	39,038,453	43,688,887

		Company 31-Dec-19	Company 31-Dec-18
(a)	Prepaid reinsurance - General business	3,090,180	2,930,656
	Prepaid reinsurance - Life Business	103,585	197,069
		3,193,766	**3,127,725**
	See note (i) below for movement		
(b)	Reinsurance recoverable General business	35,092,421	39,665,977
	Reinsurance recoverable Life business	260,131	826,435
		35,352,553	**40,492,413**
	See note (ii) below for movement		
(c)	Due from reinsurers General business	492,135	39,738
	Due from reinsurers Life business	-	29,012
		492,135	**68,750**
	Total Reinsurance Assets	**39,038,453**	**43,688,887**
	Current	39,038,453	43,688,887
	Non-current	-	-
		39,038,453	**43,688,887**

(i) The movement in prepaid reinsurance is as follows:

	Company 31-Dec-19	Company 31-Dec-18
Balance, beginning of the year	3,127,725	3,784,319
Reinsurance Ceeded during the year	18,022,240	15,958,761
Reinsurance Expense during the year (see note 27)	(17,956,199)	(16,615,355)
Balance, end of year	**3,193,766**	**3,127,725**

General Insurance	Company 31-Dec-19	Company 31-Dec-18
Balance, beginning of the year	2,930,656	3,321,651
Reinsurance Ceeded during the year	17,553,188	15,099,934
Reinsurance Expense during the year	(17,393,664)	(15,490,929)
Balance, end of year	**3,090,180**	**2,930,656**

Life	Company 31-Dec-19	Company 31-Dec-18
Balance, beginning of the year	197,069	462,668
Reinsurance Ceeded during the year	469,052	858,827
Reinsurance Expense during the year	(562,535)	(1,124,426)
Balance, end of year	**103,585**	**197,069**

(ii) The movement in reinsurance recoverable is as follows:

	Company 31-Dec-19	Company 31-Dec-18
Balance, beginning of the year	40,492,413	31,404,741
Decrease/increase during the year (see note 29)	(5,139,860)	9,087,671
Balance, end of year	**35,352,553**	**40,492,413**

General Insurance

Balance, beginning of the year	39,665,977	30,598,261
Decrease/increase during the year (see note 29)	(4,573,556)	9,067,716
Balance, end of year	**35,092,421**	39,665,977

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

Life

Balance, beginning of the year	826,435	806,480
Decrease/increase during the year (see note 29)	(566,304)	19,955
Balance, end of year	**260,131**	**826,435**

10 Deferred acquisition costs

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

	Company 31-Dec-19	Company 31-Dec-18
Motor	168,875	141,793
Fire	159,882	161,207
General accident	79,744	61,941
Agric	22,554	32,872
Marine	146,158	129,044
Bond	4,834	3,334
Engineering and Special Risk	243,320	320,878
	825,367	**851,069**

i. The movement in deferred acquisition costs is as follows:

	Company 31-Dec-19	Company 31-Dec-18
Balance, beginning of year	851,069	548,797
Cost incurred during the year	2,827,756	1,783,496
Amortisation for the year (see(ii) below)	(2,853,458)	(1,481,224)
Balance, end of year	**825,367**	**851,069**

ii. Analysis of amortization for the year is as follows:

	Company 31-Dec-19	Company 31-Dec-18
Acquisition cost during the year	2,827,756	1,783,496
Increase/(decrease) in deferred acquisition cost during the year	25,702	(302,272)
Balance, end of year	**2,853,458**	**1,481,224**
Current	825,367	851,069
	825,367	**851,069**

11 Other receivables and prepayments

	Company 31-Dec-19	Company 31-Dec-18
Financial assets:		
Accrued interest on statutory deposits	14,439	11,574
Rental income receivable	490,278	539,594
Dividend receivable	217,793	232,784
Receivable from Leadway Holdco & Leadway	130,338	32,440
VIE (see note "I")		
	852,848	**816,392**
Non financial assets:		
Prepayment (see note "ii" below)	185,128	151,980
Deposit for shares (see note "a" below)	943,462	302,000
Receivable on Claims settled on behalf of Co - Insurers	103,640	111,628
Deposit for purchase of foreign currency	-	104,027
Deposit for purchase of Assets	-	20,413
Sundry debtors (See note "iii" below)	284,279	147,958
	1,516,509	**838,006**
Gross other receivables	**2,369,357**	**1,654,398**
Less: Impairment allowance on:		
Financial asset		
Rental income receivable	(64,851)	(64,851)
Dividend receivable	(27,928)	(27,928)
Receivable from related parties	-	-
Total Impairment losses on Financial assets	**(92,779)**	**(92,779)**
Non-Financial Assets		
Deposit for shares	(22,000)	(22,000)
Sundry debtors	(122,017)	(122,017)
Total Impairment losses on Non- Financial assets	**(144,017)**	**(144,017)**

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

Total Impairment on Financial and Non Financial Assets	(236,796)	(236,796)
Net other receivables	**2,132,561**	**1,417,602**
Current	2,118,122	1,373,588
Non Current	14,439	44,014
	2,132,561	**1,417,602**

i. The amount due from Leadway Holdco & Subdiaries includes Technical Service fees due from Holdco.
ii. Prepayment relates to our advance payments on expenses like rent, advertisement and others
iii. Sundry Debtors represents claims due from co-insurers and payment due from Asset Management Company on our investment application.

a. Deposit for shares relates to payments made for the acquisition of shares in unquoted companies which had not been allotted as at 31 December 2019. Detail is shown below.

	Company's name	31-Dec-19	31-Dec-18	Nature of business
i	FBS Reinsurance Limited	280,000	280,000	Underwriting of risk
ii	MV Exchange	22,000	22,000	E- commerce
iii	Leadway Vie (reclassified from Financial Assets)	641,462	-	
	Total	**943,462**	**302,000**	

The movement in deposit for shares is as follows:	Company 31-Dec-19	Company 31-Dec-18
Balance, beginning of year	302,000	2,716,198
Addition	641,462	-
Transfer to Investment in subsidiary upon allotment of Leadway Vie's equity	-	(2,153,425)
Expenses incurred on Acquisition of subsidiary	-	(14,351)
Refund of unutilized deposit	-	(246,422)
Transfer to Equity investments on allotment of shares	-	-
Balance, end of year	**943,462**	**302,000**

The addition to deposit represents the carrying value of the Togo bond which was transferred to Leadway Vie as additional investment but was classified as deposit for shares as at year end pending the issue of shares.

b. The movement in allowance for impairment of other receivable is as follows:

	Company 31-Dec-19	Company 31-Dec-18
Balance, beginning of year	236,796	236,796
Charge for the year (see note 36)	-	
Charge for the year on discontinued operations		
Distribution of subsidiary	-	-
Write off	-	-
Balance, end of year	**236,796**	**236,796**

12 Loans and Advances

	Company 31-Dec-19	Company 31-Dec-18
Gross		
Commercial loans	1,229,744	1,314,822
Staff loans	70,487	87,824
Agency loan	47,430	33,270
Loan to policy holders	411,591	310,656
Advance under finance lease	-	-
	1,759,252	**1,746,572**
Current	643,574	778,835
Non Current	1,115,678	967,737
	1,759,252	**1,746,572**
Specific Impairment allowance on:		
- Commercial loans	(288,992)	(283,933)
- Staff Loans	(660)	(533)
- Agency loans	(1,731)	(1,720)
- Mortgage loan	-	-
- Policy holders loans	(33,371)	(22,656)
Collective Impairment - Loans	(31,703)	(42,166)
	(356,457)	**(351,008)**
Net Loans and advances	**1,402,795**	**1,395,564**

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

(i) The movement in allowance for impairment of loans is as follows:

	Company 31-Dec-19	Company 31-Dec-18
Balance, beginning of year (a)	351,008	373,789
Charge/ (credit) for the year : (see note 36)		
- Commercial loans	(2,034)	(34,371)
- Staff Loans	185	486
Mortgage loans		
- Agency loans	222	980
- Policy holders loans	7,077	10,125
Advance under finance lease	-	-
Charge to discontinued operations		
Write off :	-	-
- Staff Loans		
- Agency loans	-	-
- Policy holders loans	-	-
Derecognition of distributed subsidiaries	-	-
Subtotal (b)	**5,450**	**(22,781)**
Balance, end of year (a+b)	**356,457**	**351,008**

Collective impairment was recorded for all loans and advances which are not specifically impaired in recognition of the credit risk inherent in all loans

(ii) Movement in loans and advances is as follows:

	Company 31-Dec-19	Company 31-Dec-18
Balance beginning of year	1,395,564	1,065,407
Additional loans granted	508,760	853,120
Loan repayment received	(616,160)	(630,072)
Accrued interests	162,304	154,337
Interests received	-	(70,009)
Impairment writeback/ (charge)	(5,450)	22,781
Reclassification to bad debt	(42,222)	
Derecognition of distributed subsidiaries	-	-
Balance end of year	**1,402,795**	**1,395,564**

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

(i)Fair values of land and buildings

On a determined basis, the Company engages the services of external, independent and qualified valuers to determine the fair value of the company's land and buildings. As at 31 December 2019, the fair values of the land and buildings have been determined by Diya Fatimilehin & Co., Estate Surveyor and Valuers (FRC/2013/NIESV/00000002773). See note 13.4b for the analysis of the fair valuation method used for land and building.

Consequent to the revaluation of the Company's land and buildings at 31 December 2019, the accumulated depreciation at that date was eliminated against the gross carrying amount of the properties and the net amount restated to the revalued amount.

(ii)The Company had no capital commitments as at the balance sheet date (31 December 2019: Nil).

(iii)No borrowing cost was capitalised as borrowing liability does not relate to purchase of property and equipment.

(iv)The company did not recognise any lease liability for the period as management has determined that there is no economic incentive that will significantly influence or reasonably ascertain renewals of any of it's leased rental properties

13.2 Company - 2019

	Land	Building	Office equipment	Computer equipment	Furniture & fittings	Motor vehicles	Capital Work In Progress	Right of Asset Use	Total
Cost or valuation									
Balance, beginning of year	518,692	1,738,075	607,154	1,210,857	531,994	1,372,083	470,136	-	6,448,991
Additions	-		60,984	62,187	16,700	281,833	777,493	191,040	1,390,236
Revaluation surplus/(deficit)	10,231	51,178	-	-	-	-	-		61,409
Reclassification to investment property	-	-	-	-	-	-	-		-
Reclassification from investment property		-					-		-
Write off			-	-	-	-			-
Disposals	-		(19,937)	(502)	-	(18,012)	-		(38,451)
Reversal of accumulated depreciation due to revaluation	-	(41,971)							(41,971)
Balance, end of year	**528,923**	**1,747,282**	**648,200**	**1,272,542**	**548,694**	**1,635,904**	**1,247,629**	**191,040**	**7,820,213**
Accumulated depreciation									
Balance, beginning of year	-	-	533,229	1,031,020	506,957	949,690			3,020,896
Charge for the year	-	41,971	34,894		13,507	203,861	-	65,099	457,721
Reversal of accumulated depreciation due to revaluation	-	(41,971)	-	-	-	-			(41,971)
Disposals	-	-	(19,937)	(120)	-	(8,441)			(28,499)
Balance, end of year	**-**	**-**	**548,186**	**1,129,287**	**520,464**	**1,145,110**	**-**	**65,099**	**3,408,147**
Net book value end of year	528,923	1,747,282	100,014	143,254	28,230	490,794	1,247,629	125,941	4,412,066
Net book value beginning of year	518,692	1,738,075	73,925	179,837	25,037	422,393			3,428,095

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

13.4 Company - 2018

	Land	Building	Office equipment	Computer equipment	Furniture & fittings	Motor vehicles		Total
Cost or valuation								
Balance, Beginning of year	912,209	2,283,048	566,271	1,000,536	524,234	1,260,388	-	6,546,686
Additions	-	-	40,883	210,321	7,760	156,727	-	415,691
Revaluation surplus/(deficit)	10,116	81,660	-	-	-		-	91,776
Reclassification to investment pr	(393,633)	(425,712)	-	-	-		-	(819,345)
Reclassification from investment property							470,136	470,136
Write off	-		-	-	-	-		-
Disposals	(10,000)	(137,780)	-	-	-	(45,032)	-	(192,812)
Reversal of accumulated depreciation due to revaluation	-	(63,141)						(63,141)
Balance, end of year	**518,692**	**1,738,075**	**607,154**	**1,210,857**	**531,994**	**1,372,083**	**470,136**	**6,448,991**
	-							
Accumulated depreciation	-							
Balance, beginning of year			500,819	924,084	487,192	805,652		2,717,747
Charge for the year	-	63,141	32,410	106,936	19,765	175,580		397,832
Reversal of accumulated	-							
depreciation due to revaluation	-	(63,141)	-	-				63,141
Disposals		-				(31,542)		(31,542)
Balance, end of year	-	-	**533,229**	**1,031,020**	**506,957**	**949,690**		**3,020,896**
	-							
Net book value end of year	**518,629**	**1,738,075**	**73,925**	**179,837**	**25,037**	**422,393**	**470,136**	**3,428,095**
Net book value beginning of year	**912,209**	**2,283,048 9**	**65,452**	**76,452**	**37,042**	**454,736**		**3,828,939**

(b) Non financial instruments measured at fair value

The following table sets out fair values of non financial instruments measured at fair value and analyses them by level in the fair value hierarchy into which each fair value measurement is categorised

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

Company

31 December 2019

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Property and equipment				
- Land	-	528,923		528,923
- Building	-	1,747,282		1,747,282
Total	-	**2,276,205**	**-**	**2,276,205**

Company

31 December 2018

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Property and equipment				
- Land	-	518,692		518,692
- Building	-	1,738,075		1,738,075
Total	-	**2,256,767**	**-**	**2,256,767**

There were no transfers between levels 1 and 2 during the year

Valuation techniques used to derive level 2 fair values
Level 2 fair values of land and buildings have been derived using the market valuation approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size and age.

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

14 Investment properties

	Company 31-Dec-19	Company 31-Dec-18
Office property	14,061,978	12,469,091
Residential property	3,137,046	3,945,352
	17,199,024	**16,414,443**
Non Current	17,199,024	16,414,443

(a) The movement in investment properties during the year is shown below:

	Company 31-Dec-19	Company 31-Dec-18
Balance, beginning of the year	16,414,443	14,963,765
Reclassification to Property & Equipment	-	(470,136)
Reclassification from Property & Equipment	-	819,345
Transfer from other assets	-	210,838
Acquisition from loan customer	-	49,162
Additions during the year	576,704	430,509
Acquisition during the year through newly acquired subsidiaries	-	-
Fair value gain (see note 32)	207,877	410,960
Disposals by subsidiary	-	-
As at end of the year	**17,199,024**	**16,414,443**

The analysis of investment properties is as follows:

	Company 31-Dec-19	Company 31-Dec-18
Thomas Wyatt House ** (See note "c" below)	1,441,933	1,438,161
Cadastral Property, Abuja	2,842,998	2,812,329
Bedwell, Ikoyi I	1,787,721	1,786,664
George Street Ikoyi Property **	878,128	877,687
Ozumba Mbadiwe Property	1,160,916	1,160,516
Abeokuta property - Oke Ilewo	140,004	140,004
Enugu Landed property	52,107	46,160
Aerodrome Road, Apapa **	240,770	215,500
Warehouse Road Apapa **	431,729	425,350
Onike Road, Sabo Yaba **	183,188	179,300
Alfred Rewane Road (Marble House) **	6,924,648	6,237,935
Funsho Williams Av. - Old Corporate Office	835,796	831,637
Plot 802 Cadastral Zone Bo2, Durumi	114,254	100,000
Sangotedo scheme, Lekki sub-region	164,832	163,200
Cocody Besiko - Cote de voire	-	
Others	-	-
	17,199,024	**16,414,443**

(b) The Company's investment properties are held for the purpose of capital appreciation and rental income generation under perating lease arrangements (All leases are cancellable). The Company's investment properties were revalued by Diya Fatimilehin & Co, Estate Surveyors and Valuers (FRC/2013/NIESV/00000002773) using the Comparative approach method of valuation to arrive at the open market value as at 31 December 2019. Fair value gains have been recognized in the income statement in line with the fair value model of IAS 40. Rental income on investment property included in the statement of comprehensive income for the year is N761.251million (2018: N933.62 million); and N754.36 million (2018: N928.1 million) for company and company respectively. The titles of most of the goup's properties are fully perfected.

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

(c) The Thomas Wyatt House property is subject of an ongoing litigation. Our Legal experts are of the view that Leadway Assurance Company has a high probability of success based on the facts of the case and that there is no other encumbrance to the full realization of the property. There is no income being realized from the property.

(d) DESCRIPTION	BAL. B/F	ADDITION	DISPOSAL via RECLASSIFICATION ON	FAIR VALUE GAIN/(LOSS)ON REVALUATION	CLOSING BALANCE
THOMAS WYATT HOUSE	1,438,161	-	-	3,772	1,441,933
ABUJA CADASTRAL OFFICE	2,812,329	6,268	-	24,401	2,842,998
BEDWELL ROAD IKOYI	1,786,664		-	1,057	1,787,721
GEORGE STR-AMCON (Undeveloped Landed property)	877,687	19,376	-	(18,935)	878,128
OZUMBA MBADIWE-AMCON (Undeveloped Landed property)	1,160,516		-	400	1,160,916
ABEOKUTA PROPERTY (Undeveloped Landed property)	140,004	24	-	(24)	140,004
ENUGU LANDED PROPERTY (Undeveloped Landed property)	46,160		-	5,947	52,107
Property in Apapa -Aerodrome road	215,500		-	25,270	240,770
Property in Apapa - Warehouse road	425,350		-	6,379	431,729
No. 2, Onike Road (4A, Industrial Avenue), Sabo, Yaba, Lagos.	179,300		-	3,888	183,188
Marble House Ikoyi	6,237,935	521,253	-	165,460	6,924,648
FUNSHO WILLIAMS AVENUE PROPERTY	831,637	29,783	-	(25,624)	835,796
ASO 1-Plot 802, Cadastral Zone B02, Durumi Distric	100,000		-	14,254	114,254
ASO 2- Sangotedo scheme, Lekki sub - region, Eti o	163,201			1,632	164,833
Total	**16,414,444**	**576,704**	**-**	**207,877**	**17,199,025**

i. *Additions above relates to enhancement of our existing properties during the year*

(e) These are properties with titles yet to be fully perfected but which are at advanced stages of perfection. The delay is due to the length of time it takes to complete the statutory procedures for perfection in the normal course of business. There are no encumberances on these properties . Estimated cost of perfecting the title of these properties is put at N100million.

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

(f) Non financial instruments measured at fair value

The following table sets out fair values of non financial instruments measured at fair value and analyses them by level in the fair value hierarchy into which each fair value measurement is categorised

Company
31 December 2019
All amounts are in thousands of Naira unless otherwise stated

Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment properties				
- Office property	-	14,061,978	-	14,061,978
- Residential property	-	3,137,046	-	3,137,046
Total	-	**17,199,024**		**17,199,024**

Company
31 December 2018
All amounts are in thousands of Naira unless otherwise stated

Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment properties				
- Office property	-	12,469,091	-	12,469,091
- Residential property	-	3,945,352	-	3,945,352
Total	**-**	**16,414,443**	**-**	**16,414,443**

There were no transfers between levels 1 and 2 during the year

Valuation techniques used to derive level 2 fair values
Level 2 fair values of land and buildings have been derived using the market valuation approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size and age.

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

15 Investment in subsidiary

		Company 31-Dec-19	Company 31-Dec-18
(a)	The Company's investment in subsidiary is as stated below:		
	Leadway Vie (note v)	2,153,425	2,153,425
		2,153,425	**2,153,425**

(b) Nature of investments in subsidiary

Name of entity	**Nature of business**	**Country of incorporation**	**Proportion of ordinary shares directly held by parent/ Company (%)**	**Proportion of ordinary shares held by non-controlling interest (%)**
Leadway Vie (note v)	Life Insurance	Cote d'iVoire	99.99%	0.01%

(All amounts in thousands of Nigerian Naira)

(c) Acquisition of subsidiary

(i) Identifiable assets acquired and liabilities assumed

In 2018, the company acquired Leadway VIE, Cote D'voire, the following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

	₦'000 Carrying amounts	₦'000 Fair value
Cash and cash equivalent	2,230,307	2,230,307
Other receivables and prepayments	377,683	31,953
Investment securities	141,230	141,230
Property and equipment	82,796	82,796
Investment property	750,406	1,300,629
Other liabilities	(2,122,054)	(2,122,054)
Current tax liability	(21,953)	(21,953)
Insurance contract liabilities	(2,223,228)	(2,223,228)
Total identifiable net assets/ liabilities acquired	(784,813)	(580,320)

(ii) Acquisition related costs

The Company incurred acquisition related costs of CFA 20million (N11 million) on legal fees. This cost was included in 'other expenses' in FY 2018.

(iii) Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	₦'000
Cash consideration transferred	1,069,436
NCI, based on the proportionate interest in the recognised amounts of the assets and liabilities of 3AVie (now Leadway Vie)	(58)
Fair value of identifiable net assets/liabilities	580,320
Goodwill	1,649,698

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

The table below summarises the financial information of all the Parent's subsidiaries before any intra-Company elimination.

In thousand of Naira	Leadway Vie		Leadway Properties		Leadway Pensure PFA		Leadway Hotel Limited		Leadway Capital & Trust Limited	
	Dec. 2019 (12 months)	**Dec. 2018 (9 months)**	**Dec. 2019 (12 months)**	**May 2018 (5 months)**	**Dec. 2019 (12 months)**	**May 2018 (5 months)**	**Dec. 2019 (12 months)**	**May 2018 (5 months)**	**Dec. 2019 (12 months)**	**May 2018 (5 months)**
Assets										
Cash and cash equivalent	839,415	688,559	-	205,103	-	788,506	-	31,127	-	439,603
Other receivables and prepayments	110,418	420,146	-	201,884	-	1,503,834	-	95,148	-	2,953,386
Investment securities	398,696	417,519	-	20,082	-	3,235,606	-	-	-	250,276
Deferred tax asset	-	-	-	7	-	-	-	27,009	-	-
Property and equipment	149,597	157,131	-	-	-	407,065	-	2,518,140	-	3,635
Intangible assets	3,976	1,355	-	-	-	75,712	-	-	-	8,960
Investment property	1,268,425	2,682,004	-	-	-	673,781	-	-	-	-
Investment in subsidiary	-	-	-	158,895	-		-		-	
Total Assets	**2,770,527**	**4,366,714**	**-**	**585,971**	**-**	**6,684,504**	**-**	**2,671,424**	**-**	**3,655,860**
Liabilities										
Other liabilities	920,612	260,603	-	33,945	-	854,938	-	623,515	-	1,621,817
Borrowings	-	-	-	222,336	-	-	-	308,592	-	799,598
Current tax liability	25,051	57,741	-	18,152	-	560,163	-	16,439	-	118,919
Deferred tax liability	-	-	-	-	-	37,245	-	-	-	-
Investment contract liabilities	1,613,275	-	-	-	-	-	-	-	-	-
Insurance contract liabilities	321,406	2,025,517							-	940
Total liabilities	**2,880,344**	**2,343,861**	**-**	**274,433**	**-**	**1,452,346**	**-**	**948,546**	**-**	**2,541,275**
Capital and reserves										
Share capital	1,900,201	1,900,201	-	2,025	-	1,642,361	-	109,999	-	440,000
Retained earnings	(1,842,803)	115,056	-	311,532	-	2,762,165	-	(26,340)	-	674,585
Share premium	-	-	-	-	-	53,465	-	1,127,662	-	-
Depoosit for shares	-	-	-	-	-	-	-	-	-	-
Translation reserves	(176,041)	-	-	-	-	-	-	-	-	-
Other reserves	8,826	7,596	-	(2,020)	-	774,166	-	511,557	-	-
Total equity	**(109,817)**	**2,022,853**	**-**	**311,537**	**-**	**5,232,157**	**-**	**1,722,878**	**-**	**1,114,585**
Total Liabilities and Equity	**2,770,527**	**4,366,713**	**-**	**585,971**	**-**	**6,684,504**	**-**	**2,671,424**	**-**	**3,655,860**

	Leadway Vie		Leadway Properties		Leadway Pensure PFA		Leadway Hotel Limited		Leadway Capital & Trust Limited	
	Dec. 2019 (12 months)	**Dec. 2018 (9 months)**	Dec. 2019	**Dec. 2018 (9 months)**	**Dec. 2019 (12 months)**	**Dec. 2018 (9 months)**	**Dec. 2019 (12 months)**	**Dec. 2018 (9 months)**	**Dec. 2019 (12 months)**	**Dec. 2018 (9 months)**
Revenue	(146,817)	2,289,218	-	30,019	-	2,316,140	-	238,793	-	400,195
Profit/(loss) before income tax	(1,658,922)	1,060,341		58,495	-	1,130,225	-	(140,313)	-	225,860
Income tax expense/income	(1,843)	(39,964)		(19,829)	-	-	-	(7,393)	-	(57,594)
Profit after tax	(1,660,765)	1,020,377	-	38,666	-	1,130,225	-	(147,706)	-	168,266
Other comprehensive income	-	-	-	1,531	-	-	-	-	-	-
Total comprehensive income	(1,660,765)	1,020,377	-	40,197	-	1,130,225	-	(147,706)	-	168,266

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

16 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 movement on deferred tax account during the year was as follows:

	Company 31-Dec-19	Company 31-Dec-18
Balance, beginning of year	-	286,446
Distribution of subsidiary	-	-
(Charge) / credit to income statement	-	(286,446)
	-	-

The movement in deferred tax liabilities account during the year was as follows:

	Company 31-Dec-19	Company 31-Dec-18
Balance, Beginning of year	(1,883,284)	(693,427)
Distribution of subsidiary	-	-
(Charge) / credit to income statement	-	(1,189,857)
	(1,883,284)	(1,883,284)
Net Deferred Tax Liabilities (See note "16.1" below)	(1,883,284)	(1,883,284)

Net deferred tax liability is attributable to the following:

	Company 31-Dec-19	Company 31-Dec-18
Property and equipment	(44,594)	201,668
Other Non-Current Assets and liabilities	(551,718)	(1,328,887)
Unrealised exchange difference	184,876	303,652
Unrecouped tax losses	-	-
Net deferred tax liabilities - Life Business	(411,436)	(823,567)
Property and equipment	(447,958)	(86,448)
Other Non-Current Assets and liabilities	(105,089)	(245,216)
Unrealised exchange difference	(918,800)	(912,929)
Unrecouped tax losses	-	184,876
Net deferred tax liabilities - General Business	(1,471,848)	(1,059,717)
Net Deferred Tax Liabilities	(1,883,284)	(1,883,284)

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

The Company did not recognise deferred income tax assets of N65billion (2018: N32billion) in respect of unrecouped losses amounting to N217billion (2018: N107billion) that can be carried forward against future taxable income. 95% of the unrecognised deferred tax and unrecouped losses is from the life business results.

16.1 Movements in temporary differences during the year ended 31 December 2019

	Company			
	Balance at 1 January	**Recognised in profit or loss**	**Recognised in other comprehensive income**	**Balance at 31 December**
Property and equipment	115,220	(607,772)	-	(492,552)
Distribution of subsidiary				
Other non current assets	(1,574,103)	917,295	-	(656,808)
Unrealised exchange gain	(609,277)	(124,647)	-	(733,924)
Unrecouped tax losses	184,876	(184,876)		-
	(1,883,284)	**(0)**	-	**(1,883,284)**

Movements in temporary differences during the year ended 31 December 2018

	Company			
	Balance at 1 January	**Recognised in profit or loss**	**Recognised in other comprehensive income**	**Balance at 31 December**
Property and equipment	(951,205)	1,066,425	-	115,220
Distribution of subsidiary	-	-	-	-
Other non current assets	(79,164)	(1,494,939)		(1,574,103)
Unrealised exchange gain	(2,487,917)	1,878,640	-	(609,277)
Unrecouped tax losses	3111306.5	(2,926,430.50)		184876
	(406,980)	**(1,476,304)**	-	**(1,883,284)**

16.2 Analysis of amount of deferred tax recognised in profit or loss

	Company 31-Dec-19	**Company 31-Dec-18**
Deferred tax from continuing operations	(0)	(1,476,304)

17 Intangible assets

In thousands of Naira

31 December 2019	Software	Company Work in Progress	Total
Cost			
Balance, beginning of year	1,091,910	79,054	**1,170,964**
Additions to goodwill on subsidiary acquired in the year	-	-	**-**
Addition to other intangible assets	60,708	-	**60,708**
Reclassification to other assets	79,054	(79,054)	**-**
Balance, end of year	1,231,672	-	**1,231,672**
Accumulated amortization			
Balance, beginning of year	915,625	-	**915,625**
Amortization	153,599	-	**153,599**
Balance, end of year	1,069,224	-	**1,069,224**
Carrying amount			
As at end of year	162,448	-	**162,448**
As at beginning of year	176,285	-	**255,339**
31 December 2018			
Cost			
Balance, beginning of year	1,094,654	52,046	**1,146,700**
Additions to goodwill on subsidiary acquired in the year	-	-	**-**
Addition to other intangible assets	-	27,008	**27,008**
Reclassification to other assets	(2,744)	-	**(2,744)**
Derecognition on distribution of non insurance subsidiaries	-	-	**-**
Balance, end of year	1,091,910	79,054	**1,170,964**
Accumulated amortization			
Balance, beginning of year	753,816	-	**753,816**
Amortization	161,809	-	**161,809**
Amortization on discontinued operations	-	-	**-**
Balance, end of year	915,625	-	**915,625**
Carrying amount			
As at end of year	176,285	79,054	**255,339**
As at beginning of year	340,838	52,046	**392,884**

Impairment test of goodwill

Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. Impairment assessment has been performed for the period, and no impairment losses on goodwill was recognized during the period under review as the recoverable amount of Goodwill as at 31 December 2019 was greater than its carrying amount and is thus not impaired.

The recoverable amount was determined using a value-in-use computation.

Goodwill is monitored by the Company on an entity by entity basis

The key assumption used in computing the value-in-use for goodwill in 2019 are as follows:

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

Cash Flow Forecast

Cash flows were projected based on past experience of operating results. These cashflows are based on the expected revenue growth for the entity over a 5 year period.

Discount Rate

Pre-tax discount rate of 11.1% (2018:11.9%) was applied in determining the recoverable amounts for the entity with goodwill (Leadway Vie Ltd). This discount rate was estimated using the risk-free rate using the average yeild on Ivorian goverment long term bond, equity risk premium and appropriate Beta.

Longterm term growth rate

The key assumptions described above may change as economic and market conditions change. The Company estimates that reasonably possible changes in these assumptions are not expected to cause the recoverable amount of the subsidiaries (from which the goodwill arose) to decline below their carrying amount.

18 Statutory deposits

This represents the Company's deposit with the Central Bank of Nigeria as at 31 December 2019, in compliance with the Insurance Act, CAP 117 LFN 2004. This amount is not available for the day-to day use in the working capital of the Company and is therefore excluded from cash and cash equivalents. Analysis of statutory deposits is as shown below:

	Company 31-Dec-19	Company 31-Dec-18
General Insurance Business	300,000	300,000
Life Business	200,000	200,000
	500,000	**500,000**
Non Current	500,000	500,000
	500,000	**500,000**

Income on statutory deposit is recognized in investment income

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

19 Trade payables

	Company 31-Dec-19	Company 31-Dec-18
Reinsurance payable	1,388,075	463,810
Insurance payable	1,644,328	2,002,069
Claims Deposit	162,149	98,315
Agent Commssion Payable (paid in January 2020)	138,708	306,487
Premium deposits (see note 'a' below)	6,102,664	8,358,781
Matured and surrendered policy payable (see note 'c' below)	254,199	344,342
	9,690,123	**11,573,804**
Current	9,690,123	11,573,804
Non Current	-	-
	9,690,123	**11,573,804**

a. The movement in premium deposit is as follows:

	Company 31-Dec-19	Company 31-Dec-18
Balance, beginning of year	8,358,781	9,391,509
Addition during the year	(6,747,694)	7,349,516
Transfer to premium income	4,491,577	(8,382,244)
Balance, end of year	**6,102,664**	**8,358,781**

Premium deposit represents premium received in advance but which the policy risk period is yet to commence as at reporting date.

b. Claims deposit relates to claim amounts received from other insurance companies as their proportion on claims due to insured.

c. Matured and surrendered policy payable represents policies that has matured and undergoing settlement processes to the policy holders as at the reporting date majority of whom has been settled in the subsequent year.

20 Current income tax liabilities

The movement on current income tax liabilities during the year was as follows:

	Company 31-Dec-19	Company 31-Dec-18
Balance, beginning of year	1,083,948	1,119,536
Charge for the year (see note (a) below)	434,750	753,157
Payments during the year	(659,196)	(788,745)
Acquired from subsidiaries	-	-
Derecognition of balance of residual distributed entity	-	-
Balance, end of year	859,502	1,083,948

(a) Analysis of charge for the year is as follows:

	Company 31-Dec-19	Company 31-Dec-18
- Current year's income tax provision	434,750	638,474
- Withholding tax on dividend income	-	114,683
- Tax paid arising from back duty assessment	-	-
	434,750	753,157

21 Other liabilities

	Company 31-Dec-19	Company 31-Dec-18
Financial liabilities:		
Sundry creditors	154,757	190,103
Stamp duties payable	-	94,579
Elfina Project payable	-	35,824
Due to employees	-	968,400
Accrued audit fee	49,500	30,000
Accrued consultancy fee	341,142	264,616
Staff profit sharing payable	682,106	675,000
Insurance supervisory fee payable	875,400	807,515
NCDF Levy	719,510	629,951
	2,822,414	3,695,988
Non-financial liabilities:		
Deferred rental income	1,560	346,668
Unearned income	379,949	442,101
Withholding tax payable	438,881	471,224
Premium suspense (see note 'b' below)	230,264	239,756
Agency provident fund	33,337	-
PAYE deductions	15,982	35,959
Pension deduction	-	13,774
NHF, Staff Cooperative and other statutory deductions	3,946	29,792
Office rent payable	155,965	16,348
VAT payable	51,637	150,417
Other creditors	405,889	185,946
	1,717,409	1,931,985
Total other liabilities	4,539,823	5,627,973
Current	4,153,957	14,092,368
Non Current	385,866	545,215
	4,539,823	5,627,973

a. Premium suspense represents premium paid into the Company's bank account by customers which are yet to be matched with specific policies as at the reporting date due to unavailability of relevant policy information. This is usually reconciled and matched with appropriate policies on a regular basis.

b. Unearned income relates to commission received on premium ceded to reinsurer which has not been earned due to time apportionment

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

22 Insurance contract liabilities

	Company 31-Dec-19	Company 31-Dec-18
Gross		
Claims reported and loss adjustment payable (see note 22.1 below)	47,239,571	56,789,173
Claims incurred but not reported - IBNR (see note 22.1 below)	14,603,602	9,648,192
Unearned premium (see note 22.2 below)	10,313,508	8,571,621
Life fund (see note 22.3 below)	224,547,452	150,428,171
	296,704,133	225,437,157
	-	
Reinsurance receivables		
Prepaid reinsurance (see note 9a)	3,193,766	3,127,725
Claims reported & loss adjustment payable and IBNR (see note 9b)	35,352,553	40,492,412
Total reinsurers' share of insurance liabilities	38,546,319	43,620,137
Net insurance contract liability	258,157,814	181,817,020
Current (Gross)	72,156,681	92,008,986
Non-current (Gross)	224,786,922	133,428,171
	296,943,603	225,437,157

Outstanding claims represents the estimated cost of settling all claims arising from incidents occurring as at the reporting date. The liability adequacy test for outstanding claims liability as at 31 December 2019 and the comparative periods were done by Ernst &Young Nigeria Limited (FRC/2012/NAS/00000000738).

22.1 Analysis of gross benefit and claims expenses

	Company 31-Dec-19	Company 31-Dec-18
General Insurance (see note 22.1d)	44,723,000	54,314,985
Life (see note 22.1d)	2,516,571	2,474,188
	47,239,571	56,789,173

Claims incurred but not reported

	Company 31-Dec-19	Company 31-Dec-18
General Insurance	13,294,960	8,320,901
Life	1,308,642	1,327,291
	14,603,602	9,648,192
	61,843,173	66,437,365

(a) The aging analysis of claims reported and loss adjusted for general insurance contracts

	Company 31-Dec-19	Company 31-Dec-18
Days		
0 - 90	5,868,456	4,113,000
91- 180	630,505	8,597,280
181 - 270	1,647,772	15,142,587
271 - 365	850,560	204,165
366 and above	35,725,707	26,257,953
	44,723,000	54,314,985

(b) The aging analysis of claims reported for life insurance contracts

	Company 31-Dec-19	Company 31-Dec-18
Days		
0 - 90	466,149	439,083
91- 180	206,434	141,313
181 - 270	184,418	87,057
271 - 365	214,164	1,439,475
366 and above	1,445,405	367,260
	2,516,571	2,474,188

Outstanding claims above 90 days are those that are awaiting relevant documentations to facilitate settlement. Sufficient funds has been set aside to meet these obligations.

(c) Movement in outstanding claims provision inclusive of IBNR:

	Company 31-Dec-19	Company 31-Dec-18
Balance, beginning of year	66,437,365	54,905,849
Less movement:		
- Claims incurred during the year	9,289,156	37,599,015
- Claims paid during the year (see note 29)	(13,883,348)	(26,067,499)
Net movement in the year	(4,594,192)	11,531,516
Balance, end of year	61,843,173	66,437,365

(All amounts in thousands of Nigerian Naira)

(d) Company analysis of claims reported and IBNR by class:

	Company		
	31-Dec-19		
	Claims reported	IBNR	Total
General Insurance:			
Motor	555,171	894,942	1,450,113
Fire	974,948	1,265,935	2,240,883
General accident	841,443	215,535	1,056,978
Marine	868,262	401,395	1,269,657
Agric	165,279	44,356	209,635
Bond	276,331	365,832	642,163
Engineering	259,167	242,357	501,524
Special risk	40,782,399	9,864,608	50,647,007
	44,723,000	13,294,960	58,017,960
Life:			
Company life	2,285,465	1,308,642	3,594,107
Individual life	32,401	-	32,401
Annuity	198,705	-	198,705
	2,516,571	1,308,642	3,825,213
Total claims	47,239,571	14,603,602	61,843,173

Included in "claims reported and loss adjustment payable" for the year is N50.09million (2018:N187.3m) representing insurance claims which are subject of ongoing litigations. The provision charged is recognised in "claims and loss adjustment expense". In the Directors' opinion, the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided as at 31 December 2019.

Company	31-Dec-18		
	Claims reported	IBNR	Total
General Insurance:			
Motor	799,826	261,116	1,060,942
Fire	2,117,713	592,595	2,710,308
General accident	713,074	201,580	914,654
Marine	746,719	29,769	776,488
Agric	-	-	-
Bond	885,526	22,163	907,689
Engineering	244,849	225,707	470,556
Special risk	48,807,278	6,987,971	55,795,249
	54,314,985	8,320,901	62,635,886
Life:			
Company life	2,179,573	1,327,291	3,506,864
Individual life	110,832	-	110,832
Annuity	183,783	-	183,783
	2,474,188	1,327,291	3,801,479
Total claims	56,789,173	9,648,192	66,437,365

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

22.2 Unearned premium

Company analysis of unearned premium by class:

	Company 31-Dec-19	Company 31-Dec-18
General Insurance		
Motor	1,370,040	1,168,649
Fire	1,067,747	971,189
General accident	468,601	418,190
Marine	131,707	871,663
Agric	661,129	-
Bond	44,456	20,479
Engineering	244,984	391,232
Special risk	4,637,496	3,698,264
	8,626,160	7,539,666
Life		
Company life	1,687,347	1,031,957
	10,313,507	8,571,623

Movement in unearned premium is as follows:

	Company 31-Dec-19	Company 31-Dec-18
Balance, beginning of the year	8,571,621	8,789,131
Increase during the year	1,741,887	(217,510)
Balance, end of year	10,313,508	8,571,621

22.3 Analysis of life fund is as follows:

	Company 31-Dec-19	Company 31-Dec-18
Individual life	4,111,418	3,117,938
Annuity	220,436,034	147,310,233
	224,547,452	150,428,171

(i) The movement on the life insurance liability during the year was as follows:

Company - 2019	**Individual life**	**Company Annuity**	**Total**
Balance, beginning of year	3,117,938	147,310,233	150,428,171
Acquired from subsidiary	-	-	-
Reclassification of DA	-	-	-
Addition/reduction during the year	993,480	73,125,801	74,119,281
Balance, end of year	4,111,418	220,436,034	224,547,452

Company - 2018	**Individual life**	**Annuity**	**Total**
Balance, beginning of year	2,997,755	117,289,811	120,287,566
Acquired from subsidiary	-	-	-
Addition during the year	120,183	30,020,422	30,140,605
Balance, end of year	3,117,938	147,310,233	150,428,171

(ii) The movement in Annuity fund during the year was as follows:

	Company 31-Dec-19	Company 31-Dec-18
Balance, beginning of year	147,310,233	117,289,811
Premiums received during the year	48,404,850	51,764,070
Payments during the year	(29,066,230)	(22,308,814)
Changes in actuarial valuation	53,787,180	565,166
Balance as at 31 December	220,436,034	147,310,233

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

22.4 Claims development tables

The claims development table provides a measure of the Company's ability to estimate the ultimate value of claims. The top half of each table below illustrates how the Company's estimate of total claims outstanding for each year has changed at successive year-ends. The bottom half of the table reconciles the cumulative claims to the amount appearing in the consolidated statement of financial position.

MOTOR — **Table of claims paid excluding large claims (Attritional Table)**

Accident Year	1	2	3	4	5	6	7	8	9	10	11
2007	-	201,283	28,568	6,997	3,493	3,640	-	-	-	-	-
2008	853,038	421,486	72,016	18,286	5,934	4,180	-	-	704	-	-
2009	744,027	497,530	55,340	11,042	1,626	2,709	-	1,497	-	-	-
2010	758,364	471,609	65,663	13,725	6,279	635	4,042	1,124	-	-	-
2011	839,901	406,306	39,577	3,506	13,070	3,193	9,058	-	-	-	-
2012	894,025	505,792	24,724	13,153	10,034	2,831	-	502	-	-	-
2013	907,835	612,597	23,085	38,907	4,518	-	-	-	-	-	-
2014	963,872	390,059	85,746	36,049	8	6,429	-	-	-	-	-
2015	1,190,393	402,538	53,877	6,457	560	-	-	-	-	-	-
2016	1,296,782	310,620	2,446	2,000	-	-	-	-	-	-	-
2017	1,155,119	317,446	17,930	-	-	-	-	-	-	-	-
2018	1,456,138	317,759									
2019	1,568,319	-	-	-	-	-	-	-	-	-	-

MOTOR — **Table of inflated adjusted claims paid excluding large claims (Attritional Table)**

Accident Year	1	2	3	4	5	6	7	8	9	10	11
2007	-	687,626	85,685	18,772	8,497	7,905	-	-	-	-	-
2008	2,914,161	1,264,167	193,202	44,476	12,886	8,405	-	-	1,007	-	-
2009	2,231,567	1,334,747	134,600	23,979	3,270	5,029	-	2,141	-	-	-
2010	2,034,497	1,147,061	142,596	27,598	11,659	1,076	5,779	1,392	-	-	-
2011	2,042,830	882,346	79,580	6,509	22,140	4,565	11,226	-	-	-	-
2012	1,941,492	1,017,030	45,904	22,281	14,346	3,509	-	502	-	-	-
2013	1,825,447	1,137,388	39,106	55,630	5,599	-	-	-	-	-	-
2014	1,789,589	660,775	122,600	44,676	9	6,429	-	-	-	-	-
2015	2,016,572	575,553	66,772	7,191	560	-	-	-	-	-	-
2016	1,854,151	384,959	2,724	2,000	-	-	-	-	-	-	-
2017	1,431,568	353,540	17,930	-	-	-	-	-	-	-	-
2018	1,615,113	317,759	-	-	-	-	-	-	-	-	-
2019	1,568,319	-	-	-	-	-	-	-	-	-	-

MOTOR — **Combined results table (Attritional and Large Losses)**

Accident Year	Paid to date	Latest Paid Large Loss	Total Ultimate	Gross claims reserve	Gross Earned Premium	Ultimate Loss ratio
2007	808,485	-	808,485	-	3,459,782	23%
2008	4,438,304	102,653	4,540,957	-	3,459,782	131%
2009	3,735,331	71,251	3,806,582	-	3,459,782	110%
2010	3,371,657	60,074	3,431,731	-	4,005,126	86%
2011	3,049,196	35,858	3,085,054	-	4,005,126	77%
2012	3,045,064	40,776	3,086,050	210	3,961,399	78%
2013	3,063,170	142,092	3,214,799	9,537	3,248,131	99%
2014	2,624,078	137,190	2,779,140	17,871	3,465,694	80%
2015	2,666,647	230,991	2,904,961	7,322	2,954,417	98%
2016	2,243,834	301,767	2,611,359	65,757	2,819,910	93%
2017	1,803,038	172,073	2,118,142	143,031	2,963,988	71%
2018	1,932,872	176,694	2,301,759	192,193	3,434,077	67%
2019	1,568,319	126,794	2,709,462	1,014,349	3,856,002	70%
Total	34,349,995	1,598,213	37,398,481	1,450,270	45,093,216	

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

ENGINEERING **Table of claims paid excluding large claims (Attritional Table)**

Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	32,204	9,310	270	-	-	722	-	-	-	-	-
2008	7,021	35,216	20,787	378	6,761	206	72	20	-	-	-	-
2009	40,790	55,128	17,683	285	575	116	319	1,713	-	-	-	-
2010	23,720	38,788	2,791	3,885	1,188	15	1,817	-	-	1,745	-	-
2011	20,311	56,873	43,413	7,612	3,053	-	-	-	-	-	-	-
2012	31,107	47,004	8,616	1,806	1,575	-	-	386	-	-	-	-
2013	40,346	115,740	16,278	2,690	1,158	-	18	-	-	-	-	-
2014	85,778	52,129	36,809	5,793	131	3	-	-	-	-	-	-
2015	57,143	54,315	2,835	5,159	397	-	-	-	-	-	-	-
2016	51,127	41,192	11,300	4,625	-	-	-	-	-	-	-	-
2017	55,758	41,346	3,364	-	-	-	-	-	-	-	-	-
2018	54,241	47,642	-	-	-	-	-	-	-	-	-	-
2019	50,983	-	-	-	-	-	-	-	-	-	-	-

ENGINEERING **Table of inflated adjusted claims paid excluding large claims (Attritional Table)**

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	110,017	27,925	724	-	-	1,452	-	-	-	-	-
2008	23,984	105,625	55,767	920	14,683	415	134	34	-	-	-	-
2009	122,343	147,894	43,008	618	1,156	215	541	2,449	-	-	-	-
2010	63,635	94,342	6,060	7,811	2,205	26	2,598	-	-	1,745	-	-
2011	49,400	123,508	87,293	14,132	5,172	-	-	-	-	-	-	-
2012	67,552	94,515	15,997	3,059	2,252	-	-	386	-	-	-	-
2013	81,126	214,891	27,575	3,846	1,435	-	18	-	-	-	-	-
2014	159,261	88,309	52,630	7,180	146	3	-	-	-	-	-	-
2015	96,803	77,660	3,513	5,746	397	-	-	-	-	-	-	-
2016	73,103	51,051	12,585	4,625	-	-	-	-	-	-	-	-
2017	69,102	46,047	3,364	-	-	-	-	-	-	-	-	-
2018	60,408	47,642	-	-	-	-	-	-	-	-	-	-
2019	50,983	-	-	-	-	-	-	-	-	-	-	-

ENGINEERING **Combined results table (Attritional and Large Losses)**

Accident Year	Paid to date	Latest Paid Large Loss	Total Ultimate	Gross claims reserve	Gross Earned Premium	Ultimate Loss ratio
2007	140,117	-	140,117	-	593,884	24%
2008	201,562	21,817	223,379	-	593,884	38%
2009	318,223	32,923	351,147	-	593,884	59%
2010	178,421	112,382	290,803	-	550,249	53%
2011	279,504	136,665	416,169	-	550,249	76%
2012	183,762	77,692	261,454	-	716,219	37%
2013	328,891	102,083	430,974	-	687,315	63%
2014	307,529	312,333	628,680	8,818	980,992	64%
2015	184,119	74,748	269,593	10,726	817,303	33%
2016	141,363	61,570	213,078	10,145	799,904	27%
2017	118,513	95,024	288,391	74,854	1,236,223	23%
2018	108,050	79,576	316,182	128,556	1,333,565	24%
2019	50,983	776	319,533	267,774	1,181,265	27%
Total	2,541,037	1,107,590	4,149,500	500,873	10,634,936	

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

FIRE **Table of claims paid excluding large claims (Attritional Table)**

Accident Year	1	2	3	4	5	6	7	8	9	10	11
2007	-	107,972	92,652	3,492	3,087	1,947	549	-	-	463	-
2008	374,759	302,531	107,940	19,373	1,583	310	288	20	20	-	-
2009	138,680	163,929	36,520	7,903	619	-	54	4,180	-	-	133
2010	175,303	127,912	34,528	46,782	10,745	43	1,483	-	-	-	-
2011	237,670	439,609	112,765	1,627	339	4,064	5,426	-	13	-	-
2012	141,267	278,907	18,893	6,504	4,875	23	-	776	-	-	-
2013	304,906	174,174	21,852	37,622	225	-	62	-	-	-	-
2014	356,023	225,666	64,750	15,966	627	611	-	-	-	-	-
2015	277,168	261,308	12,866	1,637	1,755	-	-	-	-	-	-
2016	309,003	287,652	31,614	8,129	-	-	-	-	-	-	-
2017	295,526	244,555	45,102	-	-	-	-	-	-	-	-
2018	277,942	436,740	-	-	-	-	-	-	-	-	-
2019	439,690	-	-	-	-	-	-	-	-	-	-

FIRE **Table of inflated adjusted claims paid excluding large claims (Attritional Table)**

Accident Year	1	2	3	4	5	6	7	8	9	10	11
2007	-	368,855	277,893	9,369	7,509	4,228	1,104	-	-	661	-
2008	1,280,257	907,384	289,577	47,120	3,438	624	535	34	29	-	-
2009	415,946	439,781	88,824	17,163	1,244	-	91	5,977	-	-	133
2010	470,293	311,111	74,982	94,068	19,949	73	2,121	-	-	-	-
2011	578,067	954,668	226,745	3,022	574	5,811	6,724	-	13	-	-
2012	306,780	560,819	35,078	11,018	6,971	28	-	776	-	-	-
2013	613,096	323,384	37,018	53,793	278	-	62	-	-	-	-
2014	661,016	382,288	92,581	19,787	699	611	-	-	-	-	-
2015	469,533	373,621	15,945	1,823	1,755	-	-	-	-	-	-
2016	441,816	356,494	35,208	8,129	-	-	-	-	-	-	-
2017	366,253	272,361	45,102	-	-	-	-	-	-	-	-
2018	309,544	436,740	-	-	-	-	-	-	-	-	-
2019	439,690	-	-	-	-	-	-	-	-	-	-

FIRE **Combined results table (Attritional and Large Losses)**

Accident Year	Paid to date	Latest Paid Large Loss	Total Ultimate	Gross claims reserve	Gross Earned Premium	Ultimate Loss ratio
2007	669,618	202,602	872,220	-	1,203,372	72%
2008	2,528,998	1,840,810	4,369,808	-	1,203,372	363%
2009	969,025	89,484	1,058,509	-	1,203,372	88%
2010	972,597	127,207	1,099,804	-	1,644,687	67%
2011	1,775,626	560,752	2,336,378	-	1,878,292	124%
2012	921,470	396,060	1,317,530	-	1,967,539	67%
2013	1,027,631	455,342	1,483,079	106	2,029,174	73%
2014	1,156,982	842,325	2,047,730	48,423	2,021,096	101%
2015	862,678	450,093	1,392,419	79,648	1,990,048	70%
2016	841,647	2,548,554	3,460,726	70,525	2,326,034	149%
2017	683,717	1,375,601	2,163,623	104,305	2,575,040	84%
2018	746,284	1,204,557	2,257,458	306,617	3,038,005	74%
2019	436,690	229,292	2,297,241	1,631,259	3,275,502	70%
Total	13,592,963	10,322,680	26,156,526	2,240,883	26,355,533	

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

MARINE **Table of claims paid excluding large claims (Attritional Table)**

Accident Year	1	2	3	4	5	6	7	8	9	10	11
2007	-	19,792	21,180	2,889	2,010	-	-	-	-	-	-
2008	183,671	72,873	23,692	3,905	6,569	30	3,865	-	-	-	-
2009	90,957	107,709	28,685	4,329	929	58	54	-	-	-	-
2010	69,958	71,656	10,320	234	2,848	-	-	-	-	-	-
2011	89,427	83,735	9,788	3,004	147	37	-	-	-	-	-
2012	143,326	114,430	6,403	450	366	32	-	-	-	-	-
2013	122,320	121,486	15,176	-	1,582	-	-	-	-	-	-
2014	165,869	107,548	36,603	8,041	5,348	81	-	-	-	-	-
2015	162,103	145,063	20,702	12,907	-	-	-	-	-	-	-
2016	120,585	92,416	13,486	6,071	-	-	-	-	-	-	-
2017	128,799	131,511	4,272	-	-	-	-	-	-	-	-
2018	247,241	131,126	-	-	-	-	-	-	-	-	-
2019	256,061	-	-	-	-	-	-	-	-	-	-

MARINE **Table of inflated adjusted claims paid excluding large claims (Attritional Table)**

Accident Year	1	2	3	4	5	6	7	8	9	10	11
2007	-	67,613	63,527	7,750	4,890	-	-	-	-	-	-
2008	627,459	218,568	-	9,498	14,265	60	7,176	-	-	-	-
2009	272,808	288,957	69,769	9,401	1,868	107	92	-	-	-	-
2010	187,679	174,283	22,411	472	5,288	-	-	-	-	-	-
2011	217,506	181,842	19,681	5,577	250	53	-	-	-	-	-
2012	311,251	230,093	11,888	762	523	39	-	-	-	-	-
2013	245,957	225,559	25,708	-	1,961	-	-	-	-	-	-
2014	307,964	182,191	52,335	9,965	5,957	81	-	-	-	-	-
2015	274,609	207,413	25,657	14,375	-	-	-	-	-	-	-
2016	172,414	114,533	15,019	6,071	-	-	-	-	-	-	-
2017	159,624	146,464	4,272	-	-	-	-	-	-	-	-
2018	275,353	131,126	-	-	-	-	-	-	-	-	-
2019	256,061	-	-	-	-	-	-	-	-	-	-

MARINE **Combined results table (Attritional and Large Losses)**

Accident Year	Paid to date	Latest Paid Large Loss	Total Ultimate	Gross claims reserve	Gross Earned Premium	Ultimate Loss ratio
2007	143,780	-	143,780	-	862,220	17%
2008	877,027	21,131	898,158	-	862,220	104%
2009	643,003	72,727	715,729	-	862,220	83%
2010	390,132	-	390,132	-	1,005,603	39%
2011	424,909	16,644	441,553	-	1,026,446	43%
2012	554,556	271,138	825,694	-	1,083,007	76%
2013	499,185	270,989	770,174	-	1,000,601	77%
2014	558,492	315,613	906,716	32,611	1,262,545	72%
2015	522,054	572,856	1,202,497	107,588	1,136,917	106%
2016	308,038	101,676	486,344	76,630	621,818	78%
2017	310,360	143,562	533,878	79,956	1,247,786	43%
2018	406,479	600,601	1,306,824	299,745	1,511,154	86%
2019	256,061	128,437	1,057,625	673,127	1,931,262	55%
	5,894,076	**2,515,372**	**9,679,104**	**1,269,657**	**14,413,799**	

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

GENERAL ACCIDENT **Table of claims paid excluding large claims (Attritional Table)**

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	150,727	45,046	25,010	21,267	5,632	5,118	1,769	-	150	-	-
2008	78,583	115,978	58,285	88,778	4,000	8,545	3,285	1,573	-	-	-	-
2009	62,974	98,556	47,384	33,570	6,790	2,424	3,005	118	-	-	-	-
2010	80,873	80,915	40,296	23,772	20,746	5,813	1,999	284	107	1,957	-	-
2011	99,785	129,214	58,716	18,214	8,526	2,777	3	582	403	-	-	-
2012	116,947	115,763	38,016	11,916	14,145	17	-	-	-	-	-	-
2013	67,883	72,208	26,216	9,508	4,581	-	8	-	-	-	-	-
2014	52,707	113,680	46,197	14,664	1,592	38	-	-	-	-	-	-
2015	79,920	92,493	28,800	20,117	5,218	-	-	-	-	-	-	-
2016	117,173	123,799	22,693	6,013	-	-	-	-	-	-	-	-
2017	64,491	111,364	31,511	-	-	-	-	-	-	-	-	-
2018	86,842	66,601	-	-	-	-	-	-	-	-	-	-
2019	77,114	-	-	-	-	-	-	-	-	-	-	-

GENERAL ACCIDENT **Table of inflated adjusted claims paid excluding large claims (Attritional Table)**

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	514,915	135,106	67,095	51,727	12,231	10,291	3,284	-	214	-	-
2008	268,457	347,855	156,365	215,929	-	17,182	6,100	2,665	-	-	-	-
2009	188,880	264,399	115,249	72,902	13,652	4,501	5,090	169	-	-	-	-
2010	216,961	196,803	87,507	47,800	38,519	9,847	2,859	353	119	1,957	-	-
2011	242,699	280,605	118,065	33,818	14,443	3,971	3	649	403	-	-	-
2012	253,965	232,772	70,583	20,186	20,225	21	-	-	-	-	-	-
2013	136,496	134,066	44,411	13,595	5,678	-	8	-	-	-	-	-
2014	97,860	192,578	66,053	18,174	1,773	38	-	-	-	-	-	-
2015	135,388	132,247	35,693	22,404	5,218	-	-	-	-	-	-	-
2016	167,535	153,428	25,273	6,013	-	-	-	-	-	-	-	-
2017	79,925	124,026	31,511	-	-	-	-	-	-	-	-	-
2018	96,716	66,601	-	-	-	-	-	-	-	-	-	-
2019	77,114	-	-	-	-	-	-	-	-	-	-	-

GENERAL ACCIDENT **Combined results table (Attritional and Large Losses)**

Accident Year	Paid to date	Latest Paid Large Loss	Total Ultimate	Gross claims reserve	Gross Earned Premium	Ultimate Loss ratio
2007	794,863	62,258	857,121	-	2,322,854	37%
2008	1,014,553	231,033	1,245,587	-	2,322,854	54%
2009	664,976	175,847	840,823	-	2,322,854	36%
2010	602,725	375,106	977,831	-	1,824,950	54%
2011	694,655	201,389	896,045	-	2,021,176	44%
2012	597,752	218,812	816,652	87	1,367,701	60%
2013	334,254	138,183	472,683	246	1,196,502	40%
2014	376,476	103,923	571,580	91,182	1,143,149	50%
2015	330,950	356,710	796,785	109,124	1,183,481	67%
2016	352,249	14,773	452,618	85,596	1,175,191	39%
2017	235,462	89,506	450,666	125,698	1,131,193	40%
2018	163,318	33,825	340,704	143,562	1,504,350	
2019	77,114	37,319	616,066	501,633	1,654,787	37%
Total	**6,239,347**	**2,038,684**	**9,335,161**	**1,057,128**	**21,171,042**	

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

BOND **Table of claims paid excluding large claims (Attritional Table)**

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	563	548	215	-	-	-	-	-	-	-	-
2008	75,938	81,831	-	-	125	-	-	-	-	-	-	-
2009	21,339	154,217	5,827	-	-	-	-	-	-	-	-	-
2010	2,687	209,669	1,657	-	-	-	-	-	-	-	-	-
2011	283,845	281,558	665	-	-	-	180	50	-	-	-	-
2012	488,898	605,149	-	-	-	-	79	80	-	-	-	-
2013	307,415	50,813	-	-	-	290	-	-	-	-	-	-
2014	179,905	212,813	315	14,049	-	-	-	-	-	-	-	-
2015	93,525	110,020	738	-	2,000	-	-	-	-	-	-	-
2016	477,003	132,182	31,076	281,560	-	-	-	-	-	-	-	-
2017	26,612	792,470	22,434	-	-	-	-	-	-	-	-	-
2018	60,007	315,954	-	-	-	-	-	-	-	-	-	-
2019	19,476	-	-	-	-	-	-	-	-	-	-	-

BOND **Table of inflated adjusted claims paid excluding large claims (Attritional Table)**

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	1,923	1,642	577	-	-	-	-	-	-	-	-
2008	259,419	245,438	-	-	271	-	-	-	-	-	-	-
2009	64,001	413,725	14,174	-	-	-	-	-	-	-	-	-
2010	7,209	509,963	3,599	-	-	-	-	-	-	-	-	-
2011	690,376	611,439	1,337	-	-	-	223	56	-	-	-	-
2012	1,061,705	1,216,815	-	-	-	-	87	80	-	-	-	-
2013	618,141	94,342	-	-	-	323	-	-	-	-	-	-
2014	334,023	360,514	450	17,411	-	-	-	-	-	-	-	-
2015	158,434	157,308	914	-	2,000	-	-	-	-	-	-	-
2016	682,024	163,817	34,609	281,560	-	-	-	-	-	-	-	-
2017	32,981	882,574	22,434	-	-	-	-	-	-	-	-	-
2018	66,829	315,954	-	-	-	-	-	-	-	-	-	-
2019	19,476	-	-	-	-	-	-	-	-	-	-	-

BOND **Combined results table (Attritional and Large Losses)**

Accident Year	Paid to date	Latest Paid Large Loss	Total Ultimate	Gross claims reserve	Gross Earned Premium	Ultimate Loss ratio
2007	4,142	-	4,142	-	272,411	2%
2008	505,128	-	505,128	-	272,411	185%
2009	491,900	-	515,755	23,855	272,411	189%
2010	520,771	-	520,771	-	427,458	122%
2011	1,303,431	-	1,372,551	69,120	599,336	229%
2012	2,278,687	-	2,278,687	-	761,353	299%
2013	712,806	-	712,806	-	593,545	120%
2014	712,398	-	715,909	3,511	761,845	94%
2015	318,656	-	318,689	33	728,863	44%
2016	1,162,010	-	1,239,392	77,383	740,170	167%
2017	937,989	-	981,346	43,357	594,131	165%
2018	382,784		430,250	47,466	696,329	62%
2019	19,476	-	397,414	377,938	883,810	45%
Total	9,350,178	-	9,992,840	642,663	7,604,074	

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

SPECIAL RISK **Table of claims paid excluding large claims (Attritional Table)**

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	4,534	9,535	-	11,877	-	-	-	-	-	-	-	-
2008	19,199	3,025	1,379	-	-	8,865	-	-	280	2,982	1,327	-
2009	3,884	-	2,624	-	22,215	677	6,908	-	662	1,581	-	-
2010	23,568	53,773	196,010	9,282	25,490	-	-	-	401	-	-	-
2011	68,684	165,111	65,533	85,041	3,324	-	2,238	900	-	-	-	-
2012	82,728	7,382	277,016	146,549	169,718	669	67,147	-	-	-	-	-
2013	4,118	372,917	78,512	1,881	1,624	26,143	292	-	-	-	-	-
2014	72,022	294,280	-	4,626	2,569	8,365	-	-	-	-	-	-
2015	12,651	26,561	6,535	143,008	5,941	-	-	-	-	-	-	-
2016	48,595	17,398	422,680	309,896	-	-	-	-	-	-	-	-
2017	64,380	77,926	350,175	-	-	-	-	-	-	-	-	-
2018	219,267	356,636	-	-	-	-	-	-	-	-	-	-
2019	67,272	-	-	-	-	-	-	-	-	-	-	-

SPECIAL RISK **Table of inflated adjusted claims paid excluding large claims (Attritional Table)**

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	17,830	32,572	-	31,862	-	-	-	-	-	-	-	-
2008	65,589	9,072	3,700	-	-	17,825	-	-	401	3,696	1,478	-
2009	11,650	-	6,383	-	44,669	1,258	11,702	-	821	1,760	-	-
2010	63,227	130,787	425,661	18,664	47,326	-	-	-	447	-	-	-
2011	167,055	358,561	131,771	157,894	5,631	-	2,774	1,002	-	-	-	-
2012	179,654	14,843	514,326	248,259	242,664	829	74,782	-	-	-	-	-
2013	8,280	692,383	133,002	2,689	2,013	29,116	292	-	-	-	-	-
2014	133,722	498,521	-	5,733	2,861	8,365	-	-	-	-	-	-
2015	21,431	37,977	8,099	159,268	5,941	-	-	-	-	-	-	-
2016	69,482	21,562	470,738	309,896	-	-	-	-	-	-	-	-
2017	79,788	86,787	350,175	-	-	-	-	-	-	-	-	-
2018	244,197	356,636	-	-	-	-	-	-	-	-	-	-
2019	67,272	-	-	-	-	-	-	-	-	-	-	-

SPECIAL RISK **Combined results table (Attritional and Large Losses)**

Accident Year	Paid to date	Latest Paid Large Loss	IBNER	Total Ultimate	Gross claims reserve	Gross Earned Premium	Ultimate Loss ratio
2007	82,264	-	-	82,264	-	7,504,563	1%
2008	101,762	-	36,000	282,021	180,259	11,687,862	2%
2009	78,242	207,736	216,000	522,469	236,490	11,515,695	5%
2010	686,111	342,307	108,000	1,145,908	117,490	6,616,535	17%
2011	824,687	583,844	396,000	2,396,131	987,599	6,290,318	38%
2012	1,275,359	2,499,428	468,000	5,732,865	1,958,078	12,863,770	45%
2013	867,774	-	936,000	3,628,241	2,760,466	10,615,790	34%
2014	649,202	-	792,000	2,884,436	2,235,234	11,748,608	25%
2015	232,717	367,277	-	2,917,995	2,318,001	10,975,832	27%
2016	871,678	3,486,963	-	5,575,140	1,216,499	12,006,726	46%
2017	516,749	14,381,594	-	34,552,113	19,653,770	14,528,257	238%
2018	600,833	1,014,824	-	8,829,278	7,213,621	18,364,393	48%
2019	67,272	851,049	-	12,687,820	11,769,498	21,031,263	60%
Total	6,854,650	23,735,023	2,952,000	81,236,681	50,647,005	155,749,614	

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

23 Investment contract liabilities

Movement in investment contract liabilities is as shown below

	Company 31-Dec-19	Company 31-Dec-18
Balance, beginning of year	21,890,989	22,532,309
Reclassification from Insurance contract liabilities	-	-
Deposits received	9,856,703	7,954,712
Withdrawals	(6,747,694)	(10,808,192)
Guaranteed interest charged during the year	1,796,214	2,212,161
Balance, end of year	**26,796,212**	**21,890,990**
Current	3,287,701	3,287,701
Non Current	23,508,511	18,603,289
	26,796,212	**21,890,990**

24 Capital and reserves

a Share capital

	Company 31-Dec-19	Company 31-Dec-18
(i) Authorised:		
Ordinary shares of 50k each:		
20,000,000,000 units		
(2018: 10,000,000,000 units)	**10,000,000**	**10,000,000**

(ii) Issued and fully paid;

The issued and fully paid up capital of the company which is a composite insurer is N10bn (2018: N10bn). In line with regulations issued by the National Insurance Commission (NAICOM), issued and paid capital of the company is allocated as follows;

	Company 31-Dec-19	Company 31-Dec-18
Ordinary shares of 50k each:		
General Insurance business 10,000,000,000 units (2018: 10,000,000,000)	**5,000,000**	**5,000,000**
Life business 10,000,000,000 units (2018: 10,000,000)	**5,000,000**	**5,000,000**
	10,000,000	**10,000,000**

b Share premium

Share premium comprises the amount paid over the nominal value of shares. This reserve is not ordinarily available for distribution.

c Retained earnings

The retained earnings is the carried forward recognised income net of expenses plus current profit attributable to shareholders. It is the amount available for dividend distribution to the equity shareholders of the company. See statement of changes in equities for movement in retained earnings.

d Other Reserves

Components of other reserves are as follows:

	Company 31-Dec-19	Company 31-Dec-18
Contingency reserve (see note (i) below)	13,648,609	11,732,730
Asset revaluation reserves (see note (ii) below)	1,558,700	1,497,291
Fair value reserves (see note (iii) below	4,198,892	3,090,660
Translation reserve (see note (iv) below)	-	-
	19,406,201	**16,320,681**

(All amounts in thousands of Nigerian Naira)

(i) Contingency reserves

Included in the contigency reserve is contigency reserve from Leadway Assurance Company general insurance and life business in line with Insurance act of 2003.
In compliance with Section 21 (1) of Insurance Act 2003, the contingency reserve for general insurance business is credited with the greater of 3% of total premiums or 20% of the net profits (whichever is greater).This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium. While for life business, the contingency reserves is credited with an amount equal to 1% of gross premium or 10% of net profit (whichever is greater) and accumulated until it reaches the amount of minimum paid up capital.

Leadway Vie maintains a Legal reserve in accordance with the provisions of Article 346 of the OHADA Treaty on Commercial Companies and Economic Interest Groupings, a company is expected to set aside 10% of its profit after tax, after payment of dividends minus carried forward losses as legal reserve. This ceases to be mandatory when the amount so set aside reaches 20% of its stated capital.

(ii) Asset revaluation reserve

This reserve is the accumulation of revaluation gain on the company's land and buildings. See statement of changes in equities for movement in asset revaluation reserve.

(iii) Fair value reserve

Fair value reserve includes the net accumulated change in the fair value of available for sale asset until the investment is derecognized or impaired. See statement of changes in equities for movement in fair value reserve.

(iv) Translation reserve

The translation reserve comprises foreign exchange differences on the translation to Naira of the results and financial position of the foreign subsidiary within the Company. See statement of changes in equity for movement in translation reserve.

25 Non controlling interest

Non controlling interest comprises:

	Company 31-Dec-19	Company 31-Dec-18
Leadway Vie	-	-

Analysis of movement in controlling interest

(a) See statement of changes in equities for movement in non controlling interest during the period

(b) The financial information for the subsidiary (2019: subsidiaries) with non-controlling interest are disclosed in note 15 (investment in subsidiaries) of these financial statements.

26 Gross premium written

	Company 31-Dec-19	Company 31-Dec-18
Gross premium		
- General Insurance business	35,046,532	30,238,299
- Life business	55,549,660	57,281,421
	90,596,192	**87,519,720**
Decrease /(Increase)		
- Unearned premium (see note (a) I below)	(1,741,886)	217,510
Gross premium income	**88,854,306**	**87,737,230**

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

a) The movement in unearned premium is analysed as follows:

(i) General Insurance business

	Company 31-Dec-19	Company 31-Dec-18
Motor	(201,391)	37,332
Fire	(169,810)	213,710
General Accident	(140,834)	(135,912)
Agric	210,533	-
Bond	32,807	(138,871)
Marine	(23,978)	6,850
Engineering	145,410	(3,144)
Special risk	(939,232)	506,077
Total for General Business	**(1,086,495)**	**486,042**
Group life	(655,391)	(268,532)
	(1,741,886)	**217,510**

(ii) Life business - Annuity & Ind. Life

	Company 31-Dec-19	Company 31-Dec-18
Individual life	(993,480)	(120,183)
Annuity	(73,125,802)	(30,020,421)
	(74,119,282)	**(30,140,604)**

27 Reinsurance expenses

	Company 31-Dec-19	Company 31-Dec-18
Reinsurance premium paid	18,022,240	16,018,811
Increase in unexpired reinsurance cost	(66,041)	596,544
	17,956,199	**16,615,355**

28 Commission income

	Company 31-Dec-19	Company 31-Dec-18
Commission earned on general insurance contracts	2,769,245	1,727,104
Commission earned on Company life assurance contracts	118,934	152,567
	2,888,179	**1,879,671**

29 Analysis of Net Claims Expense

Combined	Company 31-Dec-19	Company 31-Dec-18
Gross benefits & claims paid (see note 22.1c)	13,883,348	26,067,499
Annuity Claims	27,435,750	21,025,441
Claims ceded to reinsurers	(3,319,096)	(15,555,597)
Change in provision for outstanding claims & IBNR	(4,594,192)	11,531,516
Proceed from salvage and subrogation	(71,170)	(89,495)
Change in reinsurance recoverable on outstanding claims & IBNR	5,139,861	(9,087,671)
	38,474,501	**33,891,693**

General Insurance business	Company 31-Dec-19	Company 31-Dec-18
Gross benefits & claims paid	9,552,855	21,819,387
Claims ceded to reinsurers	(3,088,747)	(15,105,954)
Change in provision for outstanding claims	(4,617,927)	10,838,510
Recoveries from salvage and subrogation	(71,170)	(89,495)
Change in recoverable on outstanding claims	4,573,557	(9,067,716)
(a)	**6,348,568**	**8,394,732**

Life business	Company 31-Dec-19	Company 31-Dec-18
Gross benefits & claims paid	4,330,493	4,248,112
Annuity Claims	27,435,750	21,025,441
Claims ceded to reinsurers	(230,349)	(449,642)
Change in provision for outstanding claims	23,735	693,006
Change in recoverable on outstanding claims	566,304	(19,956)
(b)	**32,125,933**	**25,496,961**
(a+b)	**38,474,501**	**33,891,693**

(All amounts in thousands of Nigerian Naira)

30 Underwriting expenses

Underwriting expenses can be sub-divided into acquisition and other maintenance expenses. Acquisition expenses relate to commission expenses incurred in obtaining and renewing insurance contracts. They include commissions or brokerage paid to agents or brokers. Maintenance expenses are those incurred in processing costs and other incidental costs.

	Company 31-Dec-19	Company 31-Dec-18
Acquisition expenses	5,786,757	5,554,578
Maintenance expenses	2,341,947	604,916
	8,128,704	**6,159,494**

31 Investment income

	Company 31-Dec-19	Company 31-Dec-18
Interest income on debt securities	25,737,607	19,659,077
Rental income	754,360	928,082
Interest on loans	162,304	154,337
Interest on Finance Lease	-	-
Interest on short term deposits	985,868	1,188,768
Dividend income on investment securities	1,307,103	921,056
Profit/(Loss)on sale of investment securities	2,864,382	(118,982)
Interest income on statutory deposits	41,831	57,217
(Loss)/ Profit on Sale of Investment Property	-	15,894
	31,853,455	**22,805,449**

	Company 31-Dec-19	Company 31-Dec-18
a. Profit/(Loss) from investment contracts	**602,697**	**239,712**

The above figure relates to profit or (loss) for the year, see DA revenue in appendix

32 Net fair value gain/ (loss) on assets at fair value

	Company 31-Dec-19	Company 31-Dec-18
Financial assets at fair value through profit or loss		
- Fair value gains/(losses) on listed equity securities	(1,425,147)	(118,245)
- Fair value gains/(losses) on listed debt securities	35,075,322	(12,102,386)
- Fair value gains/(losses) on investment property	207,877	410,960
	33,858,052	**(11,809,671)**

33 Other operating income

	Company 31-Dec-19	Company 31-Dec-18
Fee income on shared locations & services	14,180	6,940
Profit/ (Loss) on sale of property and equipment	3,424	(28,954)
Foreign exchange gain/(loss)		
- Investment securities	(6,158)	441,173
- Cash and cash equivalents	(40,352)	2,582,122
- Loans and advances	-	-
- others	-	170,532
Other income	734,510	1,091,091
	705,604	**4,262,904**

Other income represents income on current account, surrender fees, policy fees, and other miscellaneous income that does not fall under income head above

34 Employee benefit expense

	Company 31-Dec-19	Company 31-Dec-18
Wages and salaries - staff and executive directors	2,541,990	2,334,892
Pension cost - Defined contribution plan	35,068	1,061,090
Termination benefits (see note (d) below)	-	-
Profit sharing expense	619,080	449,166
	3,196,138	**3,845,148**

(a) Staff information:

Employees earning more than N100,000 per annum, other than the executive directors, whose duties were wholly or mainly discharged in Nigeria, received emoluments in the following ranges:

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

	Company 31-Dec-19	Company 31-Dec-18
	Number	*Number*
Absolute		
₦101,001 - ₦500,000	-	-
₦500,001 - ₦750,000	-	-
₦750,000 - ₦1,000,000	-	-
₦1,000,000 - ₦2,000,000	3	11
₦2,000,000 - ₦3,000,000	22	2
Over ₦3,000,000	285	271
	310	**284**

(b) The average number of full time persons employed during the year was as follows:

	Company 31-Dec-19	Company 31-Dec-18
	Number	*Number*
Executive directors	3	3
Management staff	28	26
Non-management staff	282	258
	313	**287**

(c) Directors' remuneration

(i) Remuneration paid to the directors is as follows:

	Company 31-Dec-19	Company 31-Dec-18
Salaries and wages	119,597	117,847
Directors' fees	68,216	115,388
Post-employment benefits	5,130	984,701
	192,943	**1,217,936**

(ii) The directors' remuneration shown above includes

	Company 31-Dec-19	Company 31-Dec-18
Chairman	25,807	25,807
Highest paid director	53,281	53,011

(iii) The emoluments of all other directors fell within the following range:

	Company 31-Dec-19	Company 31-Dec-18
	Number	Number
Above ₦4,800,000	8	8
₦2,300,000 - ₦4,800,000	-	-
₦1,500,000 - ₦2,300,000	-	-
₦750,000 - ₦1,500,000	-	-
Below ₦750,000	-	-
	8	8

(d) Termination benefit relates to payments made to disengaged staff during the relevant period.

35 Other operating expenses

	Company 31-Dec-19	Company 31-Dec-18
Contract staff cost	167,160	216,566
Asset repairs and maintenance	487,518	427,625
Corporate expenses and gift items	318,492	206,692
Telecommunication	698,084	688,134
Advertisement	905,834	875,327
Agency related expenses	72,743	95,581
Property insurance expense	42,366	62,950
Insurance supervisory fund	702,905	954,160
Professional fees	223,212	525,489
Travelling, tours and other passage exps.	202,532	224,205
Auditor's remuneration	79,473	45,000
Bank charges	90,260	88,067
Offices rates and rent	28,337	109,946
Training cost	123,104	80,216
Power and Fuel charges	166,612	199,180
Donations	42,777	50,891
Subscription	23,607	29,686
Depreciation of property and equipment	457,721	397,832
Amortisation of intangible assets	153,599	161,809
Directors' fees and allowances	68,216	115,388
Hotel management expenses	13,623	11,972
Entertainment	39,937	17,631
Investment expenses	219,072	63,436
Others	268,370	357,021
	5,595,554	**6,004,804**

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

36 Net impairment losses

	Company 31-Dec-19	Company 31-Dec-18
Impairment on trade receivable no longer required (see note 7c)	-	-
Impairment loss on other receivables (see note 11b)	-	-
Write - off of AFS Financial assets	-	-
Impairment on Premium deposit	-	-
Impairment loss on reinsurance assets	-	-
Impairment loss AFS Financial asset(note 8.2aiib)	-	-
Specific impairment loss on finance leases receivable	-	-
Impairment loss on HTM Bond Investment	-	-
Collective impairment loss on finance leases receivable	-	-
Specific Impairment write back on loans (see note 12i)	9,127	(50,652)
Collective impairment write back on loans (see note 12i)	(3,677)	27,871
	5,450	**(22,781)**

37 Income tax expense

	Company 31-Dec-19	Company 31-Dec-18
Current tax on profits for the year:		
Company income tax	321,321	535,933
Education tax	-	-
Technology levy	112,865	102,541
Nigeria Police fund levy	564	-
Withholding tax on dividend income	-	114,683
Total current tax	**434,750**	**753,157**
Deferred tax charge credit	-	1,476,304
	434,750	**2,229,461**

(b) The tax on the company's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	Company 31-Dec-19	Company 31-Dec-18
Profit before income tax	11,286,465	11,463,674
Tax calculated at domestic rate applicable in Nigeria at 30% (2018: 30%)	3,385,939	3,439,102
Effect of:		
Tax exempt income	(10,481,108)	(7,357,966)
Non-deductible expenses	8,261,056	6,940,001
Technology levy	112,865	114,637
Tax assessment based on minimum tax	(321,322)	(450,000)
WHT paid on dividend	(43,936)	(62,406)
Capital allowance	(478,745)	(393,907)
Total income tax expense in comprehensive income	**434,750**	**2,229,461**

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

Reconciliation of effective tax rate	Company 31-Dec-19	Company 31-Dec-18
Tax calculated at domestic rate applicable in Nigeria at 30% (2017: 30%)	30.00%	30.00%
Effect of:		
Tax exempt income	-92.86%	-64.19%
Non-deductible expenses	73.19%	60.54%
Education tax	0.00%	0.00%
Technology levy	1.00%	1.00%
Capital gains tax	0.00%	0.00%
Tax assessment based on minimum tax	-2.85%	-3.93%
WHT paid on dividend	-0.39%	-0.54%
Capital allowance	-4.24%	-3.44%
Effective tax rate	**3.85%**	**19.45%**

Uncertainty over Income tax treatments

The Company's general business keeps a reserve for unexpired risk. Section 16(8)(a) of CITA allows general businesses to take as a deduction, a 'reserve for unexpired risks'. This is the risk associated with future financial periods and includes the 'unearned premium' received by the insurer applicable to those periods. Therefore there is uncertainty around whether the deduction as permitted by the tax law is actually a "tax exemption or a 'deduction' for that year. The Company has treated the reserve for unexpired risks as a tax exemption as the Company believes that the reserve for unexpired risks would will be allowed as an exemption.

The Company believes that its treatment of the reserve for unexpired risk for its general business is adequate based on its assessment of factors including interpretations of tax law and prior experience with the tax authorities.

38 Earnings Per Share	Company 31-Dec-19	Company 31-Dec-18
Profit from continuing operations attributable to owners of the parent	10,851,715	9,183,321
Loss from discontinued operations attributable to owners of the parent	-	-
Total	**10,851,715**	**9,183,321**
Weighted average number of ordinary shares in issue before deducting bonus shares	10,000,000	9,212,561
Bonus issued as of 31 May 2018	-	6,292,673
Weighted average number of shares in issue	10,000,000	15,505,234
Basic and diluted Earnings per share (kobo)		
From continuing operations		59
From discontinued operations	109	-
	-	
Total comprehensive income for the year	109	59

39 Dividend

The dividend declared and paid in 2019 was a cash dividend of N3bn (15 kobo per share). The Board of Directors had recommended the payment of N4bn (20 kobo per share). However, the shareholders resolved to reduce the dividend recommended for payment from N4bn to N3bn.

A cash dividend of N3.5bn will be proposed at the next annual general meeting in respect of the year ended 31 Dec 2019. This has been disclosed in the financial statement.

Notes to the Company Financial Statements Continued

(All amounts in thousands of Nigerian Naira)

40 Related parties

Leadway Assurance Company Limited is the ultimate parent/controlling party of the company. Related parties to the Company are as follows:

(I) *Subsidiary*

The Company has one subsidiary as at 31 December 2019. Transactions between Leadway Assurance Company Limited and the subsidiary also meet the definition of related party transactions. During the year, ₦641,462,095 representing the consideration for a bond was transferred to the subsidiary as deposit for shares. In addition, ₦83,597,962 was advanced as loan to the subsidiary

(ii) *Key management personnel*

The key management personnel have been identified as the members of the board of directors (executive and non executive members), including their close members of family and any other entity over which they exercise control. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with Leadway Assurance Company Limited. The compensation paid or payable to key management personnel for employee services is disclosed in note 34c

	Company 31-Dec-19	Company 31-Dec-18
Salaries and other short term employee benefits	119,597	94,925
Pension cost - defined contribution	5,056	4,264
	124,653	99,189

Key management personnel and their immediate relatives engaged in the following transactions with the company during the year.

	Company 31-Dec-19	Company 31-Dec-18
Loans and advances to key management	64,821	84,386
Interest income earned by the company during the year	3,049	3,791

41 Contingent liabilities, litigations and claims

The company in the ordinary course of business is currently involved in 55 cases (2018: 48) legal cases. The actions are vigorously contested and the Directors are of the opinion that no significant liability will arise therefrom in excess of the provision that has been made in the financial statements.

In 2018, The National Insurance Commission (NAICOM) fined the Company the sum of ₦2,674,029,543 ($7,458,730.70) for alleged failure to remit co-insurance premium within 30 days as required by the Market Conduct Guidelines for Insurance Institutions 2015 (the Market Guidelines).
Following the Company's objection to and appeal against the imposition of the fine, NAICOM has rescinded the demand for payment, pending their consideration of the Company's objection and appeal. The Company is optimistic of a favorable outcome of its objection and appeal. Accordingly, no provision has been recognized in respect of the fine as at December 2019.

42 Contravention of laws and regulations

The Company in 2019 paid fines totaling ₦37,500. See table below for descriptions of the fines and amount paid

Nos	Description of fines	Amount
		₦
i	Late response to Naicom's enquiry on a client's policy	37,500

43 Events after the reporting date

The World Health Organization declared the coronavirus (COVID – 19) outbreak a pandemic and most governments have taken restrictive measures to contain its further spread by introducing lockdowns, closures of borders and travel restrictions which has affected the free movement of people and goods. The Nigerian Centre for Disease Control (NCDC) has confirmed COVID -19 cases in Nigeria and this has resulted in lock down in certain states. The pandemic has caused a significant reduction in social interactions, disruption in economic activities while some public facilities have been shut down in a bid to reduce the spread of the virus.

The Company considers this outbreak to be a non-adjusting subsequent event. As the situation is fluid and rapidly evolving, the Directors do not consider it practicable to provide a quantitative estimate of the potential impact of this outbreak and will continue to evaluate the impact of COVID-19 on the Company's operations, financial position and operating results.

As at the date these financial statements were authorized for issue, the Directors were not aware of any material adverse effects on the financial statements as a result of the COVID-19 outbreak. There were no other events after the reporting date that could have had a material effect on the financial statements of the Company that have not been provided for or disclosed in these financial statements.

APPENDICES TO FINANCIAL STATEMENTS (OTHER NATIONAL DISCLOSURES)

Value Added Statement

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Company 2019	%	Company 2018	%
Gross premium income (Local)	90,596,192		87,519,720	
Investment income				
- Local	31,853,455		22,805,449	
Other income				
- Local	705,604		4,262,904	
Reinsurance, claims, commission & operating expenses				
- Local	(96,171,767)		(87,397,949)	
- Foreign	(11,889,561)		(11,372,553)	
Value added	**15,093,923**	**100**	**15,817,571**	**100**
Applied to pay:				
Employee benefit expense	3,196,138	20%	3,845,148	25%
Government as tax	434,750	3%	2,229,461	14%
Retained in the business				
Depreciation of Property and equipment	457,721	3%	397,832	3%
Amortisation of intangible assets	153,599	2%	161,809	1%
To augment reserve	10,851,715	72%	9,183,321	58%
Value added	**15,093,923**	**100%**	**15,817,571**	**100%**

Five Year Financial Summary

(All amounts in thousands of Nigerian Naira unless otherwise stated)

COMPANY

	2019	2018	2017	2016	2015
Assets					
Cash and cash equivalents	26,210,607	32,978,304	27,800,239	24,189,697	14,656,941
Trade receivables	102,459	395,585	231,987	169,761	543,971
Investment securities	300,626,105	209,289,720	179,922,719	111,041,245	91,511,039
Reinsurance assets	39,038,453	43,688,887	35,235,353	11,720,783	11,405,947
Deferred acquisition cost	825,367	851,069	548,797	486,416	423,123
Other receivables and prepayment	2,132,561	1,417,602	3,534,606	1,115,754	1,114,898
Loans and advances	1,402,795	1,395,564	1,065,407	797,368	1,217,079
Property and equipment	4,412,066	3,428,095	3,828,939	3,645,335	3,760,439
Investment properties	17,199,024	16,414,443	14,963,765	8,159,419	8,795,000
Investment in subsidiaries	2,153,425	2,153,425	3,637,495	3,637,495	3,294,467
Investment in associates	-	-	-	-	-
Deferred tax assets	-	-	286,446	286,446	114,129
Intangible assets	162,448	255,339	392,884	313,804	31,308
Statutory deposits	500,000	500,000	500,000	500,000	50,000
Total assets	**394,765,310**	**312,768,033**	**271,948,637**	**166,063,523**	**137,368,341**
Liabilities					
Trade payables	9,690,123	11,573,804	3,633,509	2,754,639	2,714,107
Current tax liabilities	859,502	1,083,948	1,119,536	900,143	651,998
Other liabilities	4,539,823	5,627,973	12,926,747	7,097,389	3,895,636
Insurance contract liabilities	296,704,133	225,437,157	183,982,546	104,757,646	93,785,535
Investment contract liabilities	26,796,212	21,890,990	22,532,309	18,294,287	15,459,507
Deferred tax liabilities	1,883,284	1,883,284	693,427	728,673	556,356
Total liabilities	**340,473,077**	**267,497,156**	**224,888,074**	**134,532,777**	**117,063,139**
Capital and reserves					
Issued and paid share capital	10,000,000	10,000,000	4,682,450	4,682,450	4,389,798
Share premium	588,575	588,575	4,433,748	4,233,748	387,826
Contingency reserve	13,648,610	11,732,730	9,877,208	7,839,003	6,481,209
Retained earnings	24,297,458	18,361,620	20,795,497	11,537,043	7,232,879
Assets revaluation reserves	1,558,699	1,497,292	1,435,516	1,363,442	1,294,941
Fair value reserves	4,198,891	3,090,660	5,836,144	1,875,060	518,549
Other reserves	-	-	-	-	-
Shareholders funds:	**54,292,233**	**45,270,877**	**47,060,563**	**31,530,746**	**20,305,202**
Total equity and liabilities	**394,765,310**	**312,768,033**	**271,948,637**	**166,063,523**	**137,368,341**

Five Year Financial Summary Continued

(All amounts in thousands of Nigerian Naira unless otherwise stated)

STATEMENT OF COMPREHENSIVE INCOME

COMPANY	2019	2018	2017	2016	2015
Gross premium written	90,596,192	87,519,720	84,189,079	46,648,918	39,008,139
Premium earned	70,898,107	71,121,875	69,823,794	39,947,165	29,901,721
Profit before taxation	11,286,465	11,412,782	13,448,965	6,484,941	3,394,793
Taxation	(521,717)	(2,229,461)	(652,304)	(105,012)	(585,215)
Profit after taxation	10,764,748	9,183,321	12,796,661	6,379,929	2,809,578
Transfer to contingency reserve	(1,915,879)	(1,855,522)	(2,038,206)	(943,301)	(758,747)
Basic/diluted earnings per share (kobo)					
From continuing operations (kobo)	108	59	83	72	73
From discontinued operations (kobo)	-	-	-	-	-

General Insurance Business Statement of Financial Position

As at 31 December 2019

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	31-Dec-19	31-Dec-18
Assets		
Cash and cash equivalents	21,308,948	26,860,343
Investment securities	40,925,920	30,277,807
Trade receivables	97,595	381,436
Reinsurance assets	38,674,736	42,636,372
Deferred acquisition cost	825,367	851,068
Loans and other receivables	721,484	1,255,786
Investment in subsidiaries	-	-
Investment properties	4,065,450	4,056,462
Deferred tax assets	-	-
Intangible assets	104,356	145,334
Property and equipment	2,493,152	2,505,062
Statutory deposits	300,000	300,000
Total assets	**109,517,008**	**109,269,670**
Liabilities		
Insurance contract liabilities	66,644,120	70,175,551
Trade payables and other liabilities	11,016,115	11,684,791
Current tax liabilities	374,279	614,581
Deferred tax liabilities	773,269	773,264
Total liabilities	**78,807,783**	**83,248,187**
Capital and reserves		
Share capital	5,000,000	5,000,000
Share premium	-	-
Contingency reserve	9,811,735	8,451,352
Retained earnings	10,966,196	8,318,251
Asset revaluation reserve	1,392,060	1,342,684
Fair value reserves	3,539,234	2,909,197
Shareholders funds:	**30,709,225**	**26,021,484**
Total equity and liabilities	**109,517,008**	**109,269,670**

General Insurance Business Income Statement

For the year ended 31 December 2019

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	31-Dec-19	31-Dec-18
Gross premium written	35,046,533	30,238,298
Add: reduction in unearned premium	(1,086,495)	486,041
Gross insurance premium revenue	33,960,038	30,724,339
Reinsurance expense	(17,393,664)	(15,490,928)
Net insurance premium earned	16,566,374	15,233,411
Commission income	2,769,245	1,727,104
Total revenue	**19,335,619**	**16,960,515**
Claims expenses	(6,348,569)	(8,394,733)
Underwriting expenses	(5,144,809)	(3,305,257)
Net underwriting expenses	**(11,493,378)**	**(11,699,990)**
Total underwriting profit	**7,842,242**	**5,260,525**
Investment income	3,466,916	3,098,868
Net fair value gain/(loss) on assets at fair value	282,351	(147,295)
Other operating income	408,583	3,743,767
Gain on non-current assets distributed to owners	-	261,083
Employee benefit expenses and other operating expenses	(5,202,812)	(5,804,280)
	(1,044,962)	**1,152,143**
Finance cost	-	-
Net impairment gains/(losses)	4,633	872
Profit before tax	**6,801,913**	**6,413,540**
Income taxes	(243,591)	(783,473)
Profit for the year	**6,558,322**	**5,630,067**
Other comprehensive income:		
Fair value changes on available for sale financial assets	630,037	(1,334,214)
Net amount transferred to income statement	-	-
Revaluation gain on land & building	49,376	81,962
Other comprehensive income for the year, net of tax	**679,413**	**(1,252,252)**
Total comprehensive income	**7,237,735**	**4,377,815**

General Insurance Business Revenue Account

For the year ended 31 December 2019

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	MOTOR	FIRE	GEN. ACC.	AGRIC.	MARINE	BOND	ENGINEERING	SPECIAL RISK	2019 TOTAL	2018 TOTAL
INCOME										
Gross premium written	3,805,485	3,337,732	1,725,193	575,262	1,703,654	893,522	1,035,189	21,970,495	35,046,533	30,238,298
Less: Increase/ (decrease) in unearned premium	(201,391)	(169,810)	(140,834)	210,533	32,807	(23,978)	145,410	(939,232)	(1,086,495)	486,041
Gross premiums earned	**3,604,094**	**3,167,922**	**1,584,359**	**785,796**	**1,736,460**	**869,544**	**1,180,599**	**21,031,263**	**33,960,038**	**30,724,339**
Reinsurance cost	(155,277)	(1,825,021)	(352,460)	(392,672)	(774,742)	(444,498)	(286,228)	(13,162,766)	(17,393,664)	(15,490,929)
Net premium earned	**3,448,817**	**1,342,901**	**1,231,899**	**393,124**	**961,718**	**425,047**	**894,372**	**7,868,497**	**16,566,374**	**15,233,410**
Commissions earned	68,068	771,957	162,498	66,969	246,975	82,536	97,039	1,273,204	2,769,245	1,727,104
Total underwriting income	**3,516,885**	**2,114,858**	**1,394,397**	**460,093**	**1,208,693**	**507,582**	**991,411**	**9,141,702**	**19,335,619**	**16,960,514**
EXPENSES										
Gross claims paid	(2,125,008)	(2,161,387)	(310,666)	(270,030)	(766,765)	(641,504)	(162,234)	(3,115,261)	(9,552,855)	(21,819,387)
Increase/(decrease) in outstanding claims provision	(389,171)	300,017	(161,283)	(21,223)	(493,169)	265,527	(31,013)	5,148,242	4,617,927	(10,838,510)
Gross claims incurred	(2,514,179)	(1,861,370)	(471,949)	(291,253)	(1,259,934)	(375,977)	(193,247)	2,032,981	(4,934,928)	(32,657,897)
Deduct: reinsurance claims recoveries/recoverable	186,425	308,447	(3,456)	144,304	195,516	(91,347)	104,508	(2,258,037)	(1,413,640)	24,263,165
Net claims incurred	(2,327,755)	(1,552,923)	(475,405)	(146,949)	(1,064,418)	(467,324)	(88,739)	(225,057)	(6,348,568)	(8,394,732)
Add: Underwriting expenses:										
Commission expenses	(472,507)	(619,820)	(306,703)	(69,986)	(275,202)	(8,943)	(201,226)	(899,071)	(2,853,458)	(2,767,960)
Acquisition expenses	(254,579)	(223,287)	(115,412)	(38,484)	(113,971)	(59,775)	(69,252)	(1,416,593)	(2,291,351)	(537,297)
Maintenance expenses										
	(727,086)	**(843,107)**	**(422,115)**	**(108,470)**	**(389,173)**	**(68,718)**	**(270,478)**	**(2,315,664)**	**(5,144,809)**	**(3,305,257)**
Total expenses and claims incurred	**(3,054,841)**	**(2,396,030)**	**(897,520)**	**(255,419)**	**(1,453,591)**	**(536,042)**	**(359,217)**	**(2,540,721)**	**(11,493,377)**	**(11,699,989)**
Underwriting profit/(loss)	**462,044**	**(281,172)**	**496,877**	**204,674**	**(244,898)**	**(28,459)**	**632,193**	**6,600,982**	**7,842,241**	**5,260,525**

Financial Performance

	General Insurance Business		
	31-Dec-19	31-Dec-18	% Change
Gross Premium	35,046,533	30,238,298	16%
Net Premium	16,566,374	15,233,411	9%
Total Underwriting Income	19,335,619	16,960,515	14%
Investment Income	3,466,916	3,098,868	12%
Claims expenses	(6,348,569)	(8,394,733)	-24%
Annuity Claim	-	-	0%
Underwriting expenses	(5,144,809)	(3,305,257)	56%
Underwriting Profit	7,842,242	5,260,525	49%
Operating expenses	(5,202,812)	(5,804,280)	-10%
Profit before tax	6,801,913	6,413,540	6%
Earnings per share	53kobo	53kobo	

Performance ratios

	Using Gross Written Premium		Using Net Written Premium	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
Underwriting expenses ratio	15%	11%	31%	22%
Claims ratio	18%	28%	38%	55%
Operating expenses ratio	15%	19%	31%	38%
Combined ratio	48%	58%	101%	115%
Underwriting profit ratio	22%	17%	47%	35%

Life Business
Statement of Financial Position
As at 31 December 2019
(All amounts in thousands of Nigerian Naira unless otherwise stated)

	31-Dec-19	31-Dec-18
Assets		
Cash and cash equivalents	4,901,658	6,117,962
Investment securities	259,700,185	179,011,913
Trade receivables	4,864	14,149
Reinsurance assets	363,717	1,052,515
Loans and other receivables	3,546,396	1,886,817
Investment in subsidiaries	2,153,425	2,153,425
Investment properties	13,133,574	12,357,981
Deferred tax assets	-	-
Intangible assets	58,093	110,005
Property and equipment	1,918,913	923,034
Statutory deposits	200,000	200,000
Total assets	**285,980,825**	**203,827,801**
Liabilities		
Insurance contract liabilities	230,060,011	155,261,604
Investment contract liabilities	26,796,212	21,890,989
Trade payables and other liabilities	3,946,356	5,846,440
Current tax liabilities	485,224	469,368
Deferred tax liabilities	1,110,014	1,110,014
Total liabilities	**262,397,817**	**184,578,415**
Capital and reserves		
Share capital	5,000,000	5,000,000
Share premium	588,575	588,575
Contingency reserve	3,836,875	3,281,379
Retained earnings	13,331,262	10,043,363
Asset revaluation reserve	166,640	154,606
Fair value reserves	659,657	181,462
Shareholders funds	**23,583,009**	**19,249,385**
Total equity and liabilities	**285,980,825**	**203,827,801**

Life business Income Statement

For the year ended 31 December 2019

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	31-Dec-19	31-Dec-18
Gross premium written	55,549,659	57,281,421
Add: reduction in unearned premium Company life	(655,391)	(268,532)
Gross insurance premium revenue	**54,894,268**	**57,012,889**
Reinsurance expense	(562,535)	(1,124,426)
Net insurance premium earned	**54,331,733**	**55,888,463**
Commission income	118,934	152,567
Total revenue	**54,450,667**	**56,041,030**
Gross benefits and claims paid	(31,766,243)	(25,273,553)
Increase in annuity fund	(73,125,802)	(30,020,421)
Increase in individual life fund	(993,480)	(120,183)
Claims ceded to reinsurance	(335,954)	469,598
Gross change in contract liabilities	(23,734)	(693,006)
Underwriting expenses	(2,983,897)	(2,854,238)
Net Underwriting expenses	**(109,229,111)**	**(58,491,803)**
Total Underwriting (loss)/profit	**(54,778,444)**	**(2,450,773)**
Investment income	28,386,540	19,706,579
Profit/(Loss) on investment contracts	602,697	239,712
Net fair value gain/(loss) on assets at fair value	33,575,701	(11,663,959)
Other operating income	297,021	549,137
Gain on non-current assets distributed to owners	-	2,670,722
Employee benefit expenses and other operating expenses	(3,588,879)	(4,032,930)
Result of operating activities	**59,273,080**	**7,469,261**
Finance cost	-	-
Net impairment gains/(losses)	(10,083)	10,739
Profit before tax	**4,484,552**	**5,029,227**
Income taxes	(191,159)	(1,445,987)
Profit for the year	**4,293,393**	**3,583,240**
Other comprehensive income:		
Fair value changes on available for sale financial assets	478,195	(1,411,271)
Foreign exchange difference on unquoted financial assets	-	-
Revaluation gain on land & building	12,033	(20,186)
Other comprehensive income for the year, net of tax	**490,228**	**(1,431,457)**
Total comprehensive income	**4,783,621**	**2,151,783**

Life Business Revenue Accounts

For the year ended 31 December 2019

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Individual Life	Group Life	Annuity	2019 Total	2018 Total
Income					
Gross premium written	1,713,408	5,431,401	48,404,850	55,549,659	57,281,421
Decrease in unearned income	-		-	-	-
Gross premium income	1,713,408	5,431,401	48,404,850	55,549,659	57,281,421
Reinsurance expenses	(9,190)	(553,346)	-	(562,535)	(1,124,426)
Premium retained	**1,704,218**	**4,878,055**	**48,404,850**	**54,987,124**	**56,156,995**
Commissions earned		118,934		118,934	152,567
Investment income	280,937	890,556	25,618,291	26,789,785	18,684,085
Fair value gain/ (loss) on annuity bond	121,506	385,167	32,647,414	33,154,088	(11,830,244)
Fair Value Gain on Investment property	3,810	12,076	-	15,886	23,809
Other income	55,766	176,774	(116,466)	116,073	163,183
Total income	**2,166,237**	**6,461,560**	**106,554,089**	**115,181,889**	**63,350,395**
Direct claims paid	(847,169)	(1,852,844)	(1,630,480)	(4,330,493)	(4,248,110)
Surrenders	-	-		-	-
Annuity payments	-	-	(27,435,750)	(27,435,750)	(21,025,441)
				-	-
Increase/(decrease) in outstanding claims	-	-	-		
Gross claims incurred	**(847,169)**	**(1,852,844)**	**(29,066,230)**	**(31,766,243)**	**(25,273,551)**
Deduct:					
Reinsurance claims recoveries/recoverables		(335,954)		(335,954)	469,598
Provision for Outstanding Claims		-		-	(693,006)
	78,431	(87,244)	(14,922)	(23,734)	
Net claims incurred	**(768,738)**	**(2,276,041)**	**(29,081,152)**	**(32,125,931)**	**(25,496,958)**
Provision for unexpired risk	(993,480)	(655,391)	(73,125,802)	(74,774,673)	(30,409,136)
Employee benefit expenses	(255,550)	(556,196)	(120,259)	(932,005)	(1,287,105)
Commission expenses	(359,077)	(449,886)	(1,649,633)	(2,458,596)	(2,429,383)
Maintenance expenses	(12,891)	(13,845)	(498,565)	(525,301)	(422,041)
Operating expenses	(1,036,803)	(1,129,587)	(487,395)	(2,653,785)	(2,658,651)
Total expenses	**(3,426,538)**	**(5,080,947)**	**(104,962,805)**	**(113,470,291)**	**(62,703,274)**
Underwriting result	**(1,260,302)**	**1,380,613**	**1,591,283**	**1,711,598**	**647,121**

Revenue Account on Deposit Administration

For the year ended 31 December 2019

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Company 31 December 2019	Company 31 December 2018
Income		
Investment Income	3,136,011	3,640,56
Loss from sale of investment	(86,188)	(55,202)
Valuation gain on property	-	8,696
Unrealised gains/(losses) from investment	945,711	(41,506)
Other income	-	-
	3,995,533	**3,552,556**
Expenses		
Acquisition expenses	(474,705)	(357,234)
Maintenance cost	(74,158)	(58,246)
Interest on Deposit Administration	(1,796,214)	(2,212,161)
Management Expenses	(1,047,759)	(685,203)
	(3,392,837)	**(3,312,844)**
PROFIT/(LOSS) FROM DEPOSIT ADMINISTRATION	**602,697**	**239,712**

Financial Performance

	Life Business		
	31-Dec-19	31-Dec-18	% Change
Gross Premium	55,549,659	57,281,421	-3%
Net Premium	54,331,733	55,888,463	-3%
Total Underwriting Income	54,450,667	56,041,030	-3%
Investment Income	28,386,540	19,706,579	44%
Claims expenses	(4,330,493)	(4,248,110)	2%
Annuity Claim	(27,435,750)	(21,025,441)	30%
Underwriting expenses	(2,983,897)	(2,854,238)	5%
Underwriting Profit	(54,778,444)	(2,450,773)	2135%
Operating expenses	(3,588,879)	(4,032,930)	-11%
Profit before tax	4,484,552	5,029,227	-11%
Earnings per share	1.30kobo	1.30kobo	

Performance ratios

	Using Gross Written Premium		Using Net Written Premium	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
Underwriting expenses ratio	5%	5%	5%	5%
Claims ratio	8%	7%	8%	8%
Operating expenses ratio	6%	7%	7%	7%
Combined ratio	20%	19%	20%	19%
Underwriting profit ratio	5%	5%	5%	5%

Life Business Annuity Statement
As at 31 December 2019
(All amounts in thousands of Nigerian Naira unless otherwise stated)

Leadway Assurance Company

Annuities' Portfolio at 31st December 2019			
Annuity Business by nature, type and their operation.			
Title	**Number of Policies**	**Classification**	**Operations Procedure**
PRA Regulated Annuities	48,251	Risk	Quotation; Provisional Agreement; NAICOM Approval; Premium Remittance By PFC; Despatch Policy Document; Administration
Annuities Certain	115	Risk	Quotation; Premium Remittance; Despatch Policy Document; Administration

Annuity Liabilities, Investment Income and Pay Out.

Title	**Liability As At 31st December 2019 (N'000)**	**Investment Income (N'000)**	**Pay Out (N'000)**
PRA Regulated Annuities	219,963,660	25,501,825	29,066,230
Annuities Certain	671,079	94,523	-

Note: The information above corresponds with the report of the Actuarial Valuation as at 31st December 2019
The assets backing Annuity Funds are as follows:

S/N	**ASSETS TYPE**	**ANNUITY**		**ANNUITY CERTAIN**	
		(N'000)	%	(N'000)	%
1	Money Market	2,570,733	93	201,282	7
2	Quoted Shares	8,503,308	98	135,462	2
3	Corporate Bonds	3,856,275	100		-
4	FGN/State Bonds	204,292,389	100	334,335	0
5	Real Estate	-	-	-	-
6	Treasury bills	740,953	100	-	-
7	Unquoted Securities	-	-	-	-
	TOTAL	**219,963,659**	**70**	**671,079**	**1**

Leadway At A Glance

YEAR OF INCORPORATION	1970
COMMENCEMENT OF OPERATIONS	1971
FINANCIAL YEAR END	31st December
SHAREHOLDERS' FUNDS	₦ 54 Billion (as at 31 December 2019)
TOTAL ASSET BASE	₦ 394 Billion (as at 31 December 2019)
CLASSIFICATION	All classes of Insurance, Managed Funds & Trusteeship
NUMBER OF BRANCHES	24
SUBSIDIARY	Leadway Vie
ASSOCIATED COMPANIES	Leadway Pensure PFA Limited Leadway Capital & Trusts Limited Leadway Hotels Limited Leadway Properties & Investments Ltd. Leadway Asset Management
NUMBER OF EMPLOYEES	313 (as at December 31, 2019)
FOUNDER	Sir Hassan O. Odukale (1926-1999)
DIRECTORS	General Martin Lurther Agwai (rtd.) - Chairman Mr. Jeremy Rowse - Director Mr. Seyi Bickersteth – Director Mr. Odein Ajumogobia – Director Mr. Tunde Hassan-Odukale - Managing Director/CEO Ms. Adetola Adegbayi - Executive Director, General Business
MANAGEMENT STAFF	Mr. Oye Hassan-Odukale, mfr - Managing Director/CEO - Retired 31 December, 2019 Mr. Tunde Hassan-Odukale - Managing Director/CEO - Appointed 1 January, 2020 Ms. Adetola Adegbayi – Executive Director, General Insurance Mr. Tinashe Muyambo – Head, Life Business Mr. Gboyega Lesi – Commercial Director Mr. Allan Olufade Suradj – Regional Director Mrs. Kunbi Adeoti – Human Resources Director Mr. Odalo Aimufia – Chief Information Officer Mr. Ernest Aziagba – General Insurance Actuary Mr. Tunde Alao-Olaifa – Strategy & Special Projects Director Mr. Oluwafemi Adebayo – Life Sales Director Mr. Bamidele Lawal – Chief Technical Officer Mrs. Kikelomo Fischer – Enterprise Risk Management Director Mr. Olumide Hanson – Company Secretary

Branch Network

Registered office:
NN 28/ 29 Constitution Road, Kaduna.

Corporate office:
121/123 Funso Williams Avenue, Iponri Lagos.

Branch Offices

ABEOKUTA
Seriki Fadare Plaza, beside Nigeria Immigration office,
Oke-Mosan, Abeokuta
08129997096, 08129997097

ABUJA
Leadway House Plot 1061, Herbert Macaulay Way
Central Business District, Cadastral Zone. Abuja
08129997114, 08129997115

AKURE
NACRDB Building, Ado-Owo Road
Alagabaka Akure
08129997104, 08129997159

BENIN
49 Akpakpava Road, Benin City
08129997103, 08129997158

CALABAR
141, Ndidem Usang Iso Road/ Marian Road,
Calabar, Cross River
08129997098, 08129997099

Enugu
Akalaka House (2nd floor) 127/129 Chime Avenue
New Haven, Enugu
08129997106, 08129997161

FESTAC*
Twin Place, Plot 2015 Block, 18A, Amuwo- Odofin Govt. Scheme by Apple Bus/stop
Festac Link Road, Festac, Lagos
08129997005

IBADAN
25, Morgaji Are Rd,Iyaganku GRA
Off Moshood Abiola Way,Ibadan
08129997102, 081299971629

IKEJA*
77 Opebi Road, Ikeja, Lagos
08129997012

ILORIN
163, Ajase-Ipo.Road, Gaa-Akanbi Junction Road.
Anu Oluwapa Complex Ilorin, Kwara State
08129997153, 08129997157

JOS
2A Ibrahim Taiwo Rd,GRA Jos
08129997122, 08129997123

KANO
Fustan House 25 Zaria Road
Gyadi-Gyadi Round About, Kano
08129997112, 08129997168

LEKKI
Garnet Building, Igbo-Efon by 2nd round-about
along Lekki-Epe Expreway, Lekki, Lagos
08129997009

MAKURDI
Last Floor, 8 Railway bye pass, High Level,
near Zenith bank, Makurdi
08129997113

OSOGBO
2nd floor, Moye House
Km2,Gbogan /Ibadan
Road Oshogbo,Osun State
08129997108, 08129997163

PORT HARCOURT
8 Igbodo Street, Old GRA, Port Harcourt
08129997109, 08129997110

UYO
140, Atiku Abubakar Way Uyo
08129997100, 08129997155

SAGAMU
13 Isale Oko Road, Sagamu
08129997101, 08129997156

SOKOTO
15A, Kano Road Not Far
From Central Of Nigeria, Sokoto.
08129997124

WARRI
Ecobank Building 60 Effurun/Sapele Road Warri
08129997111, 08129997166

ZARIA
Last floor, UBA building by PZ Kaduna Road Zaria
08129997125

MARINA
24 Campbell Street, Lagos Island
08129997011

* Asterisked offices are domiciled in Lagos

Subsidiary

Leadway Vie

Leadway Assurance Company Limited gained inroads into Cote d'Ivoire through the acquisition of a Life Insurance Company. Our decision to expand into Cote d'Ivoire was a result of the identified opportunity in the Ivorian Market. Increasing institutional Investment in the country has resulted to increasing economic activities. We started operating as Leadway Vie on the 30th of September, 2018 upon receiving regulatory approval for the acquisition and name change.

In a market that has created so much reputational damage to insurance through value eroding products, there exists both the opportunity to gain market share from acting fairly and a discouragement of customers to buy insurance. Our goal is to encourage customers to embrace the change. We aim to become Ivory Coast's foremost insurance company, following in the steps of its parent brand in ensuring integrity, service, customer focus, openness, respect for the individual and excellence (iSCORE). Leadway Vie is the transparent insurer; we listen more than we speak and we are open to our Customers.

The Company intends to transform the insurance space by becoming the leading digital Insurance Company in Cote d'Ivoire.

Associated Companies

Leadway Pensure PFA

Leadway Pensure PFA Limited was incorporated on the 25th day of August 2004 in accordance with the provisions of the Pension Reforms Act 2004 to carry on the services of a Pension Fund Administrator [PFA], and was duly licensed by the National Pensions Commission (PenCom) in 2005. We have an authorised and Paid-up share capital of N2.0 Billion. As at December 31st 2017, their shareholders fund stood at 5.018 billion, unimpaired by losses. The principal goal of the company is to provide effective support to contributors in securing a comfortable retirement, by offering world class pension fund management and administration services.

Overall, Leadway Pensure PFA is considered in the individual and corporate market as being Strong, Progressive and driven by Integrity, having successfully managed funds and provided enviable returns. With a responsive complaints resolution and feedback system, the business interacts and stays close to its customers in order to nurture and retain them, always available to take their numerous customers through the process of attaining desirable financial status at retirement.

Leadway Capital & Trusts

Leadway Capital & Trusts Limited is a subsidiary of the Leadway Holding Company. The reputation enjoyed by the Leadway brand has been attained and sustained by the pursuit of improvements to maintain competitive advantage. All aspects of the business are approached with discipline – the recruitment of staff, development of products, use of advanced technology to final service delivery.

Since incorporation, the company has been providing trusteeship services in diverse arrangements. Specifically, Leadway Capital & Trusts Limited provides professional services in the following areas:

Short Term Financing for pre-qualified transactions, Equipment Leasing to select Corporate Bodies, as well as Investing in varied transactions where management finds it expedient. Leadway Capital and Trusts Limited is able to tap into the resources and over 45-year experience of the Leadway brand.

Address:
121/123 Funso Williams Avenue, Iponri, Surulere, Lagos; P.O. Box 6437, Marina, Lagos. Tel: 01-2700700 Fax: 01-2700800, E-mail: trustees@leadway.com, Website: www.leadwaycapital.com

Leadway Hotels

Leadway Hotels Limited, incorporated March 2005, is a subsidiary of Leadway Holding Company and an up-and-coming player in the hospitality industry in Nigeria. It aims to become a distinctly recognized brand in the hospitality and service industry. Leadway Hotels Limited is dedicated to quality and services and has a reputation for service efficiency and customers' reliability. For almost a decade, the Leadway Hotels Limited, has honoured its hospitality commitments and has earned its reputation of excellence in this regard. All aspects of the business are approached with discipline; the recruitment of staff, the advancement of technologies and the corporate/personal service offered to its growing clientele.

Under its umbrella are three notable and thriving businesses in Lagos and Abuja, namely, Leadway Hotel in Ikeja, Le´ola Suites and Panache Restaurant, both in Abuja. One of the strengths of the company is its ability to effectively coordinate these businesses with innovative prowess which is helping it carve a niche within the hospitality industry in Nigeria. These are evident in the excellent local and international cuisine offered to its diverse guests. Its Restaurants boasts of a menu selection that is varied enough to cater for all tastes.

Operating Address: Leadway Hotel, Ikeja. 1 Mugambo Close, Maryland Estate, Lagos. Nigeria.
Tel:+2341 2790800/0802/0803/0806, Fax:+2341 2790801, E-mail: reservations@leadway.com
Leola Suites/Panache Restaurant Leadway House (near NNPC Towers) 1061 Herbert Macaulay Way Central Business District Abuja, Nigeria.

Leadway Properties & Investment Limited

Leadway Properties & Investment Limited, a wholly-owned subsidiary of Leadway Holding Company, is a property development company involved in the acquisition, development, management and sales of high quality, serviced commercial and residential properties in the Nigerian real estate market.

- Trusts of Consortium Lending
- Debenture Trusts
- Unit Trusts and Mutual Funds
- Mortgage Trusts
- Investment Trusts
- Leasing Trusts
- Employee Share Ownership Trusts
- Custodian Trusteeship
- Nominee Shareholding Management of other Trusts as Endowments, Foundations and Co-operatives
- Preparation of Wills
- Living Trusts
- Education Trusts
- Public Trusts

Leadway Asset Management

Leadway Asset Management is a wholly owned subsidiary of the Leadway Holdings and an associated company with Leadway Assurance Company Limited. We are a full service asset management company providing wealth management services to high net worth and ultra-high net worth individuals, portfolio and advisory services to institutions and investment solutions to retail clients.

As a company, Leadway Asset Management leverages the strength and experience of the company and Swiss RE brands to offer tailor-made investment solutions to her clients, helping them meet their long term investment objectives