

**INDUSTRIAL AND GENERAL INSURANCE PLC**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

# INDUSTRIAL AND GENERAL INSURANCE PLC

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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# INDUSTRIAL AND GENERAL INSURANCE PLC

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### CORPORATE INFORMATION

<b>Company Registration Number</b>	- RC 178140
<b>Nature of business</b>	The Company is principally engaged in the business of financial services with its main business as underwriting of life and non-life risks for both corporate and individual customers.
<b>Directors:</b>	<div><div><div>Mahmud Yayale Ahmed, CFR, BSc, MPA, LLD (Hons)</div><div>Rachel Voke Emenike (Mrs.), LLB, BL, MBA, ACII</div><div>Bayo Folayan</div><div>Professor Oladapo Afolabi, OON, CFR, MSc, PhD</div><div>Augustine Olorunsola BSc</div><div>Gaffar Kayode Animashawun Jnr. BL, LLM</div><div>Kanayo Chuks Okoye BL, LLM</div><div>Shade Ajayi</div></div><div><div>- Chairman</div><div>- Managing Director/CEO (appointed w.e.f 01/02/19)</div><div>- Acting Managing Director (appointed w.e.f 03/07/17; ceased to hold office w.e.f. 31/01/19)</div><div>- Director</div><div>- Director</div><div>- Director</div><div>- Director</div><div>- Acting Executive Director, Technical (appointed w.e.f. 03/07/17; resigned w.e.f. 13/05/19)</div></div></div>
<b>Company Secretary</b>	Abiodun Ajifolawe BL, LLM, FCIS, FCTI, FClarb
<b>Registered office</b>	No. 2, Agoro Odiyan Street Off Adeola Odeku Street Victoria Island, Lagos. P M B 80181, Victoria Island, Lagos State E-mail: info@iginigeria.com Website: www.iginigeria.com
<b>Liaison office</b>	Suite 52-55, 1st Floor 65 London Wall London, EC2M 5TU Tel: 020-7374 0588; 020-7374 0648; Fax: 020-7374
<b>Auditors</b>	PKF Professional services PKF House 205A Obanikoro Ikorodu Road Lagos State
<b>Website</b>	<a href="http://www.pkf-ng.com">www.pkf-ng.com</a>
<b>Registrars</b>	Greenwich Registrars & Data Solutions Limited 274, Murtala Muhammed Way Yaba, Lagos
<b>Re-insurers</b>	Lloyds of London African Reinsurance Corporation Allianz SOMPO Japan Hannover Re AIG WAICA Re Swiss Re Continental Reinsurance

# **INDUSTRIAL AND GENERAL INSURANCE PLC**

## **CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

### **CORPORATE INFORMATION**

<b>Actuaries</b>	Ernst & Young UBA House 10th Floor 57 Marina Lagos
<b>Major Bankers</b>	Access Bank Plc Citibank Nigeria Plc Ecobank Nigeria Plc First Bank of Nigeria Limited First City Monument Bank Plc Guaranty Trust Bank Plc Global Trust Savings & Loans Limited Heritage Bank Plc Keystone Bank Plc Sterling Bank Plc Polaris Bank Plc Standard Chartered Bank Plc Union Bank Plc United Bank of Africa Plc Wema Bank Plc Zenith International Bank Plc

**FRCN Registration No    FRC/2013/0000000000644**

# INDUSTRIAL AND GENERAL INSURANCE PLC

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER, 2019

The Directors have pleasure in presenting their report on the affairs of Industrial and General Insurance Plc ("the Company") together with the Group Audited Financial Statements and Auditors' report for the year ended **31 December 2019**.

#### CORPORATE STRUTURE AND BUSINESS

Industrial and General Insurance Plc ("IGI" or "the Company") is a company domiciled in Nigeria with presence in some other countries.

The Company was incorporated as a private limited liability company in 31 October 1991 and licensed by the National Insurance Commission to operate as a composite insurance company in December 1991 and commenced business in January 1992. Its registered office is No 2 Agoro Odiyan Street, Victoria Island, Lagos, Nigeria.

The Company is principally engaged in the business of financial services with its main business as underwriting of life and non-life risks for both corporate and individual customers.

Following the increase in the number of members beyond the maximum required for a private company after the Company's Private Placement Exercise in year 2006/2007, the Company converted to a public limited liability company on 28 June 2007 and the change was assented to by the Registrar- General of the Corporate Affairs Commission on 30 November 2007. The name of the Company was accordingly changed to Industrial and General Insurance Plc.

The Company expanded in 2007 by acquiring Nasal Insurance Company Limited. This led to an increase in both its asset and customer base.

The Company has both local and foreign subsidiaries, namely:

#### Local

Global Trust Savings and Loans Limited, International Health Management Services Limited, Monarch Communications Limited and All Crown Registrars Limited.

#### Foreign

National Insurance Corporation Limited (Uganda) and IGI Gamstar Insurance Company Limited (The Gambia). The financial results of all the subsidiaries have been consolidated in these financial statements.

#### PRINCIPAL ACTIVITIES

The Company and most of its international subsidiaries are engaged in composite insurance business, that is, life and non-life insurance which includes special risks and investment contracts whilst Monarch Communications Limited was engaged in the telecommunications business; Global Trust Savings is engaged in the business of mortgage banking; International Health Management Services Limited carries on business as a provider of pre-paid health care services and All Crown Registrars Limited engages in the business of share registration.

#### Results at a Glance

	Group		Company	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
<b>Gross premium income</b>	<b>4,426,671</b>	<b>4,970,738</b>	<b>786,644</b>	<b>1,742,376</b>
Underwriting results	165,692	388,360	(672,398)	221,636
Investment income	669,049	409,016	307,417	164,531
Management expenses	(2,238,616)	(1,779,565)	(791,264)	(1,250,613)
Impairment writeback / (charge)	78,600	(21,250)	(116,798)	(5,433)
<b>Profit/(loss) before income tax</b>	<b>6,247,187</b>	<b>(232,877)</b>	<b>6,025,942</b>	<b>(173,307)</b>
<b>Net Assets</b>	<b>11,473,101</b>	<b>6,780,830</b>	<b>11,314,937</b>	<b>6,006,109</b>

# INDUSTRIAL AND GENERAL INSURANCE PLC

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER, 2019

#### DIRECTORS AND DIRECTORS' INTERESTS

a. The names of the current Directors are listed on page 8.

b. Mahmud Yayale Ahmed, CFR and Prof. Oladapo Afolabi, OON, CFR will retire by rotation and being eligible have offered themselves for re-election.

#### c. Directors' Shareholdings

The interests of the Directors who held office during the year in the issued share capital of the Company as recorded in the Register of Directors' Shareholding are as follows:

	Number of shares as at 31 December	
	2019	2018
Mahmud Yayale Ahmed, CFR	-	-
Prof. Oladapo Afolabi, OON, CFR	-	-
Osten Olorunsola	-	-
Gaffar K. Animashawun Jnr. (indirect)	184,064,556	184,064,556
Kanayo Chuks Okoye	-	-
Rachel Voke Emenike (Mrs.)	-	-
	<b>184,064,556</b>	<b>184,064,556</b>

#### APPOINTMENT OF NEW DIRECTORS

Rachel Voke Emenike (Mrs.) was appointed as the substantive Managing Director/CEO of the Company with effect from 1st February 2020. Her appointment will be presented for ratification/approval at the next Annual General Meeting.

#### ANALYSIS OF SHAREHOLDING

The shareholding pattern of the Company is as follows:

Share Range	Number Of Shareholders	% of Shareholder	Number Of Holdings	% Shareholding
1 - 1,000	77	0.75	35,147	0.00%
1,001 - 5,000	78	0.76	203,435	0.00%
5,001 - 10,000	34	0.33	264,209	0.00%
10,001 - 50,000	3,529	34.46	110,628,683	0.78%
50,001 - 100,000	2,031	19.87	132,196,332	0.93%
100,001 - 500,001	2,795	27.35	572,609,560	4.02%
500,001 - 1,000,000	673	6.59	436,000,790	3.06%
1,000,001 - 5,000,000	781	7.64	1,420,673,508	9.98%
5,000,001 - 100,000,000	208	2.04	3,931,648,052	27.63%
100,000,001 - 500,000,000	14	0.14	2,450,259,309	17.22%
500,000,001 - And Above	7	0.07	5,176,718,259	36.38%
<b>TOTAL :-</b>	<b>10,227</b>	<b>100</b>	<b>14,231,237,284</b>	<b>100%</b>

The Company intends to continually carry out the objectives set out in its Memorandum and Articles of Association. The detailed exposition of the current and future prospects is set out in the Chairman's Report.

#### RESEARCH AND DEVELOPMENT

The Company is on a continuous basis carrying out research into insurance products and services.

#### DONATIONS

No donations were made in the current year.

#### EMPLOYMENT AND EMPLOYEES

a) **Employment of physically challenged persons:** It is the policy of the Company that there should be no discrimination in considering applications for employment including those from disabled persons. All employees are given equal opportunities to develop. The Company had no disabled person in its employment as at **31 December, 2019**.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER, 2019

**b) Health, safety at work and welfare of employees:** Health and safety regulations are in force within the premises of the Company. The Company provides subsidy towards transportation, housing, lunch and medical expenses to all employees.

**c) Employees' Involvement and Training:** The Company is committed to keeping employees fully informed as much as possible regarding the Company's performance and progress and seeking their views wherever practicable on matters which particularly affect them as employees. Management's professional and technical expertise is the Company's major asset and investment in their further development continues. The Company's expanding skill-base has been extended by a range of training provided to its employees whose opportunities for career development within the company have been enhanced.

### INVESTMENT IN SUBSIDIARIES

Consistent with its expansion program, the Company setup and acquired some subsidiaries in the preceding years. Below is a list of companies and the percentage holdings in the subsidiaries:

S/N	NAME OF SUBSIDIARIES	IGI'S % HOLDING	STATUS
1.	Global Trust Savings & Loans Limited	98.73%	Acquired
2.	NIC Holding Limited, Uganda	64.95%	Acquired
3.	IGI Gamstar Insurance Company Limited, Gambia	60.00%	Acquired
4.	All Crown Registrars Limited	80.00%	Acquired
5.	International Health Management Services Limited	84.47%	Set up
6.	Monarch communications Ltd	56.86%	Set up

### CONSOLIDATED FINANCIAL STATEMENTS

The consolidated results for the year ended **31 December 2019** were prepared in compliance with International Financial Reporting Standards (IFRS).

The Financial Statements of the under listed subsidiaries were consolidated with that of the Company:

Global Trust Savings & Loans Limited

NIC Holding Limited, Uganda

IGI Gamstar Insurance Company Limited, Gambia

All Crown Registrars Limited

International Health Management Services Limited

Monarch communications Ltd

### RELATED PARTY TRANSACTIONS

There were no material related party transactions amongst the members of the Group except for the following transactions that have been carried out at arm's length:

i. **Global Trust Savings & Loans Limited** provides banking services to the parent company and the local subsidiaries. The transactions are carried out at arm's length and in competition with other banks.

ii. **International Health Management Services Limited** provides pre-paid health care services to the Company and local subsidiaries at arm's length and at competitive market rates.

iii. The Company provides insurance related services to its local subsidiaries in competition with other insurers at competitive market rates available in the industry.

The above transactions have no material effect on the Group Financial Statements. All intra-group transactions, balances, income and expenses were eliminated on consolidation.

### FINANCIAL PERFORMANCE AND RESULTS

The Group recorded a decrease of 13% in Gross Written Premium from N4.36 billion to N3.80 billion in 2019 while Net Premium Income decreased by 14% from N4.01 Billion recorded in 2018 to N3.44 billion in 2019. Reinsurance cost for 2019 increased by 3% to N.979 billion from N0.956 billion recorded in 2018 as a result of the decrease in revenue for the year.

# **INDUSTRIAL AND GENERAL INSURANCE PLC**

## **CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER, 2019**

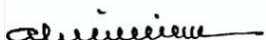
Net claims incurred decreased by 16% from N0.891 billion in 2018 to N0.805 billion in 2019. Underwriting expenses decreased by 3% from N2.91 billion in 2018 to N2.79 billion in 2019.

### **POST REPORTING DATE EVENTS**

There were no significant subsequent events which could have had a material effect on the Group's and the Company's financial position as at 31 December 2019 that have not been adequately provided for or disclosed in these financial statements.

### **AUDITORS**

The Auditors, Messrs. PKF Professional Services have indicated their willingness to continue in office as the company's Auditors in accordance with Section 357(2) of the Companies and Allied Matters Act Cap C20 LFN 2004. A resolution will be proposed authorizing the Director to fix their remuneration.



**ABIODUN AJIFOLawe**  
COMPANY SECRETARY  
FRC/2013/NBA/0000000/3830  
LAGOS, NIGERIA

**Dated: 31 August 2020**



# INDUSTRIAL AND GENERAL INSURANCE PLC

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019


### CERTIFICATION PURSUANT TO SECTION 60(2) of INVESTMENT AND SECURITIES ACT NO. 29 of 2007

We the undersigned hereby certify the following with regards to our consolidated audited financial statements for the year ended 31 December 2019 that:


- a) We have reviewed the report;
- b) To the best of our knowledge, the report does not contain:
  - i) Any untrue statement of a material fact, or
  - ii) Omit to state a material fact, which would make the financial statements misleading in the light of circumstances under which such statements were made.
- c) To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Company as of, and for the periods presented in the report.
- d) We;
  - (i) Are responsible for establishing and maintaining internal controls
  - (ii) Have designed such internal controls to ensure that material information relating to the Company and its consolidated subsidiaries is made known to such officers by others within those entries particularly during the period in which the periodic reports are being prepared;
  - (iii) Have evaluated the effectiveness of the company's internal controls as of date within 90 days prior to the report;
  - (iv) Have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date.
- (e) We have disclosed to the auditors of the Company and Audit and Compliance Committee:
  - (i) All significant deficiencies in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls, and
  - (ii) Any fraud, whether or not material, that involves management or other employees who have significant role in the Company's internal controls

(f) We have identified  
other factors that could  
including any correction

significant changes in internal controls or  
identified up to the date of our evaluation,  
and material weaknesses.

  
**Rachel Voke Emer**  
Managing Director/CFO  
FRC/2015/CIIN/00000013299

**Dated: 31 August 2020**

  
**Tolu Delano**  
Chief Finance Officer  
FRC/2019/ANAN/00000019788

**Dated: 31 August 2020**

# INDUSTRIAL AND GENERAL INSURANCE PLC

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE IN RESPECT OF THE 2018 AUDITED ACCOUNTS

#### To the Members of Industrial and General Insurance Plc

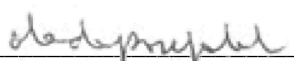
Save the resignation of two members, the membership of the Board Audit and Compliance Committee has not changed considerably, since the last changes experienced at the Annual General Meeting of the Company held on the 19th of April 2016.

The members of the Committee elected then are as stated below: The Committee at its meeting subsequently elected Professor Oladapo Afolabi, OON, as its Chairman. Two members of the Committee resigned in 2017. They are Mrs Awuneba Ajumogobia and Mr Yinka Obalade. Their positions have been filled temporarily by Mr Kanayo Okoye and Mr Tolu Delano pending the next Annual General Meeting

In accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act (CAMA), CAP20, Laws of the Federation of Nigeria 2004, we, the members of the Audit and Compliance Committee of Industrial and General Insurance Plc. having carried out our statutory functions under the Act, hereby report as follows that;

- We have reviewed the scope and planning of the audit for the year ended 31 December 2019 and we confirm that they were adequate.
- The Company's reporting and accounting policies as well as the internal control systems conform to legal requirements and agreed ethical practices.
- We are satisfied with the departmental responses to the External Auditors' findings on management matters for the year ended 31 December 2019.

Finally, we acknowledge and appreciate the cooperation of Management and staff in the conduct of these duties.

  
**Prof. Oladapo Afolabi, OON, CFR**  
Chairman, Audit and Compliance Committee  
FRC/2017/IPAN/00000015950

**Date: 31 August 2020**

#### Members of the Committee are:-

Prof. Oladapo Afolabi, OON, CFR	-	Chairman
Mr. Kanayo Okoye	-	Member
Mr. Tolu Delano	-	Member
Dr. Gbenga Ogunkoya	-	Member
Dr. Abba Njoku	-	Member
Mr. Kayode Agboola	-	Member

# **INDUSTRIAL AND GENERAL INSURANCE PLC**

## **CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

### **CORPORATE GOVERNANCE REPORT**

#### **1. INTRODUCTION**

Industrial and General Insurance Plc as a foremost and indigenous Insurance Company in Nigeria is committed to good corporate governance and to applying best-in-class standards of behaviour as well as providing transparency in how it conducts its affairs.

The Company recognizes the importance of good corporate governance to the continued growth and profitable management of any organization and remains committed to institutionalizing corporate governance principles as part of its group corporate structure.

The Company continues to pursue strict adherence to the implementation of Corporate Governance rules as issued by the National Insurance Commission (NAICOM) and the Securities and Exchange Commission (SEC).

The guiding principles of the Company's Corporate Governance Guidelines include the following:-

- i) delegation of authority by the shareholders (who are the owners of the Company) to the Board and subsequently to Board Committees and Executive Management is clearly defined and agreed. However, the Board is aware that it is ultimately responsible and accountable for the performance of the Company. It recognises that the use of delegated authority to Board Committees and Executive Management in no way mitigates or dissipates the discharge by the Board of its responsibilities.
- ii) Institutionalized individual accountability and responsibility through empowerment and relevant authority.
- iii) Each of the Board Committees has clear-cut Terms of Reference confirmed by the Board.
- iv) There is transparency and full disclosure from the Board Committees to the Board and the Directors have full access to all Board Committees' documents and the Committee are free to seek professional advice when and if they so deem fit.
- v) actions are taken on a fully informed basis, in good faith with due diligence and care and in the best interest of the Company and its shareholders.

#### **2. GOVERNANCE STRUCTURE AND ORGANIZATION**

According to the Company's Constitution and the requirements set forth by the Code of Corporate Governance in Nigeria, the Company has adopted the following governance structure:

- a) Shareholders' Meeting
- b) Board of Directors
- c) Board Committees
- d) Management/Management Board

##### **2.1 Annual General Shareholders' Meeting**

The General Meeting of the Company is the highest decision making body of the Company. The shareholders have an opportunity to express their views and concerns, if any, on the Company's financial results and all other issues at the Annual General Meeting of the Company (AGM).

Shareholders having the right to attend the AGM were adequately notified of the AGM by publication in national newspapers 21 days in advance of the meeting. Shareholders were given ample opportunities to participate at the AGM. Proxy forms were made available to shareholders in accordance with Company's Constitution.

##### **2.2 Communication with Interest holders and with the Public**

It is the responsibility of the Executive Management, under the direction of the Board, to ensure that the Board receives adequate information on a timely basis about the Company's businesses and operations at appropriate intervals and in an appropriate manner to enable the Board carry out its responsibilities.

Furthermore, the Board and Management of the Company ensure that communication and dissemination of information regarding the operations and management of the Company to shareholders, stakeholders and the general public is timely, accurate and continuous, to give a balanced and fair view of the Company's financial and non-financial matters.

##### **2.3 The Board of Directors**

For the reporting year, the Board of the Company comprised 6 members; 5 Non-Executive Directors and 1 Executive Director. One of the 5 Non-executive Directors (none of whom exercises executive powers) chaired the Board.

The Board meets regularly, at least four times in a year, that is, once every quarter.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### CORPORATE GOVERNANCE REPORT

The Board continues to operate within its responsibilities as contained in the Group Corporate Governance guidelines, Regulatory Code of Corporate Governance, the Company's Articles of Association and the Companies and Allied Matters Act as specified by the insurance sector regulator, NAICOM.

#### Board Composition

All the Directors bring various and varied competencies to bear on board deliberations. The Directors individually have attained the highest pinnacle of their chosen professions. The Board meets regularly and is responsible for effective implementation and monitoring of the Company's strategy.

#### CONSTITUTION OF THE BOARD

S/No	Name	Non- Executive	Executive	Remarks
1.	Mahmud Yayale Ahmed, CFR	•		
2.	Rachel Voke Emenike		•	
3.	Prof Oladapo Afolabi, CFR	•		
4.	Osten Olorunsola	•		
5.	Kanayo Chuks Okoye	•		
6.	G. K. Animashawun	•		
6.	Shade Ajayi		Acting	resigned w.e.f 13/05/19

#### 2.4 Duties and Responsibilities of the Board

It is the responsibility of the Board to provide strategic direction for the Company. It reviews and approves the major strategies, financial and other objectives and plans of the Company. The Board ensures that adequate systems of internal controls, risk management, financial reporting and compliance are in place as well as ensuring the processes for evaluating the adequacy of these systems on an ongoing basis. Other functions include:

- selecting, compensating, monitoring and when necessary, replacing key executives and overseeing succession planning;
- performing all statutory roles as required by law; through decisions on behalf of the Board on issues of expenditure that may arise outside the normal meeting schedule of the full Board;
- ratifying duly approved recommendations and decisions of the Board Committees;
- ensuring that proper accounting records are maintained;
- instituting internal control procedures which, as far as is reasonably possible, safeguard the assets, prevent and detect fraud and other irregularities;
- ensuring that applicable accounting policies are adopted and consistently applied;
- confirming that judgements and estimates made are reasonable and prudent; and
- ensuring that the going concern basis is used, unless it is inappropriate to presume that the company will continue in business.

#### BOARD MEETINGS

Attendance of Members at Board Meetings and Board Committees meetings for year 2019 is set out below:

Name of Directors	Board	Audit and Compliance Committee (ACC)	Finance, Investment and General purposes Committee (FIGPC)	Enterprise Risks Management Committee (ERMGC)
<b>No of Meetings</b>	<b>4</b>	<b>4</b>	<b>2</b>	<b>3</b>
Mahmud Yayale Ahmed, CFR	4	N/A	N/A	N/A
Prof. Oladapo Afolabi, OON, CFR	2	4	N/A	3
Osten Olorunsola	3	N/A	2	2
Gaffar K. Animashawun Jnr.	4	N/A	2	N/A
Kanayo Chuks Okoye	4	3	2	3
Rachel Voke Emenike	4	N/A	2	3

\*NM - Not a Member

# INDUSTRIAL AND GENERAL INSURANCE PLC

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### CORPORATE GOVERNANCE REPORT

#### 3. BOARD APPRAISAL

The Code of Corporate Governance for the insurance industry recognizes the fact that a good corporate governance framework must be anchored on an effective and accountable Board of Directors whose performance is assessed periodically. The annual appraisal covers all aspects of the Board's structure, composition, responsibilities, processes and respective roles in the Board performance, as well as the Company's compliance status with the provisions of NAICOM.

#### 4. BOARD COMMITTEES

During the year ended 31 December 2019, the Board delegated some of its responsibilities to the following committees:-

##### a) AUDIT AND COMPLIANCE COMMITTEE (ACC)

The Audit and Compliance Committee is a statutory committee established pursuant to Section 359 (3 & 4) of the Companies and Allied Matters Act, CAP C20, LFN 2004. The members of the committee include:

##### Membership

Prof. Oladapo Afolabi, OON, CFR Chairman)	Non-Executive Director
Dr. Michael Ogunkoya	Shareholder
Dr. Abba Njoku	Shareholder
Kayode Agboola	Shareholder
Kanayo Okoye	Director
Tolu Delano	CFO

##### Duties and Responsibilities

The ACC is responsible for:

- the review of the integrity of the data and information provided in the Audit and/or Financial Reports;
- ascertaining whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;
- reviewing the scope and planning of audit requirements;
- reviewing the findings on management matters and departmental responses thereon in conjunction with the external auditors.
- keeping under review the effectiveness of the Company's system of accounting and internal control; The Committee has oversight responsibilities for the Company's financial statements.
- making recommendations to the Board of Directors in regard to the appointment, removal and remuneration of
- authorizing the Internal Auditor to carry out investigations into any activities of the Company which may be of interest or concern to the Committee'
- consider other issues and matters as defined by the Board of Directors.

##### b) FINANCE, INVESTMENT AND GENERAL PURPOSES COMMITTEE (FIGPC)

##### Membership

Gaffar Kayode Animashawun Jnr.	Chairman
Osten Olorunsola	
Rachel Voke Emenike	
Kanayo Okoye	
Tolu Delano (in attendance)	
Doyin Adebambo (in attendance)	

##### Duties and Responsibilities

The FIGPC is responsible for:

- Reviewing and recommending for Board approval, the company's strategic/financial plan highlighting key strategic imperatives, the financial implications and Key Performance Indicators (KPIs).
- Reviewing and recommending for Board approval, the company's annual budget indicating the key assumptions, funding strategy, optimal capital structure, strategic initiatives and capital expenditure for the particular year.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### CORPORATE GOVERNANCE REPORT

- Reviewing on a quarterly basis, the company's financial performance against budget as well as performance on other non-financial Key Performance Indicators.
- Regularly reviewing and recommending to the Board, limits of capital expenditure of the various levels of management, the Executive Committee and the Committee itself; and approve capital expenditure within the limits specified by the Board.
- Making recommendations to the Board on capital expenditure exceeding approval limits granted to the committee and depending on the exigency, give anticipatory approvals on behalf of the Board, ensuring that such approvals are ratified by the Board at its next sitting.
- Ensuring all approved capital expenditure is in accordance with the Company's approved annual budget, and approve extra-budgetary expenditure or recommend for Board approval as necessary.
- Ensuring compliance with the Board approved investment policy;
- Deciding the investment philosophy of the Company;
- Considering and recommending optimal investment mix consistent with risk profile approved by the Board
- Evaluating the value of daily marked-to-market portfolios and making proposals to the Management of the Company;
- Deliberating and considering within the scope of the Investment Policy, proposed investments beyond the discretionary limits of Management Investment Team;
- Reviewing of investments made by the Management Investment Team and ensuring adequate provisions for any impairment in values;
- Periodic review of performance of the major securities in the investment portfolios of the Company;
- Ensuring that there are effective procedures and resources to identify and manage non-earning investments, minimize investment loss and maximize recoveries;
- Directing, monitoring, reviewing and considering all issues that may materially impact on the existing and future quality of the Company's investment risk management;
- Delegating and reviewing investment authority limits to Management Investment Team;
- Ensuring that the Investment policy and risk limits are reviewed at least on an annual basis and as and when the environment so dictates;
- Evolving strategies that will be taken to develop the business of the company and oversee the implementation of the business plans of the company;
- Monitoring the activities undertaken to ensure that goals set out in the plans are achieved;
- Reviewing the Company's business plan and to advise the Board in respect of that plan.
- Considering future revenue generating business and areas for business change and making recommendations to the Board on the allocation of business development resources.
- Conducting research and ascertaining global issues that can facilitate the development of the company; and
- Performing such other duties as may be incidental to the attainment of the Committee's objectives as well as other functions as are from time to time assigned to the Committee by the Board.

#### **c) ENTERPRISE RISK MANAGEMENT AND GOVERNANCE COMMITTEE (ERMGC)**

##### **Membership**

Augustine Olorunsola	Chairman
Prof. Oladapo Afolabi	Member
Kanayo Chuks Okoye	Member
Rachel Voke Emenike	Member
Doyin Adebambo	Member

##### **Duties and Responsibilities**

The ERMGC undertakes the following duties and responsibilities:

- a. ensuring the establishment of enterprise risk management as a company-wide policy;
- b. overseeing the establishment of a risk management framework that defines the company's risk policy, risk appetite and risk limits with a view to bringing a systematic approach to evaluating and improving the effectiveness of risk management and control;
- c. ensuring that the risk management framework is integrated into the day to day operations of the Company and provide guidelines and standards for administering and management of key risks including but not limited to:
  - Harzard risks such as liability, property damage and natural catastrophe;
  - Financial risks such as pricing risk, asset risk, currency risk and liquidity risk;

# INDUSTRIAL AND GENERAL INSURANCE PLC

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### CORPORATE GOVERNANCE REPORT

- Operational risks like customer satisfaction, product performance, integrity and reputational risks;
- Strategic risks such as competition, social trend and capital adequacy.

d. providing a framework for risk management which typically involves identifying particular events or circumstances relevant to the Company's objectives (risks and opportunities) assessing them in terms of likelihood and magnitude of impact, determining a response strategy and monitoring progress;

e. periodic review of changes in the economic and business environment, including emerging trends and other factors relevant to the company's risk profile;

f. reviewing the company's compliance level with applicable laws and regulatory requirements which may impact the company's risk profile;

g. undertaking annually a thorough risk assessment covering all aspects of the company's business; the results of which will be used to update the risk management framework of the company;

h. obtaining and review periodically relevant reports to ensure the ongoing effectiveness of the company's risk management framework;

i. making recommendations on the mitigation or acceptance of identified financial and business development risks;

j. requiring regular risk management reports from management which:

- enables the committee to assess the risks involved in the businesses of companies in the Group and how they are controlled and monitored by management; and
- give clear, explicit and dedicated focus to current and forward-looking aspects of risk exposure which may require an assessment of the Group's vulnerability to unknown or unidentified risks;

k. monitoring and reviewing the effectiveness of the risk management, compliance and internal audit functions and to seek such assurance as it may deem appropriate that the functions are adequately resourced and have appropriate standing within the Group and are free from constraint by management or other restrictions;

l. ensuring that the company's risk management policies and practices are disclosed in its annual report;

m. reviewing the various corporate governance principles/codes established by the relevant regulatory authorities, Securities and Exchange Commission, National Insurance Commission etc. as well as other Corporate Governance codes established as standard for corporate entities like IGI and evolve a specified IGI Code of Corporate Governance incorporating all the relevant principles of the codes identified above.

n. monitoring and review the insurance industry's prudential Guidelines with view to assisting the Board members and staff in the performance of their duties;

o. reviewing the performance of Board, its members, and its committees on the basis of established criteria;

p. reviewing Board's committee structure and terms of reference of committees of Board;

q. reviewing the methods and processes by which the Board fulfills its duties and responsibilities including the communication process between the Board and management, the number and content of meetings, materials provided to Board members generally and with respect to meetings of the Board and its committees, and resources available to Board members;

r. receiving and considering any significant concern of individual Board members regarding the functioning of the Board or any of its committees;

s. ensuring an appropriate corporate governance statement is included in the Annual Report of the Company;

t. reporting to the Board on the matters set out in these terms of reference;

u. reviewing annually the committee's terms of reference and its own effectiveness and recommend to the Board any necessary changes.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### Management 's Discussion and Analysis for the year ended 31 December 2019

This management discussion and analysis (MD&A) has been prepared as at 31 December 2019 and should be read in conjunction with the consolidated financial statements of Industrial and General Insurance Plc. These statements reflect management's current belief and are based on information available to the Group which is subject to certain risks, uncertainties and assumptions.

Industrial and General Insurance Plc ("Company") and its Six (6) Subsidiaries ("Group") carried out the following principal activities of underwriting, risk management, banking and company registrars during the year under review within Nigeria and across a few African countries where IGI has its presence.

### Business Strategy of the Group and Overall Performance

The Group is registered and incorporated in Nigeria as a composite Insurance Company but has investments in subsidiaries providing banking, telecommunications, pension management, and other investment solutions to both corporate and retail sector of Nigeria and other African countries. The Company has established itself as "a leading insurance company in Africa".

The group is leveraging on its investment in technology to provide a secure platform that guaranty quality, timely and easy access to our various products designed to delight our customers.

### Operating Results

Our Performance is measured by seven (7) financial metrics which demonstrates how efficient our business has been.

	Group			Company		
	2019 N'000	2018 N'000	% Changes	2019 N'000	2018 N'000	% Changes
Gross premium written	<b>3,802,458</b>	4,356,979	(12.7)	<b>762,516</b>	1,397,464	(45.4)
Net Premium Income	<b>3,447,671</b>	4,014,421	(14.1)	<b>699,467</b>	1,568,984	(55.4)
Underwriting results	<b>165,692</b>	388,360	(57.3)	<b>(672,398)</b>	221,636	(403.4)
Investment income	<b>669,049</b>	409,016	63.6	<b>307,417</b>	164,531	86.8
Management expenses	<b>(2,238,616)</b>	(1,779,565)	25.8	<b>(791,264)</b>	(1,250,613)	(36.7)
Impairment write back						
/(charge)provisions	<b>78,600</b>	(21,250)	(469.9)	<b>(116,798)</b>	(5,433)	2,049.8
(Loss)/profit before tax	<b>(612,134)</b>	(247,809)	147.0	<b>6,025,942</b>	(173,307)	(3,577.0)
Profit per share (kobo)	<b>34.19</b>	0.95	3,496.8	<b>37.30</b>	3.47	974.6

The Group experienced a reduction of 13% (Company reduced by 45%) in Gross premium written when compared to prior year's result. This is attributable to external economic factors as well as some changes within the group. We expect a positive change in this trend as structures have been put in place to address this.

Investment income for the group increased by 47% from N409.016 million in 2018 to N600.7 million in 2019. Investment income for the company increased from N164.5 million in 2018 to N307.4 million in 2019 representing an increase of 86.8%.

Management expenses for the group increased by 26% to N2.2 billion from N1.78 billion incurred in 2018.

The Group is currently restructuring its investment portfolio from a robust Long term portfolio to a more liquid balance. This will enable the company to meet policyholders' obligations as well as improving profitability and cash flow requirements.



# INDUSTRIAL AND GENERAL INSURANCE PLC

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

In accordance with the provisions of Section 334 and 335 of the Companies and Allied Matters Act 2004 and Sections 24 and 28 of the Banks and Other Financial Institutions Act 1991, the Directors are responsible for the preparation of annual financial statements which give a true and fair view of the financial position at the end of the financial year of the Company and its Subsidiaries and of the operating result for the year then ended. The responsibilities include ensuring that the group:

- a) Appropriate and adequate internal controls are established to safeguard the assets of the Group and to prevent and detect fraud and other irregularities;
- b) The Group keeps proper accounting records which disclose with reasonable accuracy the financial position of the Group and which ensure that the financial statements comply with the requirements of the Companies and Allied Matters Act, 2004, Banks and Other Financial Institutions Act, 1991, Insurance Act 2003, Financial Reporting Council Act 2011 and Prudential Guidelines issued by NAICOM.
- c) The Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed; and
- d) The financial statements are prepared on a going concern basis unless it is presumed that the Group will not continue in business.

The Directors accept responsibility for the annual consolidated financial statement, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgment and estimates, in accordance with:

- Insurance Act 2003
- International Financial Reporting Standards;
- Companies and Allied Matters Act 2004;
- Banks and Other Financial Institutions Act, 1991;
- NAICOM Prudential Guidelines; and
- Financial Reporting Council Act, 2011.

The Directors are of the opinion that the consolidated financial statements give a true and fair view of the state of the financial affairs of the Group and of its profit for the year ended **31 December 2019**. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of consolidated financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Group will not remain a going concern for at least twelve months from the date of this statement.



**Rachel Voke Emenike**  
Managing Director/CEO  
FRC/2015/CIIN/00000013299

**Date: 31 August 2020**



**Tolu Delano**  
Chief Finance Officer  
FRC/2019/ANAN/00000019788.

**Date: 31 August 2020**

**Independent Auditor's Report****To the Shareholders of Industrial and General Insurance Plc****Opinion**

We have audited the consolidated financial statements of Industrial and General Insurance Plc. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group at 31 December 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) in compliance with the Financial Reporting Council of Nigeria Act, No. 6, 2011 and with the requirements of the Companies and Allied Matters Act, CAP C20, LFN 2004.

**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 Financial Statements section of our report. We are independent of the Group 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 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.

**Material Uncertainty Related to Going Concern**

We draw your attention to the following notes in the financial statements.

(i) Note 3(a)(vi) which indicates that, as of 31 December, 2019, the Company had deficiencies in asset cover (Hypothecation of assets) for Policyholders' funds for General Business, Life Business Policyholders' fund and Deposit Administration Fund of N155.4million (2018: N992.5 million), N1.46 billion (2018: N1.6 billion) and N5.9 billion (2018: N5.6 billion) respectively.

(ii) Note 3(h)(ii) which indicates that, as of 31 December, 2019, the company had a negative solvency margin of N12.06 billion (2018: N10.87 billion) which was above/(below) the minimum requirement of N5 billion for composite (life and general) business by ~~N~~17.07 billion (2018: ~~N~~15.87 billion).

These conditions as set forth in the notes mentioned above, indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern. The note also explains the Directors' remedial plans which formed the basis for preparing the financial statements using accounting policies applicable to going concern.

The note also explains the Directors' remedial plans which formed the basis for preparing the financial statements using accounting policies applicable to going concern.

Our opinion is not modified in respect of this matter.

The following summarises how the matter was addressed in the audit:

- We checked adverse market conditions, trends and events and also performed other risk assessment procedures to identify any adverse events or conditions.
- We asked management whether they have identified any events or conditions that may cast significant doubts on the company's ability to continue as a going concern.



- We reviewed all court cases against the Group in order to obtain reasonable assurance that no litigation threatens the going concern of the Group either by suppliers, government, customers employees aggrieved third parties or shareholder of the Group.
- We reviewed minutes of board meetings held for all the quarters in the reporting period to assess any issues that could border on regulatory or legal challenges as it relates to the going concern of the Group.
- We obtained assurance from management that significant accounting and reporting judgments are supported by a degree of rigor and analysis appropriate to the circumstances of the Group.

#### Key audit matters

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

Key audit matters	How the matter was addressed in the audit
<p><b>a) Valuation of insurance and investment contract liabilities</b></p> <p>The Group and the Company has significant life and non-life insurance and investment contract liabilities for the Group N10.43 billion and N9.56 billion while Company N8.44 billion and N9.12 billion (2018: Group N10.18 billion and N9.87 billion - Company N9.10 billion and N8.63 billion). The valuation of insurance contract liabilities involves high estimation uncertainties and significant judgment over uncertain future outcomes.</p> <p>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 non-life insurance contracts involve economic assumptions about inputs such as inflation rate, ultimate loss ratio and discount rates, hence the eventual outcome is uncertain.</p> <p>The actuarial assumptions used in the valuation of life insurance contract liabilities are judgmental, particularly with respect to mortality rates, claims handling expenses, maintenance expenses and discount rates.</p> <p>The level of complexity, the assumptions and judgment involved in estimating these amounts make insurance contract liabilities a matter of significance to our audit.</p> <p>The Group's accounting policy on the valuation of insurance and investment contract liabilities and related disclosures are shown in notes 25 (accounting policies), note 2i (critical accounting estimates and judgments) and note 28 and 29 (insurance and investment contract liabilities).</p>	<p>Our approaches in relation to management's valuation of insurance contract liabilities using a firm of Actuaries include:</p> <ul style="list-style-type: none"> <li>• We evaluated the design, implementation and operating effectiveness of key controls instituted by the Group which includes management review of data used for the valuation of insurance and investment contract liabilities.</li> <li>• We tested the accuracy and completeness of the underlying data used in actuarial valuations by checking the claims paid, outstanding claims and underwriting data recorded in the Group's books.</li> <li>• We engaged our actuarial specialists to challenge the appropriateness of the methodology used by the Group's external actuary in calculating the insurance and investment contract liabilities. This involved an assessment of the appropriateness of the valuation methods, taking into account available industry data and specific product features of the Group.</li> <li>• With the assistance of our actuarial specialists, we evaluated the reasonableness of the actuarial assumptions used by the Group's external actuary and performed liability adequacy tests on insurance and investment 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 Group specific data, available industry data and market experience.</li> <li>• We considered the Group's valuation methodology and assumptions for consistency between reporting periods as well as indicators of possible management bias. We were also assisted by our actuarial specialists in this regard.</li> </ul>



Key audit matters	How the matter was addressed in the audit
<p><b>b) Valuation of investment properties and land &amp; buildings in property, plant &amp; equipment</b></p> <p>The valuation of the Group's investment properties is a key audit matter due to the significance of the balance and judgment required in assessing the key valuation assumptions and methodology.</p> <p>The investment properties are valued annually using the income capitalization methodology. Key assumptions in the valuation methodology include capitalization rate, vacancy rate, estimated expenses and future rental income.</p> <p>The Group's accounting policy on investment properties and related disclosures are shown in notes 20 (accounting policy), note 2v (critical accounting estimates and judgments) and note 16 (investment properties). Also, its policy on properties, plant and equipment and related disclosures are shown in note 23 (accounting policy), note 2vi (critical accounting estimates and judgments) and note 17 (property, plant and equipment).</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We assessed the appropriateness of the valuation methodology adopted by giving due consideration to the requirements of the relevant accounting standards and the Group accounting policies.</li> <li>• We challenged key assumptions applied in the valuation of the properties, including the capitalization rates, vacancy rate, estimated expenses and future rental income, by comparing the assumptions to publicly available sales information, historical data, market experience and properties specific attributes such as location and asset condition.</li> </ul>

#### Other information

The directors are responsible for the other information. The other information comprises the Chairman's statement, Directors' Report, Audit Committee's Report, Corporate Governance Report and Company Secretary's report which is expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated 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 financial statements or our knowledge obtained in the audit, or otherwise appeared to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this 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.

#### Responsibilities of the Directors and those charged with Governance for the consolidated financial statements

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and the requirements of the Companies and Allied Matters Act, CAP C20, LFN 2004, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group'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 or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



### **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's 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's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 identify 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 financial statements of the current year 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 comprehensive income are in agreement with the books of account.

**Contraventions and Penalties**

The Company paid penalties in respect of contravention of the requirements of the National Insurance Commission of Nigeria's Operational Guidelines during the year ended 31 December 2019. Details of penalties paid are disclosed in note 54 to the financial statements.



**Olaturji Ogundeyin, FCA**  
**FRC/2013/ICAN/00000002431**  
For: **PKF Professional Services**  
**Chartered Accountants**  
Lagos, Nigeria

**Dated: 31 August 2020**



# **INDUSTRIAL AND GENERAL INSURANCE PLC**

## **CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **1.0 General Information**

##### **1.1 Legal form**

The Company was incorporated in Nigeria as a private limited liability company on 31 October 1991 under the Companies and Allied Matters Act, 1990. It commenced business in January 1992. The board of the company passed a special resolution to change its name to Industrial and General Insurance Plc. on 28 June 2007 and the change was signed by the Registrar-General on 30 November 2007.

The Registered office is located at: No 2, Agoro Odiyan Street, Victoria Island, Lagos, Nigeria.

##### **1.2 Principal activities**

Industrial and General Insurance Plc. ("the Company") and its subsidiaries (together "the Group") underwrite every kind of insurance business and every kind of guarantee and indemnity business, and in particular, without prejudice to the generality of the foregoing words, to carry on every kind of Individual Life and Group Life Insurance, as well as every class of Non-Life Insurance including Oil & Energy, Marine & Aviation, Engineering and Contractors All Risks Insurance, Group Personal Accident, Workmen's Compensation, Employer's Liability, Public & Product Liability, Motor, Fire & Allied Perils, Theft/Burglary (Private & Business), All Risks, Money, Fidelity Guarantee, and Bid Bond/Supply Bonds, Performance Bonds, Medical, Travel, Goods- in- Transit, and Agricultural insurances in all its branches.

The Group is involved in the payment of claims, investment of funds and also issues a diversified portfolio of investment contracts to provide its customers with asset management solutions for their savings and retirement needs. All these products are offered to both domestic and foreign markets. The Group does business in Nigeria, Ghana, Uganda, Rwanda and The Gambia.

#### **2 Going concern**

The company's solvency margin is less than the requirements of the Insurance Act CAP I17, LFN 2004. The Company reported a solvency margin deficit of 17.03 billion for the year ended 31 December, 2019 (2018: N15.87 billion) which occurred as a result of the backing out or derecognition of the foreign subsidiaries and properties with yet to be perfected title.

The Group's management has performed an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. This conclusion is based on the Group executive management's plan of restructuring the assets of the Group and divesting from some of the subsidiary Companies to improve the liquidity position, inject fresh capital and enhance the Group's Going Concern assumption consideration.

#### **The principal accounting policies applied in the preparation of these financial statements are set out**

##### **3 Basis of presentation**

##### **3.1. Statement of compliance with International Financial Reporting Standards**

These financial statements are the consolidated financial statements of the company and its subsidiaries (the Group). The Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards board (IASB) as well as IFRSs Interpretations (IFRICs), Financial Reporting Council Act, No 6 2011, the Companies and Allied Matters Act, CAP C20 LFN 2004, the Insurance Act of Nigeria, Prudential Guideline and relevant National Insurance Commission (NAICOM) guidelines and circulars. Additional requirements issued by national regulators have been included where appropriate.

These are the Group's financial statements for the year ended **31 December 2019**, prepared in accordance with IFRS 10 - Consolidated Financial Statements.

These Consolidated financial statements were authorised for issue by the Company's board of directors on **31 August 2020**.

##### **3.2 Basis of preparation**

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards. The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The consolidated financial statements are presented in Nigerian Naira rounded to the nearest thousand (N'000).

# **INDUSTRIAL AND GENERAL INSURANCE PLC**

## **CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The financial statements comprise the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, the statement of change in equity, consolidated Cash Flow statements and the related notes.

The consolidated statement financial statements have been prepared in accordance with the going concern principle under the historical cost convention as modified by by revaluation of land and buildings, available for sale financial assets and financial liabilities and investment properties at fair value through profit or loss.

Changes in assumptions may have a significant impact on the consolidated financial statements in the period the assumptions changed. The Directors believe that the underlying assumptions are appropriate and that the Group's financial statements therefore present the financial position and results fairly.

#### **3.3 Basis for consolidation**

##### **3.3.1. Business Combinations**

Business Combinations are accounted for using the acquisition method as at the acquisition date ie. when control is transferred to the Group. The Consideration transferred in the acquisition is generally measured at fair value as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred except if they are related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in accordance with the relevant IFRS in profit or loss. Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

#### **3.4 Consolidation procedures**

IFRS 10 defines the principle of control and establishes control as the basis for determining which entities are consolidated in the group financial statements.

The Group controls an investee entity when it is exposed, or has rights, to variable returns from its involvement with the investee entity and has the ability to affect those returns through its power over the investee entity. The Group applies the following three elements of control as set out by the principle of control in IFRS 10 when assessing control of an investee:

- (a) power over the investee entity;
- (b) exposure, or rights, to variable returns from involvement with the investee entity; and
- (c) the ability to use power over the investee to affect the amount of the investor's returns.

##### **3.4.1. Consolidated entities**

###### **3.4.1. Subsidiaries**

Subsidiaries are all entities over which the group exercises control

The financial statements of subsidiaries are consolidated from the date the Group acquires control, up to the date that such effective control ceases.

In the separate financial statements, investments in subsidiaries are measured at cost.

###### **3.4.2 Transactions eliminated on consolidation**

Inter-company transactions, balances and unrealised gains on transactions between companies within the Group are eliminated on consolidation. Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investment in subsidiaries in the separate financial statement of the parent entity is measured at cost less impairment.



# INDUSTRIAL AND GENERAL INSURANCE PLC

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **3.4.3 Business combination under common control**

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party of parties before and after the combination, and control is not transitory.

In the separate financial statements of the acquirer and the transferring entity, a business combination under control is accounted for using the exchange amount. In the consolidated financial statements of the acquirer, a business combination under common control is accounted for using book value accounting on the basis that the investment acquired has simply been moved from one part of the Group to another. The book value of the entity transferred is used. Any difference between the consideration paid and the capital of the acquire is recognized in equity in the consolidated financial statements of the acquirer.

#### **3.4.4. Non- controlling interests**

Non-controlling Interest (NCI) are measured initially at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

#### **3.4.5. Changes in ownership interests in subsidiaries without change in control**

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity between retained earnings and Non controlling interests. Gains or losses on disposals to non-controlling interests are also recorded in equity.

#### **3.4.6. Disposal of subsidiaries**

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. The Group derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity.

#### **3.4.7. Business combination under common control**

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party of parties before and after the combination, and control is not transitory.

In the separate financial statements of the acquirer and the transferring entity, a business combination under control is accounted for using the exchange amount. In the consolidated financial statements of the acquirer, a business combination under common control is accounted for using book value accounting on the basis that the investment acquired has simply been moved from one part of the Group to another. The book value of the entity transferred is used. Any difference between the consideration paid and the capital of the acquire is recognized in equity in the consolidated financial statements of the acquirer.

#### **3.5 Use of estimates and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. 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.

#### **3.6 Application of new and revised International Financial Reporting Standards (IFRS)**

The accounting policies adopted are consistent with those of the previous financial year despite the adoption of IFRS. For the preparation of these Financial Statements, the following new, revised or amended requirements are mandatory for the first time for the financial year beginning 1 January 2019.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

#### 3.6.1 Summary of Standards and Interpretations effective for the first time

##### a) IFRIC 23 - Uncertainty over Income Tax Treatments

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.

Effective for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted.

##### b) IFRS 16 - Leases

IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. Lessor accounting however remains largely unchanged from IAS 17 and the distinction between operating and finance leases is retained.

Effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted, if IFRS 15, Revenue from Contracts with Customers, has also been applied.

##### c) IFRS 9 - Financial instruments

IFRS 9 introduces a new approach for classification and measurement of financial instruments, a more forward looking Impairment methodology and a new general hedge accounting requirement.

#### Classification and Measurement

IFRS 9 requires financial assets to be classified into one of three measurement categories: fair value through profit or loss, fair value through other comprehensive income and amortised cost. Financial assets will be measured at amortised cost if they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and their contractual cash flows represent solely payments of principal and interest.

Financial assets will be measured at fair value through other comprehensive income if they are held within a business model whose objective is achieved by collecting both contractual cash flows and selling financial assets and their contractual cash flows represent solely payments of principal and interest.

Financial assets not meeting either of these two business models; and all equity instruments (unless designated at inception to fair value through other comprehensive income); and all derivatives are measured at fair value through profit or loss. An entity may, at initial recognition, designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch. The Group has undertaken an assessment to determine the potential impact of changes in classification and measurement of financial assets. Our assessment revealed that the adoption of IFRS 9 is unlikely to result in significant changes to existing asset measurement bases. IFRS 9 retains most of the existing requirements for financial liabilities. However, for financial liabilities designated at fair value through profit or loss, gains or losses attributable to changes in own credit risk shall be presented in Other Comprehensive Income.

IFRS 9 retains most of the existing requirements for financial liabilities. However, for financial liabilities designated at fair value through profit or loss, gains or losses attributable to changes in own credit risk shall be presented in Other Comprehensive Income.

The hedge accounting requirements in IFRS 9 are optional. If certain eligibility and qualification criteria are met, hedge accounting allows an entity to reflect risk management activities in the financial statements by matching gains or losses on financial hedging instruments with losses or gains. The amendments had no material effect on the Group's Financial Statements.

#### Impairment Methodology

The IFRS 9 impairment model will be applicable to all financial assets at amortised cost, debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantees not measured at fair value through profit or loss.

IFRS 9 replaces the existing 'incurred loss' impairment approach with an Expected Credit Loss ('ECL') model, resulting in earlier recognition of credit losses compared with IAS 39. Expected credit losses are the unbiased probability weighted average credit losses determined by evaluating a range of possible outcomes and future economic conditions. The ECL model has three stages.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

#### 3.6.1 Summary of Standards and Interpretations effective for the first time (cont'd)

Entities are required to recognise a 12 month expected loss allowance on initial recognition (stage 1) and a lifetime expected loss allowance when there has been a significant increase in credit risk since initial recognition (stage 2). Stage 3 requires objective evidence that an asset is credit-impaired, which is similar to the guidance on incurred losses in IAS 39.

The requirement to recognise lifetime ECL for assets which have experienced a significant increase in credit risk since origination, but which are not credit impaired, does not exist under IAS 39. The assessment of whether an asset is in stage 1 or 2 considers the relative change in the probability of default occurring over the expected life of the instrument, not the change in the amount of expected credit losses. Reasonable and supportable forward looking information will also be used in determining the stage allocation. In general, assets more than 30 days past due, but not credit impaired, will be classed as stage 2.

IFRS 9 requires the use of more forward looking information including reasonable and supportable forecasts of future economic conditions. Reporting entities will be required to develop the capability to model a number of economic scenarios and capture the impact on credit losses to ensure the overall ECL represents a reasonable distribution of economic outcomes.

Appropriate governance and oversight needs to be established around the process.

An assessment of the ECL in the Group's balance sheet reflects an increase in the provisions for credit losses. However, this increase does not have a significant impact on regulatory capital and invariably the Capital adequacy due to the Group's strong earnings and retention capacity over the years.

#### **Application of the 2016 Amendment of IFRS 4 by the International Accounting Standards Board - IASB- (IFRS 9 Deferral Option)**

To address concerns about applying IFRS 9 before the IFRS17 insurance contracts Standard becomes effective on January 1, 2023 the IASB amended IFRS 4 in September 2016 by issuing: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4).

As an issuer of insurance contracts, the company applied the temporary exemption from IFRS 9. The temporary exemption is available to the company, considering its activities as a whole which met the following qualifying criteria:

- (a) the company had not previously applied IFRS 9; and
- (b) the company's activities are predominantly connected with insurance.

The company assessed its eligible for the temporary exemption at the commencement date of the temporary exemption which required that: the company's activities are predominantly connected with insurance if, and only if:

- (a) the amount of its insurance liabilities is significant compared with its total amount of liabilities; and
- (b) the percentage of its liabilities connected with insurance relative to its total amount of liabilities is:
  - (i) greater than 90 per cent; or
  - (ii) less than or equal to 90 per cent but greater than 80 per cent, and the company does not engage in a significant activity unconnected with insurance.

The company's liabilities connected with insurance include investment contracts measured at fair value through profit and loss, and liabilities that arise because the company issues, or fulfils obligations arising from, these contracts (such as deferred tax liabilities arising on its insurance contracts).

At the temporary exemption commencement date of January 1, 2018, the company's insurance liabilities' predominance test ratio was calculated at 82% as shown below:

# INDUSTRIAL AND GENERAL INSURANCE PLC

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

#### 3.6.1 Summary of Standards and Interpretations effective for the first time (cont'd)

##### Predominance Assessment

Using 2017 Financial Report

Insurance liabilities	Group		Company	
	Carrying amount	Insurance Liabilities	Carrying amount	Insurance Liabilities
	2017		2017	
	N'000	N'000	N'000	N'000
Insurance contract liabilities	10,181,666	10,181,666	9,508,882	9,508,882
Investment contract liabilities	9,870,602	9,870,602	8,766,506	8,766,506
Trade payables	1,236,738	-	686,995	-
Loans and borrowings	1,183,760	-	350,274	-
Other payables and accruals	7,174,316	-	3,667,010	-
Income tax payable	1,893,722	1,893,722	1,482,919	1,482,919
Deferred tax liabilities	1,568,212	1,568,212	988,446	988,446
Dividend payable	-	-	-	-
Deposit for shares	1,221,804	-	-	-
	<b>34,330,820</b>	<b>23,514,202</b>	<b>25,451,032</b>	<b>20,746,753</b>

Predominance ratio

68%

82%

The impact assessment of IFRS 9 on the Group's financial assets as December 31, 2017 which is the reporting date that immediately precedes January 1, 2018, i.e. the effective implementation date of the standard and that of the year 2018 & 2019 after the deferral of IFRS 9 are stated below:

#### Group

##### 2017 impact analysis on Financial Assets

	2017 Group		
	IAS 39	IFRS 9	Impact
	N'000	N'000	N'000
<b>Financial Assets:</b>			
At fair value through profit or loss	584,918	584,918	-
Available for sale(FVOCI)	859,018	859,018	-
Held to maturity(Amortised Cost)	457,772	-	457,772
Loans and receivables (Amortised Cost)	386,491	-	386,491
Trade receivables	759,669	-	759,669
	<b>3,047,868</b>	<b>1,443,936</b>	<b>1,603,932</b>

#### Company

##### 2017 impact analysis on Financial Assets

	2017 Company		
	IAS 39	IFRS 9	Impact
	N'000	N'000	N'000
<b>Financial Assets:</b>			
At fair value through profit or loss	13,557	13,557	-
Available for sale(FVOCI)	456,295	456,295	-
Loans and receivables (Amortised Cost)	347,615	-	347,615
Trade receivables	-	-	-
	<b>817,467</b>	<b>469,852</b>	<b>347,615</b>

# INDUSTRIAL AND GENERAL INSURANCE PLC

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

#### 3.6.1 Summary of Standards and Interpretations effective for the first time (cont'd)

##### Group

##### 2018 impact analysis on Financial Assets

	2018 Group		
	IAS 39	IFRS 9	Impact
	N'000	N'000	N'000
<b>Financial Assets:</b>			
At fair value through profit or loss	288,949	288,949	-
Available for sale(FVOCI)	1,213,802	1,213,802	-
Held to maturity(Amortised Cost)	293,981	-	293,981
Loans and receivables (Amortised Cost)	495,030	-	495,030
Trade receivables	512,354	-	512,354
	<u>2,804,116</u>	<u>1,502,751</u>	<u>1,301,365</u>

##### Company

##### 2018 impact analysis on Financial Assets

	2018 Company		
	IAS 39	IFRS 9	Impact
	N'000	N'000	N'000
<b>Financial Assets:</b>			
At fair value through profit or loss	9,282	13,557	(4,275)
Available for sale(FVOCI)	879,459	456,295	423,164
Loans and receivables (Amortised Cost)	475,312	-	475,312
Trade receivables	-	-	-
	<u>1,364,053</u>	<u>469,852</u>	<u>894,201</u>

##### Group

##### 2019 impact analysis on Financial Assets

	2019 Group		
	IAS 39	IFRS 9	Impact
	N'000	N'000	N'000
<b>Financial Assets:</b>			
At fair value through profit or loss	242,022	242,022	-
Available for sale(FVOCI)	975,385	975,385	-
Held to maturity(Amortised Cost)	509,431	-	509,431
Loans and receivables (Amortised Cost)	365,903	-	365,903
Trade receivables	725,192	-	725,192
	<u>2,817,933</u>	<u>1,217,407</u>	<u>1,600,526</u>

##### Company

##### 2019 impact analysis on Financial Assets

	2019 Company		
	IAS 39	IFRS 9	Impact
	N'000	N'000	N'000
<b>Financial Assets:</b>			
At fair value through profit or loss	10,303	13,557	(3,254)
Available for sale(FVOCI)	511,852	456,295	55,557
Loans and receivables (Amortised Cost)	326,807	-	326,807
Trade receivables	-	-	-
	<u>848,962</u>	<u>469,852</u>	<u>379,110</u>

# INDUSTRIAL AND GENERAL INSURANCE PLC

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

#### 3.6.1 Summary of Standards and Interpretations effective for the first time (cont'd)

##### Fair value disclosures

##### Financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest:

The group financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding are as follows:

	31 December		
	2019 N'000	2018 N'000	2017 N'000
Premium receivables	725,192	512,354	759,669
Loans and receivables	365,903	495,030	386,491
Other receivables net off prepayments	506,195	343,050	655,906
Short term placement	1,327,603	966,098	506,765
<b>Investment securities:</b>			
Treasury bills	509,431	293,981	390,163
Bonds	-	-	67,609
	<u>3,434,324</u>	<u>2,610,513</u>	<u>2,766,603</u>

##### Financial assets with contractual terms that do not give rise to cash flows that are solely payments of principal and interest:

These are group the financial assets that meets the definition of held for trading in line with IFRS 9; or that is managed and whose performance is evaluated on a fair value basis. These assets are as follows:

	31 December		
	2019 N'000	2018 N'000	2017 N'000
Quoted equity securities	242,022	288,949	584,918
Unquoted equity securities	975,385	1,213,802	859,018
	<u>1,217,407</u>	<u>1,502,751</u>	<u>1,443,936</u>

The Central Bank of Nigeria that regulate a member of the Group, Global Trust Savings and Loans Limited, issued a Guidance Note dated November 30, 2018 to all Other Financial Institutions (OFI) on the implementation of IFRS 9 financial instruments. See OFISD/DIR/GEN/IFR/020/101.

#### 3.6.1.1 Standards and interpretations issued/amended but not yet effective.

At the date of authorisation of these financial statements the following standards, amendments to existing standards and interpretations were in issue, but not yet effective: This includes:

##### 3.6.2.1 IAS 1 — Presentation of Financial Statements

IAS 1 "Presentation of Financial Statements" sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows.

IAS 1 has been revised to incorporate a new definition of "material" and IAS 8 has been revised to refer to this new definition in IAS 1.

The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier application is permitted.

#### **3.6.2.2 IAS 8 — Accounting Policies, Changes in Accounting Estimates and Errors**

IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. The standard requires compliance with any specific IFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information.

Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis.

The amendment is effective for annual reporting periods beginning on or after January 1, 2020. Earlier application is permitted.

#### **3.6.2.3 IFRS 17 — Insurance Contracts**

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.

The IASB tentatively decided to defer the effective date of IFRS 17, Insurance Contracts to annual periods beginning on or after January 1, 2022. The IASB also tentatively decided to defer the fixed expiry date for the temporary exemption to IFRS 9 in IFRS 4 by one year so that all insurance entities must apply IFRS 9 for annual periods on or after January 1, 2022.

The Group is assessing the potential impact of the new standard which will be effective for annual reporting periods beginning on or after 1 January 2022.

#### **3.6.3 New standards, amendments and interpretations issued but without an effective date**

At the date of authorisation of these financial statements the following standards, amendments to existing standards and interpretations were in issue, but without an effective: This includes:

#### **Amendments to IFRS 10 and IAS 28 Consolidated Financial Statements and Investments in Associates and Joint Ventures**

Amends IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) to clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows:

-.Require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations).

# INDUSTRIAL AND GENERAL INSURANCE PLC

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

-.Require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture.

These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occurs by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

#### **4. The following new or amended standards are not expected to have a significant impact on the Group's consolidated financial statements**

##### **4.1 Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41) IFRS 14 Regulatory Deferral Accounts**

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11).

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38).

Equity Method in Separate Financial Statements (Amendments to IAS 27).

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

**Investment Entities:** Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28).

#### **5. Accounting Policies**

The Group has consistently applied the accounting policies set out below to all periods presented in these consolidated financial statements.

#### **6. Consolidation**

The financial statements of the consolidated subsidiaries used to prepare the consolidated financial statements were prepared as of the parent company's reporting date. The consolidation principles are unchanged as against the previous year.

#### **7. Subsidiaries**

The consolidated financial statements incorporate the financial statements of the company and all its subsidiaries where it is determined that there is a capacity to control. Control means the power to govern, directly or indirectly, the financial and operating policies of an entity so as to obtain benefits from its activities. All the facts of a particular situation are considered when determining whether control exists.

Control is usually present when an entity has:

- power over more than one-half of the voting rights of the other entity
- power to govern the financial and operating policies of the other entity
- power to appoint or remove the majority of the members of the board or equivalent governing
- power to cast the majority of votes at meetings of the board of directors or equivalent governing body of the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date that control ceases. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transaction (transaction with owners). Any difference between the amount by which the non-controlling interest is adjusted and



# **INDUSTRIAL AND GENERAL INSURANCE PLC**

## **CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D**

the fair value of the consideration paid or received is recognised directly in equity and attributed to the Group.

In its financial statements, the company accounts for its investments in subsidiaries at cost.

Intercompany transactions, balances and unrealised gains on transactions between companies within the Group are eliminated on consolidation. Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. Consistent accounting policies are used throughout the Group for the purposes of consolidation.

#### **8. Impairment of investment in subsidiaries**

Investment in subsidiary companies are carried in the Group's statement of financial position at cost less provisions for impairment losses. Where, in the opinion of the Directors, there has been impairment in the value of an investment, the loss is recognised as an expense in the period in which the impairment is identified.

Each subsidiary is assessed at each reporting date for impairment when the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the subsidiary's carrying amount and fair value less cost to sell at each reporting date. Losses for impairment in subsidiaries are recognised promptly when there is objective evidence that impairment of a subsidiary has occurred. Impairment allowances are calculated on individual subsidiary. Impairment losses are recorded as charges to the profit or loss. The carrying amount of impaired subsidiary at the reporting date is reduced through the use of impairment allowance accounts. Losses which may arise from future events are not recognised.

On disposal of an investment in subsidiaries, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit or loss and other comprehensive income.

#### **9. Segment reporting**

An operating segment is a component of the Group engaged in business activities from which it can earn revenues and whose operating results are reviewed regularly by the Group's Executive Management in order to make decisions about resources to be allocated to segments and assessing segments performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker is the Executive Management. Transactions between segments are at arms' length.

#### **10. Foreign currency translation**

##### **a) Functional and presentation currency**

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

##### **(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured.

# **INDUSTRIAL AND GENERAL INSURANCE PLC**

## **CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D**

Monetary items denominated in foreign currencies are retranslated at the rate prevailing on the statement of financial position date. Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognised in the statement of profit or loss and other comprehensive income.

Non-monetary items measured at historical cost denominated in a foreign currency are translated with exchange rate as at the date of initial recognition. Translation differences on non-monetary financial instruments held at fair value through profit or loss are reported as part of the fair value gain or loss. Translation differences on non-monetary financial instruments measured at fair value through other comprehensive income are included in the fair value reserve in other comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss account within 'finance income or cost'. All other foreign exchange gains or losses are presented in the profit or loss account within 'other income' or other expenses.

#### **c.) Foreign operations**

The results and financial position of all the group entities which have functional currency different from the Group's presentation currency, are translated into the Group's presentation currency as follows:

- i) assets and liabilities of each foreign operation are translated at the rates of exchange ruling at the reporting date.
- ii) income and expenses of each foreign operation are translated at the average exchange rate for the period, unless this average is not a reasonable approximation of the rate prevailing on translation date in which case income and expenses are translated at the exchange rate ruling at transaction date and
- iii) all resulting exchange differences are recognised in other comprehensive income and are classified as equity and recognised in the foreign currency translation reserve.

#### **11. Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position. Cash and cash equivalents are measured at amortised cost in the statement of financial position. For the purpose of reporting cash flows, cash and cash equivalents include cash in hand, bank balances, fixed deposit and treasury bills within 90days net of bank overdraft.

#### **12. Financial assets**

The Group classifies its financial assets into the following categories: financial assets at fair value through profit or loss; held to maturity investments; loans and receivables and available-for-sale financial assets. The Directors determine the appropriate classification of its financial assets at initial recognition.

##### **12.1 Initial recognition and measurement**

Financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The classification depends on the purpose for which the investments were acquired or originated. Financial assets are classified at fair value through profit or loss where the Group's documented investment strategy is to manage financial investments on a fair value basis, because the related liabilities are also managed on this basis.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset. The Group's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables, quoted and unquoted financial investment.

#### **12.2 Reclassification of financial assets**

Financial assets other than loans and receivables are permitted to be reclassified out of the held-for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near-term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

#### **12.3 Subsequent measurement**

The subsequent measurement of financial assets depends on their classification as follows:

##### **(i) Financial assets at fair value through profit or loss**

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term.

##### **ii) Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are classified as available-for-sale or are not classified in any of the three other categories and which may be sold in response to the need for liquidity or changes in interest rates, exchange rates or equity prices. They comprise investment in unquoted equities and investments in projects. These investments are initially recognised at cost. After initial measurement, available-for-sale financial assets are subsequently measured at fair value using net assets valuation basis. In cases where the fair value of an unlisted equity cannot be measured reliably, the instruments are carried at cost less impairment.

Fair value gains and losses are reported as a separate component in other comprehensive income until the investment is derecognised or the investment is determined to be impaired. On derecognition or impairment, the cumulative fair value gains and losses previously reported in equity are transferred to the statement of profit or loss and other comprehensive income.

##### **ii) Financial assets at fair value through profit or loss**

A financial asset is classified at fair value through profit or loss if it is classified as held-for-trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. The investments are carried at fair value, with gains and losses arising from changes in this value recognized in the income statement in the period in which they arise. Such

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investments are investments in quoted equity. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Group's right to receive payments is established.

#### **iii) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are mainly receivables arising from insurance contracts. Loans and receivables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost less any impairment losses. They include receivables from Direct insured, Agents and Brokers, Coinsurance and Reinsurance companies. Other loans and receivables include loans and advances, staff loans and advances and other sundry receivables which arise in the ordinary course of business.

Impairment provisions are recognized when there is objective evidence that the Group will not be able to collect all of the amounts due under the terms of the receivable; (evidence includes significant financial difficulties on the part of the counterparty or default or significant delay in payment - over 90 days). The amount of such a provision being the difference between the carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For amounts due from policy holders and reinsurers, which are reported net, such provisions are recorded in a separate impairment account with the loss being recognised in income statement. On confirmation that the amounts receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision. Any subsequent recoveries are credited to the income statement in the period the recoveries are made. Insurance receivables are derecognised when the derecognition criteria for financial assets have been met.

#### **iv) Held-to-maturity financial assets**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity, other than:

- those that the Group upon initial recognition designates as at fair value through profit or loss;
- those that the Group designates as available-for-sale; and
- those that meet the definition of loans and receivables.

The Group classifies financial assets as Held-to-maturity when the Group's has positive intent and ability to hold the securities to maturity. Held-to-maturity financial assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortized cost using the effective interest method, less any 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 Group from classifying its investment securities as held-to-maturity for the current and the following two financial years. Quoted equities and debt securities e.g. bonds that are initially classified as held-to-maturity may, subsequently, be moved to available-for-sale financial assets whenever the market price is higher than the purchase price in order to sell and take profit. Interests on held-to-maturity investments are included in the consolidated income statement and are reported as Interest and similar income'. In the case of an impairment, it is reported as a deduction from the carrying value of the investment. Held-to-maturity investments are largely bonds. and recognised in the consolidated income statement as Net gains/(losses) on investment securities'.

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#### 12.4 Impairment of Financial Assets

The Group assesses at each statement of financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that the debtor will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in payment status or economic conditions that correlate with defaults.

#### 12.5 Financial assets carried at amortized cost

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Group 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 is becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganization;

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 cash flow 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 Group, including: adverse changes in the payment status of issuers or debtors in the Group; or national or local economic conditions that correlate with defaults on the assets in the Group.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a company of financial asset with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred on loans and receivables or held-to-maturity investments carried at amortized cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's 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 profit or loss. If a held-to-maturity investment or a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

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For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., on the basis of the Group's grading process that considers asset type, industry, geographical location, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows 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.

An impairment rate is derived based on the likelihood that a premium debt will not be paid and will fall into default. The Group first assesses whether objective evidence of impairment exists individually for receivables that are individually significant and are impaired accordingly. If the company determines that no objective evidence of impairment exists for an individually assessed receivable, whether significant or not, it includes the receivable in a group of receivables with similar credit risk characteristics and collectively assesses them for impairment. The impairment rate is derived based on the historical collection rate of outstanding premium over a period.

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 recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the profit or loss.

#### **12.6 Assets classified as available for sale**

The Group assesses at each date of the statement of financial position whether there is objective evidence that a financial asset or a group of financial assets is impaired. 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.

The cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss) is removed from equity and recognised in the statement of profit or loss and other comprehensive income. Impairment losses recognised in the income statement on equity instruments are not reversed through the profit or loss. If in a subsequent period the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the profit or loss.

#### **12.7 Impairment of non-financial assets**

The carrying amounts of the Group's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exist, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A Cash-generating unit is the smallest identifiable group of assets that generates cash flows that are largely independent from other assets. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value use, the estimated future cash flows are discounted to their present value

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using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In respect of the other assets, 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 amounts. 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.

#### **12.8 Impairment of other non-financial assets**

Assets that have an indefinite useful life – for example, land – are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

#### **12.9 Derecognition of financial assets**

A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- \* The rights to receive cash flows from the asset have expired; or
- \* The Group retains the right to receive cash flows from the asset and has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'passthrough' arrangement; and either:
  - \* The Group has transferred substantially all the risks and rewards of the asset; or
  - \* The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay. In that case, the group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

#### **12.10 Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Income and expense will not be offset unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

#### **12.11 Fair value of financial instruments**

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date, without any adjustment for transaction costs.

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### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D**

For other financial instruments other than investment in equity instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist and other relevant valuation models.

Their fair value is determined using a valuation model that has been tested against prices or inputs to actual market transactions and using the Company's best estimate of the most appropriate model assumptions.

For discounted cash flow techniques, estimated future cash flows are based on management's best estimates and the discount rate used is a market-related rate for a similar instrument. The use of different pricing models and assumptions could produce materially different estimates of fair values.

The fair value of floating rate and overnight deposits with credit institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

If the fair value cannot be measured reliably, these financial instruments are measured at cost, being the fair value of the consideration paid for the acquisition of the investment or the amount received on issuing the financial liability. All transaction costs directly attributable to the acquisition are also included in the cost of the investment.

#### **12.12 Fair value measurement**

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

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

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

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



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

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

#### 12.12.1 Identification and measurement of impairment

At each reporting date, the Group assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably. The Group considers evidence of impairment for loans and receivables and held-to-maturity investments individually and collectively. Assets showing signs of deterioration are assessed for individual impairment. All individually significant loans and receivables and held-to-maturity investments found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified by grouping together financial assets (carried at amortised cost) with similar risk characteristics.

Objective evidence that financial assets are impaired include significant financial difficulty of the obligor, default or delinquency by a borrower resulting in a breach of contract, restructuring of a loan or advance by the Group on terms that the Group would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below cost is objective evidence of impairment.

Impairment losses on available-for-sale investment securities are recognised by transferring the difference between the carrying amount and current fair value out of equity to profit or loss. If, in a subsequent period, the fairvalue of an impaired available-for-sale debt security increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit and loss, the impairment loss is reversed, with the amount of the reversal recognised in profit and loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income. The Group writes off certain loans and receivables when they are determined to be uncollectible.

#### 12.12.2 Offsetting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions.

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### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D**

#### **12.12.3 De-recognition**

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial assets in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that qualify for de-recognition that is created or retained by the Group is recognised as a separate asset or liability in the statement of financial position. On de-recognition of the financial assets, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit and loss. The Group enters into transactions whereby it transfers assets recognised on its financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised from the financial position.

in transactions in which the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset, The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

#### **13. Policy Loans**

The group grants cash loans to Policyholders in line with the policy provisions (terms and conditions). The maximum loan amount that could be granted to policyholders is 90% of the policy cash value.

The cash value (worth of the policy as determined by the actuary) is the cash amount due to policyholder upon cancellation of the insurance contract as at the date of determination and it is used as collateral on policy cash loan granted.

The tenor of the loan is not beyond the policy duration and such policy must be in force and has acquired cash value before loan application can be considered. A pre-determined interest rate (compounded daily) is applied on the loan. The rate is currently 12% per annum and it is reviewed periodically. The rate is determined after due consideration on interest rate used by then actuary for premium benefit calculation, allowance for documentation and other expenses on the policy, margin for contingencies and profit loadings.

They are initially recognized at cost and subsequently measured at cost plus accumulated interest outstanding. Policy loans will not impair since the policy will terminate and become void when the principal and the accumulated interest equal the cash-value of the policy.

#### **14. Staff Loans**

This comprises of staff vehicle loans, staff emergency loans, mortgage loans and other interest bearing loans.

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#### 15. Trade receivables

Trade receivables arising from insurance contracts are stated after deducting allowance made for specific debts considered doubtful of recovery. Trade receivables are reviewed at every reporting period for impairment. They are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment. A provision for impairment is made when there is objective evidence (such as the probability of solvency or significant financial difficulties of the debtors) that the Group will not be able to collect the entire amount due under the original terms of the invoice.

Allowances are made based on an impairment model which consider the loss given default for each customer, probability of default for the sectors in which the customer belongs and emergence period which serves as an impairment trigger based on the age of the debt. Impaired debts are derecognized 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 previous recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reversed date. Any subsequent reversal of an impairment loss is recognised in the profit or loss.

Trade receivables are recognised for insurance cover for which payments have been received indirectly through duly licensed insurance brokers or lead insurers in Co-insurance arrangements. Premium collected on behalf of the Company is expected to be received within 30 days from insurance brokers and lead insurers. The "**No premium, No cover**" policy by NAICOM has been adhered to strictly during the year under review.

#### 16. Other receivables and prepayments

Receivables are stated at their original invoiced value, as the interest that would be recognized from discounting future cash receipts over the short credit period is not considered to be material. These receivables are reduced by appropriate allowances for estimated irrecoverable amounts. Interest on overdue receivables is recognized as it accrues.

#### 17. Reinsurance Assets

These are contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group, and which also meets the classification requirements for insurance contracts held as reinsurance contracts. Insurance contracts entered into by the Company under which the contract holder is another insurer (inwards reinsurance) are included in insurance contracts.

The benefits to which the Group is entitled under its reinsurance contracts are recognized as reinsurance assets. These assets consist of short-term balances due from reinsurers, as well as long term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract.

In certain cases, a reinsurance contract is entered into retrospectively to reinsure a notified claim under the Group's property or casualty insurance contracts. Where the premium due to the reinsurer differs from the liability established by the Group for the related claim, the difference is amortized over the estimated remaining settlement period.

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### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

#### **Impairment of Reinsurance assets**

The Group assesses its reinsurance assets for impairment. If there is objective evidence that the reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognizes that impairment loss in the statement of profit or loss and other comprehensive income.

The Group gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortized cost. The impairment loss is calculated following the same method used for these financial assets carried at amortized cost.

Premiums, losses and other amounts relating to reinsurance treaties are recognized over the period from inception of a treaty to expiration of the related business.

Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders.

Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or on expiry or when the contract is transferred to another party.

Reinsurance contracts that do not transfer significant insurance risk are accounted for directly through the statement of financial position. These are deposit assets that are recognised based on the consideration paid less any explicit identified premiums or fees to be retained by the reinsured.

Investment income on these contracts is accounted for using the effective interest rate method when accrued.

#### **18. Deferred acquisition costs (DAC)**

Acquisition costs comprise mainly of agent's commission. These costs are deferred and amortized over the terms of the related policies to the extent that they are considered to be recoverable from unearned premium.

A proportion of commissions payable is deferred and amortised over the period in which the related premium is earned. Deferred acquisition costs represent a proportion of acquisition costs that relate to policies that are in force at the year end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period and are treated as a change in an accounting estimate.

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value an impairment loss is recognised in the statement of profit or loss and other comprehensive income. DAC are also considered in the liability adequacy test for each reporting period. DAC are derecognised when the related contracts are either settled or disposed of.

#### **19. Loans and advances**

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- those classified as held for trading and those that the Group on initial recognition designates as at fair value through profit and loss;
- those that the Group upon initial recognition designates as available-for-sale; or
- those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

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### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D**

They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. Loans and receivables are reported in the statement of financial position as loans and advances to customers and placements with other banks and interest on these is reported in the statement of profit or loss and other comprehensive income as interest income.

In case of an impairment, the impairment loss is reported as a deduction from the carrying value of loans and recognized in the profit or loss and other comprehensive income as 'impairment losses on loans and advances'.

#### **Impairment losses on loans and advances**

The Group reviews its loan portfolios to assess impairment at least on a quarterly basis. In determining whether an impairment loss should be recorded in the profit and loss account, the group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the Bank. As at 31 December 2015, an IAS 39 provision was computed for both unidentified and identified impairment and impairment loss was measured on the basis of the present value of estimated future cash flows discounted at the original effective interest rate. Future expected cash flows were determined based on the value of the collateral held for which the Group's interest was registered.

#### **20. Investment property**

Buildings, or part of a building, (freehold or held under a finance lease) and land (freehold or held under an operating lease) held for long term rental yields and/or capital appreciation and are not occupied by the Group are classified as investment property under non-current assets.

##### **20.1. Recognition and measurement**

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

##### **20.2. Subsequent measurement**

Investment property is carried at fair value, representing open market value determined annually by independent valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the company uses alternative valuation methods such as discounted cash flow projections or recent prices in less active markets. These valuations are reviewed annually by an independent valuation expert. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value. Changes in fair values are recorded in the statement of profit or loss and other comprehensive income.

##### **20.3. De-recognition**

Investment properties are derecognised either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in statement of profit or loss in the period of de-recognition. The carrying amount of the asset

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### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D**

represents the fair value of the asset as at the date of the latest valuation before disposal.

#### **20.4. Transfers**

Transfers are made to or from investment property only when there is change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change.

If an investment property becomes owner-occupied, it is reclassified as property plant and equipment, and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes. If an item of property plant and equipment becomes an investment property because its use has changed, any difference arising between the carrying amount and the fair value of this item at the date of transfer is recognised in other comprehensive income as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the statement of profit or loss and other comprehensive income. Upon the disposal of such investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through the statement of profit or loss and other comprehensive income.

#### **21. Deferred Taxation**

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the related deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

#### **22. Intangible assets**

##### **22.1 Recognition and measurement**

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met.

- i) It is technically feasible to complete the software product so that it will be available for use.
- ii) Management intends to complete the software product and use or sell it.
- iii) There is an ability to use or sell the software products.
- iv) It can be demonstrated how the software product will generate future economic benefits.
- v) Adequate technical, financial and other resources to complete the development and to use or sell the software are available and the expenditure attributable to the software product during its development can be reliably measured.

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### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

#### 22.2 Subsequent measurement

Subsequent expenditure on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Direct computer software development costs recognised as intangible assets are amortised on the straight line basis over 3 years and are carried at cost less any accumulated amortisation and any accumulated impairment losses. The carrying amount of capitalised computer software is reviewed annually and is written down when the carrying amount exceeds its recoverable amount.

#### 23. Property, plant and equipment

##### 23.1 Recognition and measurement

###### 23.1.1 All items of property, plant and equipment

All other property, plant and equipment are measured at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Cost includes expenditure that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and captioned borrowing costs.

###### 23.1.2 Subsequent measurement

###### 23.1.2.1 Land and buildings

Land and buildings are measured at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Gains or losses arising from changes in the fair value of land and buildings are included in other comprehensive income net of deferred tax in the period in which they arise.

###### 23.1.2.2 All other property, plant and equipment other than land and Buildings

Subsequent costs are included in the asset's carrying amount or recognised 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 are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

###### 23.1.2.3 Depreciation of property, plant and equipment

Land is not depreciated. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5. A non-current asset or disposal group is not depreciated while it is calculated as held for sale. Depreciation on other assets is provided on a straight line basis at the following annual rates which are expected to write off the cost or valuation of property, plant and equipment over their estimated useful lives:

	%
Building	2
Leasehold improvements	20
Furniture and fixtures	15
Motor vehicles	25

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### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

	%
Computer equipments	33 1/3
Office equipment	20
Telecommunication	15
ISP equipment	25

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

#### **23.1.2.4 De-recognition**

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

#### **23.1.2.5 Impairment**

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell or the value in use.

### **24. Statutory deposit**

Statutory deposit represents 10% of the paid up capital of the Company deposited with the Central Bank of Nigeria (CBN) in pursuant to Section 10(3) of the Insurance Act, 2003. Statutory deposit is measured at cost.

### **25. Insurance contract liabilities**

#### **25.1 Insurance contracts**

The Group issues contracts that transfer insurance risk or financial risk or both. Insurance contracts are those contracts that transfer significant insurance risk. Such contracts may also transfer financial risk. As a general guideline, the Group defines as significant insurance risk the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur.

#### **Types of Insurance Contracts**

The Group classifies its business into two main categories; short term (non-life) and long term (life) insurance business, depending on the duration of risk and in accordance with the provisions of the Insurance Regulations.

#### **a) Non-life insurance contracts**

These contracts are accident and casualty and property insurance contracts. Accident and casualty insurance contracts protect the Group'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).



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### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

Property insurance contracts mainly compensate the Group'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 (business interruption cover).

Non-life insurance contracts protect the Group'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 policyholder. There are no maturity or surrender benefits.

Classes of non-life insurance business Include Engineering insurance, Fire insurance - domestic risks, Fire insurance - industrial and commercial risks, Liability insurance, Marine Insurance, Motor insurance - private vehicles, Motor insurance - commercial vehicles, General accident insurance, Oil & Energy Insurance.

#### **Non-Life business is normally of single-year duration**

Non-life insurance contract liabilities include the outstanding claims provision, the provision for unearned premium and the provision for premium deficiency. The outstanding claims provision is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claims handling. Delays can be experienced in the notification and settlement of certain types of claims, therefore, the ultimate cost of these cannot be known with certainty at the reporting date. The liability is calculated at the reporting based on empirical data and current assumptions that may include a margin for adverse deviation. The liability is not discounted for the time value of money. No provision for equalization or catastrophe reserves is recognized. The liabilities are derecognized when provision for equalization or catastrophe reserves is recognized. The liabilities are derecognized when the obligation to pay a claim expires, is discharged or is cancelled.

The provision for unearned premiums represents that portion of premiums received or receivable that relates to risks that have not yet expired at the reporting date. The provision is recognized when contracts are entered into and premiums are charged, and is brought to account as premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract.

At each reporting date, the Company reviews its unexpired risk and a liability adequacy test is performed to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. This calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant non-life insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums (less related deferred acquisition costs) is inadequate, the deficiency is recognized in the income statement by setting up a provision for premium deficiency.

#### **b) Life insurance business**

Life insurance business includes individual and group life insurance businesses.

Life insurance business means the business of, or in relation to, the issuing of, or the undertaking of a liability to pay money on death (not being death by accident or in specified sickness only) or on the happening of any contingency dependent on the termination or continuance of human life.

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### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

Life insurance liabilities are recognised when contracts are entered into and premiums are charged. These liabilities are measured by using the gross premium valuation administration expenses, policyholder options and guarantees, which are directly related to the contract, method. The liability is determined as the sum of the discounted value of the expected future benefits, claims handling and policy less the discounted value of the expected premiums that would be required to meet the future cash outflows based on the valuation assumptions used. The liability is calculated adopting current financial and decrement assumptions. A separate reserve for longevity may be established and included in the measurement of the liability. Furthermore, the liability for life insurance contracts comprises the provision for claims outstanding.

Adjustments to the liabilities at each reporting date are recorded in the statement of profit or loss and other comprehensive income in 'Gross change in insurance contract liabilities'. Profits originated from margins of adverse deviations on run-off contracts are recognized in the income statement over the life of the contract, whereas losses are fully recognized in the income statement during the first year of run-off. The liability is derecognized when the contract expires, is discharged or is cancelled.

At each reporting date, an assessment is made of whether the recognized life insurance liabilities are adequate by carrying out a liability adequacy test. The liability value is adjusted to the extent that it is insufficient to meet expected future benefits and expenses. In performing the adequacy test, current best estimates of future contractual cash flows, including related cash flows such as claims handling and policy administration expenses, policyholder options and guarantees, as well as investment income from assets backing such liabilities, are used. Discounted cash flows model is used in the valuation. The interest rate applied is based on management's prudent expectation of current market interest rates. Any inadequacy is recorded in the statement of profit or loss and other comprehensive income by establishing an additional insurance liability for the remaining loss. In subsequent periods, the liability for a block of business that has failed the adequacy test is based on the assumptions that are established at the time of the loss recognition. The assumptions do not include a margin for adverse deviation.

#### **26. Technical reserves**

These are computed in compliance with the provisions of Sections 20, 21, and 22 of the Insurance Act 2003 as follows:

##### **26.1 Non-Life insurance contracts**

###### **26.1.1 Reserves for unearned premium**

In compliance with Section 20 (1)(a) of Insurance Act 2003, the reserve for unearned premium is calculated on a time apportionment basis in respect of the risks accepted during the year.

###### **26.1.2 Reserves for outstanding claims**

The reserve for outstanding claims is maintained at the total amount of outstanding claims incurred and reported plus claims incurred but not reported ("IBNR") at each reporting date. The Reserve for outstanding claims is based on the liability adequacy test carried out by an Actuary on the insurance contract liabilities using the "**Inflation Adjusted Basic Chain Ladder Method**" which is considered as being representative of the liability.

###### **26.1.3 Reserves for unexpired risk**

A provision for additional unexpired risk reserve (AURR) is recognized for an underwriting year where it is envisaged that the estimated cost of claims and expenses would exceed the unearned premium reserve (UPR).

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## **CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D**

#### **26.2 Life business**

This is made up of net liabilities on policies in force as computed by the actuaries at the time of the actuarial valuation.

#### **26.3 Contingency reserves**

##### **26.3.1 Non-life business**

In compliance with Section 21 (2) of Insurance Act 2003, the contingency reserve is credited with the greater of 3% of total premiums, or 20% of the net profits. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium.

##### **26.3.2 Life business**

In compliance with Section 22 (1) (b) of Insurance Act 2003, the contingency reserve is credited with the higher of 1% of gross premiums or 10% of net profit.

#### **26.4 Liability adequacy test**

At each reporting date, liability adequacy tests are performed to ensure the adequacy of the contract liabilities net. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately charged to profit or loss. Insurance contract liabilities are subject to liability adequacy testing on an annual basis.

#### **27. Investment contracts**

Investment contracts are those contracts that transfer financial risk with no significant insurance risk. Investment contracts can be classified into interest linked and unitised fund. Interest linked investment contracts are measured at amortised cost while unitised funds are measured at fair value. Investment contracts with guaranteed returns (interest linked) and other business of a savings nature are recognized as liabilities. Interest accruing to the life assured from investment of the savings is recognized in the profit and loss in the year it is earned while interest paid and due to depositors is recognized as an expense. The net result of the deposit administration revenue account is transferred to the statement of profit or loss and other comprehensive income of the group.

Investment contract liabilities are recognized when contracts are entered into and premiums are charged. These liabilities are initially recognized at fair value, this being the transaction price excluding any transaction costs directly attributable to the issue of the contract. Subsequent to initial recognition investment, contract liabilities are measured at amortized cost.

Deposits and withdrawals are recorded directly as an adjustment to the liability in the statement of financial position and are not recognised as gross premium in the consolidated statement of profit or loss and other comprehensive income. The liability is derecognized when the contract expires, is discharged or is cancelled.

When contracts contain both a financial risk component and a significant insurance risk component and the cash flows from the two components are distinct and can be measured reliably, the underlying amounts are unbundled. Any premiums relating to the insurance risk component are accounted for on the same basis as insurance contracts and the remaining element is accounted for as a deposit through the statement of financial position as described above.

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## **CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D**

#### **28. Managed funds**

Managed funds pool the money of individual investors. The combined capital is invested by a professional fund manager, in some cases being applied across a range of asset classes such as shares, bonds, property and infrastructure assets.

A managed account may hold assets, cash or title to property for the benefit of the client. The manager may buy and sell assets without the client's prior approval, as long as the manager acts according to the client's objectives. Because a managed account involves fiduciary duty, the manager must act in the best interest of the client, or potentially face civil or criminal penalties.

Managed funds are popular with investors as they make it easy to invest. One transaction can provide access to a range of underlying investments and to diversify your investment across different asset classes and market sectors. They also provide access to investments that may otherwise be out of reach.

When you invest in a managed fund, you are allocated a number of shares or units in the fund. Each share or unit represents an equal portion of the fund's value. You may receive regular payments – called dividends or distributions – from the fund, based on the profit or income it receives from the underlying investments.

The scheme attract minimum guaranteed interest of 5% per annum.

The funds are initially measured at fairvalue and subsequently at amortised costs.

Interest expenses on managed funds are recognised as a guaranteed interest in profit or loss using the effective interest rate.

#### **29. Trade payables**

Trade payables are recognised when due and measured on initial recognition at the fair value of the consideration received less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest rate method.

#### **30. Derecognition of insurance payables**

Insurance payables are derecognized when the obligation under the liability is settled, cancelled or expired.

#### **31. Other Payables and Accruals**

Other payables and accruals 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.

#### **32. Derecognition of financial liabilities**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognized.

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## **CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D**

#### **33. Borrowing costs**

Borrowing costs are interest and other costs incurred by the Group directly attributable to the acquisition and construction of qualifying assets which are assets that necessarily takes a substantial period of time to get ready for its intended use or sale.

Borrowing costs are capitalized as part of the cost of a qualifying asset only when it is probable that they will result in future economic benefits to the Group and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the period in which they are incurred.

When the carrying amount or the expected ultimate cost of the qualifying asset exceeds its recoverable amount or net realizable value, the carrying amount is written down or written off. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

#### **34. Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction cost 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 pre-payment for liquidity services and amortised over the period of the facility to which it relates.

#### **35. Dividends**

Dividends on ordinary shares are payable out of the Distributable profits of the company and are recognised in equity in the period in which they are approved by the company's shareholders. Dividends proposed by the Directors but not yet approved by shareholders are disclosed in the financial statements in accordance with the requirements of the Companies and Allied Matters Act of 1990.

#### **36. Share capital**

The Company's issued ordinary shares are classified as equity instruments. Incremental external costs that are directly attributable to the issue of these shares are recognized in equity.

#### **37. Share Premium**

This represents the excess amount paid by shareholders on the nominal value of the shares. This amount is distributable to the shareholders at their discretion. The share premium is classified as an equity instrument in the statement of financial position.

#### **38. Asset Revaluation Reserve**

Subsequent to initial recognition, an item of property, plant and equipment and, in certain circumstances, an intangible asset, may be revalued to fair value. However, if such an item is revalued, the whole class of asset to which that asset belongs has to be revalued. The revaluation surplus is recognised in equity, unless it reverses a decrease in the fair value of the same asset which was previously recognised as an expense, in which case it is recognised in the statement of

# INDUSTRIAL AND GENERAL INSURANCE PLC

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

profit or loss and other comprehensive income. A subsequent decrease in the fair value is charged against this reserve to the extent that there is a credit balance relating to the same asset, with the balance being recognised in the income statement.

#### **39. Available-for-Sale Reserve**

The available-for-sale reserve comprises the cumulative net change in the fair value of the group's available-for-sale investments. Net fair value movements are recycled to income statements if an underline available-for-sale investment is either derecognised or impaired.

#### **40. Statutory reserves**

##### **40.1 Regulatory reserve**

The regulatory reserve represents an appropriation from retained earnings to comply with the Financial institutions Act 2004. The amount in the reserve represents the excess/deficit of impairment provisions determined in accordance with FIA over the impairment provisions recognised in accordance with the Group's accounting policy. The reserve is not distributable.

##### **40.2 Capital reserve**

The capital reserve is set up as a requirement under the Insurance statute 1996 under which every insurer should transfer from its profits each year before any dividend is declared and after tax provision, 5% of profits to the paid up capital of the insurer to facilitate capital growth.

#### **41. Taxation**

Current and deferred income tax.

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realisable or the deferred income tax liability is payable.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

# **INDUSTRIAL AND GENERAL INSURANCE PLC**

## **CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D**

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 tax 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 tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Deferred tax related to fair value re-measurement of available-for-sale investments, which are charged or credited directly in other comprehensive income, is also credited or charged directly to other comprehensive income and subsequently recognised in the consolidated income statement together with the deferred gain or loss.

#### **42. Related party transactions**

IAS 24, 'Related party disclosures'. The amendment clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The amended definition means that some entities will be required to make additional disclosures, e.g., an entity that has controlling interest in another entity and is part of the key management personnel of that entity is now required to disclose transactions with that second entity. The amendment had no significant impact on related party disclosures.

The Company has controlling interest in other entities incorporated and domiciled in Nigeria, Rwanda, Uganda, Ghana, and The Gambia. The Company is the ultimate parent of the group. There are other companies which are related to parent company, IGI Plc, through common shareholdings or common directorships.

#### **43. Income Recognition and measurement**

##### **a. Premium income**

##### **a. Non-Life insurance business**

For all these contracts, premiums are recognised as revenue (earned premiums) proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the statement of financial position date is reported as the unearned premium liability. Premiums are shown before deduction of commission.

Claims and loss adjustment expenses are charged to income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claims settlement costs and arise from events that have occurred up to the end of the reporting period even if they have not yet been reported to the Group. The Group does not discount its liabilities for unpaid claims. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Group and statistical analyses for the claims incurred but not reported, and to estimate the expected ultimate cost of more complex claims that may be affected by external factors (such as court decisions).

##### **b. Life insurance business**

Premiums are recognised as revenue when they become payable by the contract holders. Premium are shown before deduction of commission.

Claims and other benefits are recorded as an expense when they are incurred.

# **INDUSTRIAL AND GENERAL INSURANCE PLC**

## **CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D**

#### **Salvages**

Some non-life insurance contracts permit the Group to sell (usually damaged) property acquired in the process of settling a claim. The Group may also have the right to pursue third parties for payment of some or all costs of damages to its clients property (i.e. subrogation right).

Salvage recoveries are used to reduce the claim expense when the claim is settled.

#### **Subrogation**

Subrogation is the right for an insurer to pursue a third party that caused an insurance loss to the insured. This is done as a means of recovering the amount of the claim paid to the insured for the loss. A receivable for subrogation is recognized in other assets when the liability is settled and the Company has the right to receive future cash flow from the third party.

#### **Deferred Income**

Deferred income represent a proportion of commission received on reinsurance contracts which are booked during a financial year and are deferred to the extent that they are recoverable out of future revenue margins. It is calculated by applying to the reinsurance commission income the ratio of prepaid reinsurance to reinsurance cost.

#### **Reinsurance contracts held**

Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group and that meet the classification requirements for insurance contracts in accounting policy 25 are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered into by the Group under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts.

Reinsurance assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in compliance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due. The Group has the right to set-off re-insurance payables against amount due from re-insurance and brokers in line with the agreed arrangement between both parties.

The Group assesses its reinsurance assets for impairment on a quarterly basis. If there is objective evidence that the reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the statement of profit or loss and other comprehensive income. The Group gathers the objective evidence that an insurance asset is impaired using the same process adopted for financial assets held at amortised cost. The impairment loss is calculated using the incurred loss model for these financial assets.

#### **44. Receivables and payables related to insurance contracts**

Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders. If there is objective evidence that the insurance receivable is impaired, the Group reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the statement of profit or loss and other comprehensive income. The Group gathers the objective evidence that an insurance receivable is



# INDUSTRIAL AND GENERAL INSURANCE PLC

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### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

impaired using the same methodology adopted for financial assets held at amortised cost. The impairment loss is calculated under the same method used for these financial assets.

#### **45. Salvage and subrogation reimbursements**

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

Estimates of salvage recoveries are included as an allowance in the measurement of the insurance liability for claims, and salvage property is recognised in other assets when the liability is settled. The allowance is the amount that can reasonably be recovered from the disposal of the property.

Subrogation reimbursements are also considered as an allowance in the measurement of the insurance liability for claims and are recognised in other assets when the liability is settled. The allowance is the assessment of the amount that can be recovered from the action against the liable third party.

#### **46. Reinsurance cost**

Reinsurance cost represents outward premium paid to reinsurance companies less the unexpired portion as at the end of the accounting year.

#### **47. Reinsurance claims**

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

#### **48. Underwriting Expenses**

Underwriting expenses comprise acquisition costs and maintenance expenses. Underwriting expenses comprise all direct and indirect costs arising from the writing of insurance contracts. Examples of these costs include, but are not limited to, commission expense, supervisory levy, superintending fees and other technical expenses. Other underwriting expenses are those incurred in servicing existing policies/contract. These expenses are charged in the accounting year in which they are incurred.

#### **49. Investment and other income**

##### **49.1 Interest income**

Interest income for all interest-bearing financial instruments, including financial instruments measured at fair value through profit or loss, is recognised within 'investment income' in the income statement using the effective interest rate method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

##### **49.2 Fees and commission income**

Insurance and investment contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. These fees are recognized as revenue over the period in which the related services are performed. If the fees are for services provided in future periods, then they are deferred and recognized over those future periods.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

#### **49.3 Investment income**

Investment income on financial assets is composed of interest income, fee and commission income and dividend income.

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

Investment income also includes dividends when the right to receive payment is established. For listed securities, this is the date the security is listed as ex-dividend.

#### **49.4 Realized gains and losses**

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

#### **50. Finance cost**

Interest paid is recognized in the statement of profit or loss and other comprehensive income as it accrues and is calculated by using the effective interest method. Accrued interest is included within the carrying value of the interest bearing financial liability.

#### **51. Management Expenses**

Management expenses are expenses other than claims, investment expenses, employee benefit, expenses for marketing and administration and underwriting expenses. They include wages, professional fee, depreciation expenses and other non-operating expenses.

Other Operating expenses are accounted for on accrual basis and recognized in the statement of profit or loss upon utilization of the service or at the date of their origin.

#### **52. Employee benefits**

##### **Short-term benefits**

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

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group 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 Group operates a defined contribution plan. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. For defined contribution plans, the Group makes contributions on behalf of qualifying employee to a mandatory scheme under the provisions of the Pension Reform Act of 2014. The rate of contribution by the

# **INDUSTRIAL AND GENERAL INSURANCE PLC**

## **CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D**

Group and its employees is 10% and 8% respectively of basic salary, housing and transport allowance. The Company has no further payment obligations once it has remitted its own contribution. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### **53. Income tax expense**

Income tax expense is the aggregate of the charge to the profit and loss in respect of current income tax and deferred income tax. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with Nigeria tax laws.

#### **54. Earnings per share**

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company but the weighted average number of ordinary shares outstanding during the period excluding treasury shares held by the group. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

#### **55. Provisions**

A provision is recognised if, as a result of past event, the Group 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 at a pre-tax rate reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability.

A provision of restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future costs are not provided for.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

#### **56. Contingent liabilities and assets**

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

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

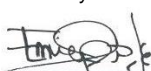
# INDUSTRIAL AND GENERAL INSURANCE PLC

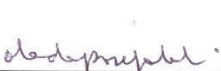
## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2019

	Note	Group		Company	
		2019 N'000	2018 N'000	2019 N'000	2018 N'000
<b>Assets</b>					
Cash and cash equivalents	5.	2,094,063	1,477,089	180,390	146,369
<b>Financial Assets:</b>					
At fair value through profit or loss	6.1	242,022	288,949	10,303	9,282
Available for sale	6.2	975,385	1,213,802	511,852	879,459
Held to maturity	6.3.	509,431	293,981	-	-
Loans and receivables	6.4.	365,903	495,030	326,807	475,312
Trade receivables	7.	725,192	512,354	-	-
Reinsurance assets	8.	3,857,653	3,533,301	3,204,590	3,053,282
Deferred acquisition costs	9.	92,728	70,830	39,093	37,674
Loans and advances to customers	10.	77,561	324,661	-	-
Other receivables and prepayments	12.	569,076	403,249	364,791	155,509
Investment in subsidiaries	14.	-	-	3,389,783	3,333,919
Intangible assets	15.	21,797	-	-	-
Deferred tax assets	48.4.	-	-	-	-
Investment properties	16.	24,991,815	21,431,642	24,869,411	17,753,486
Property plant and equipment	17.	7,517,859	6,418,830	5,926,673	5,395,844
Statutory deposits	18.	555,267	554,608	500,000	500,000
		42,595,753	37,018,326	39,323,693	31,740,136
Non-current assets held for sale	11.	6,307,411	4,093,324	-	-
Assets classified as discontinued operations	57.	5,733,010	5,733,010	-	1
<b>Total assets</b>		<b>54,636,174</b>	<b>46,844,660</b>	<b>39,323,693</b>	<b>31,740,137</b>
<b>Equity</b>					
Ordinary share capital	19.2	7,115,619	7,115,619	7,115,619	7,115,619
Share premium	19.3	8,530,781	8,530,781	8,530,781	8,530,781
Assets revaluation reserve	20.	6,256,758	5,684,590	5,858,891	5,392,050
Fairvalue reserve	21.	136,812	608,791	122,231	489,839
Contingency reserve	22.	4,218,011	3,184,596	3,852,082	2,884,130
Loss sustained	23.	(13,308,921)	(17,982,107)	(14,164,667)	(18,406,310)
Capital reserve	24.	134,236	134,236	-	-
Foreign exchange reserve	25.	(1,607,900)	(556,027)	-	-
Statutory(regulatory) reserve	26.	182,607	182,607	-	-
<b>Shareholder's fund</b>		<b>11,658,003</b>	<b>6,903,085</b>	<b>11,314,937</b>	<b>6,006,109</b>
Non-controlling interests	27.	(184,902)	(122,255)	-	-
<b>Total equity</b>		<b>11,473,101</b>	<b>6,780,830</b>	<b>11,314,937</b>	<b>6,006,109</b>
<b>Liabilities</b>					
Insurance contract liabilities	28.	10,430,374	10,181,666	8,439,897	9,097,653
Investment contract liabilities	29.	9,559,606	9,870,602	9,116,440	8,626,085
Trade payables	30.	2,468,968	1,236,737	1,588,093	855,678
Loans and borrowings	31.	1,335,012	1,183,760	1,020,441	486,906
Other payables and accruals	32.	8,127,303	7,174,316	4,316,680	4,051,350
Income tax payable	48.2	2,029,100	1,893,722	1,643,148	1,539,140
Deferred tax liabilities	48.4.	2,147,965	1,568,211	1,884,056	1,077,223
Deposit for shares	33.	1,331,735	1,221,804	-	-
		37,430,063	34,330,818	28,008,755	25,734,035
Liabilities classified as discontinued operations	57.	5,733,010	5,733,010	-	-
<b>Total liabilities</b>		<b>43,163,073</b>	<b>40,063,828</b>	<b>28,008,755</b>	<b>25,734,035</b>
<b>Total equity and liabilities</b>		<b>54,636,175</b>	<b>46,844,660</b>	<b>39,323,694</b>	<b>31,740,137</b>

The consolidated financial statements were approved by the Board of Directors on **31 August 2020** and signed on its behalf by:

  
**Rachel Yoke Emenike**  
 Managing Director  
 FRC/2015/CIIN/00000013299

  
**Professor Oladapo Afolabi**  
 Director  
 FRC/2017/IPAN/00000015950

  
**Tolu Delagbo**  
 Chief Finance Officer  
**FRC/2019/ANAN/00000019788**

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

# INDUSTRIAL AND GENERAL INSURANCE PLC

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Group		Company	
		2019 N'000	2018 N'000	2019 N'000	2018 N'000
<b>Continuing operations</b>					
<b>Gross premium written</b>	34.	<b>3,802,458</b>	4,356,979	<b>762,516</b>	1,397,464
Changes in unearned premium	34.	<b>624,213</b>	613,759	<b>24,128</b>	344,912
<b>Gross Premium Income</b>		<b>4,426,671</b>	4,970,738	<b>786,644</b>	1,742,376
Reinsurance costs	35.	<b>(979,000)</b>	(956,317)	<b>(87,177)</b>	(173,392)
<b>Net Premium Income</b>		<b>3,447,671</b>	4,014,421	<b>699,467</b>	1,568,984
Fees and commission income	36.	<b>235,000</b>	309,471	<b>22,910</b>	80,644
<b>Net underwriting income</b>		<b>3,682,671</b>	4,323,892	<b>722,377</b>	1,649,628
Claims expenses (Gross)	37.	<b>(1,091,990)</b>	(838,115)	<b>(266,794)</b>	(178,495)
Changes in claims recoveries	37.	<b>286,736</b>	(53,316)	<b>253,356</b>	(180,155)
<b>Net claims incurred</b>		<b>(805,254)</b>	(891,431)	<b>(13,438)</b>	(358,650)
Underwriting expenses	38.	<b>(2,536,008)</b>	(2,910,587)	<b>(1,379,757)</b>	(937,418)
Changes in contract liabilities	39.	<b>(175,717)</b>	(133,514)	<b>(1,580)</b>	(131,924)
<b>Underwriting (loss)/profit</b>		<b>165,692</b>	388,360	<b>(672,398)</b>	221,636
Investments incomes	40.	<b>669,049</b>	409,016	<b>307,417</b>	164,531
Profit on disposal of Investment properties	49.2	<b>104,065</b>	30,587	<b>47,947</b>	(5,000)
Net interest income	41.2	<b>12,848</b>	134,785	<b>405</b>	113,154
Profit on disposal of properties, plant & equipment	49.3	<b>(3,529)</b>	(120,232)	<b>460</b>	16,186
Other operating incomes	42.	<b>116,326</b>	90,172	<b>15,992</b>	22,443
(Loss)/gain on investment contract	43.	<b>(292,012)</b>	259,599	<b>(238,493)</b>	303,787
Fair value gain/(loss) through Profit or loss	44.	<b>7,647,804</b>	425,440	<b>7,479,046</b>	429,344
Impairment charge	45.	<b>78,600</b>	(21,250)	<b>(116,798)</b>	(5,433)
Management and administrative expenses	46.	<b>(2,238,616)</b>	(1,779,565)	<b>(791,264)</b>	(1,250,613)
<b>Net operating profit</b>		<b>6,260,227</b>	(183,088)	<b>6,032,314</b>	10,035
Finance costs	47.	<b>(13,040)</b>	(49,789)	<b>(6,372)</b>	(183,342)
<b>Profit/(loss) before income tax</b>		<b>6,247,187</b>	(232,877)	<b>6,025,942</b>	(173,307)
Income tax expense	48.1	<b>(612,134)</b>	(247,809)	<b>(816,347)</b>	(185,609)
<b>Profit/(loss) from continuing operations</b>		<b>5,635,053</b>	(480,686)	<b>5,209,595</b>	(358,916)
<b>Attributable to:</b>					
Equity shareholders		<b>5,706,601</b>	(445,042)	<b>5,209,595</b>	(358,916)
Non-controlling interests	27.	<b>(71,548)</b>	(35,644)	<b>-</b>	-
		<b>5,635,053</b>	(480,686)	<b>5,209,595</b>	(358,916)
<b>Other Comprehensive income/(loss):</b>					
<b>Items that may be reclassified subsequently to profit or loss:</b>					
Fairvalue gain on available for sale assets	21 & 27	<b>(391,540)</b>	443,291	<b>(367,607)</b>	423,163
Exchange (loss)/gain on translating foreign operations	25	<b>(1,051,873)</b>	(347,355)	<b>-</b>	-
Income tax relating to item that may be reclassified subsequently to profit or loss		<b>39,154</b>	(4,871)	<b>-</b>	-

# INDUSTRIAL AND GENERAL INSURANCE PLC

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

		Group		Company	
	Notes	2019 N'000	2018 N'000	2019 N'000	2018 N'000
<b>Items that will not be reclassified subsequently to profit or loss:</b>					
Actuarial surplus/transfer from life fund	22 & 27	-	-	-	-
Fairvalue gain on property,plant and equipment	20 & 27	594,822	404,285	561,315	477,536
Income tax relating to item that will not be reclassified subsequently to profit or loss		(22,654)	(47,754)	(94,473)	(47,754)
Other comprehensive income/(loss) for the year, net of tax		(832,091)	447,596	99,235	852,945
<b>Total comprehensive income/(loss) for the year</b>		<b>4,802,962</b>	<b>(33,090)</b>	<b>5,308,830</b>	<b>494,029</b>
<b>Attributable to:</b>					
Equity shareholders		4,865,364	135,270	5,308,830	494,029
Non-controlling interests	27.	(62,403)	(168,360)	-	-
		<b>4,802,962</b>	<b>(33,090)</b>	<b>5,308,830</b>	<b>494,029</b>
Basic and diluted profit/(loss) per share (Kobo)	50.	34.19	0.95	37.30	3.47

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

# INDUSTRIAL AND GENERAL INSURANCE PLC

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

		Group		Company	
		2019	2018	2019	2018
	Note	N'000	N'000	N'000	N'000
<b>Cash flows from operating activities</b>					
Premium received on insurance contract		3,802,458	4,356,979	762,516	1,397,464
Net inflow from deposit Admin contract	29.	(744,197)	849,277	117,287	163,367
Reinsurance premium paid	35.	(1,219,371)	(140,582)	(87,177)	(233,520)
Commission received	36.	235,000	309,471	22,910	80,644
Claims paid	37.	(1,811,069)	(1,089,085)	(901,998)	(402,854)
Reinsurance recovery received	37.	279,246	(22,304)	98,175	(410,405)
Commission paid	38.	(444,886)	(1,100,605)	(32,361)	(299,437)
Maintenance cost paid	38.	(2,113,019)	2,378,284	(1,212,921)	650,461
Loss on disposal of PPE		-	120,232	460	16,186
Other Income	42.	116,326	90,172	15,992	22,443
Dividend income		30,791	-	8,543	125,902
Investment income	40.	638,258	311,345	298,874	-
Operating costs and payments to employee		113,675	(6,439,164)	(472,191)	(1,336,507)
Tax paid	48.2	-	(91,374)	-	(88,364)
Other operating cashflows		-	-	-	-
Net cash used in operating activities	51.	(1,116,788)	(467,355)	(1,381,891)	(314,620)
<b>Cash flows from investing activities:</b>					
		(0)	2	(0)	(0)
Additions to fair value through profit or loss	6.1	(87,505)	(7,232)	-	-
Proceed on disposal of fair value through profit or loss		-	-	-	-
Additions to available for sale	6.2	(153,123)	(381,947)	-	-
Proceeds on disposal of available for sale			368,640	-	-
<u>Held to maturity</u>	6.3.			-	-
Addition	6.3.	504,280	163,791		
Disposal	6.3.	(335,782)	-		
Additions to loans and receivables	6.4.	(15,658)	(218,437)	(397)	-
Repayment of loans and receivables	6.4.	149,431	-	148,902	-
Loans and advances to customers	10.	(247,100)	(73,357)	-	-
Addition to non-current assets held for sale	11.	(3,324)	-	-	-
Proceeds on disposal of non-current assets held for sale	11.	275,001	384,097	-	-
Intangible assets	15	(25,296)			
Acquisition of investment properties	16.	(1,092)	-	-	-
Proceeds on disposal of investment properties		1,573,895	90,587	410,047	55,000
Other movement in investment properties		92,587	570,152	-	-
Purchase of property, plant and equipment	17.	(81,615)		(330)	(401)
Proceeds from disposal of property, plant & equipment		-	649,469	-	308,687
Interest income	41.	12,848	134,785	405	113,154
Net cash used in investing activities		1,657,548	1,680,548	558,627	476,440
<b>Cash flows from financing activities:</b>					
Additions to overdraft	31.	(1,080)	134,018	330,116	124,204
Additions to term loan		140,866	-	202,141	-
Repayment of loans & borrowings	31.	(1,574)	(779,634)	(5,094)	(170,914)
Payment for principal portion of lease	32.1.	(46,265)			
Dividend paid		(8,401)	(86,201)	-	-
Interest paid	32.1.	(6,251)	(49,789)	-	(183,342)
Net cash generated by financing activities		77,295	(781,606)	527,163	(230,052)
<b>Net increase/(decrease) in cash and cash equivalents</b>					
		618,055	431,588	(296,101)	(68,232)
Cash and cash equivalents at 1 January		1,449,880	1,018,292	(335,038)	(266,806)
Cash and cash equivalents at 31 December	5.3.	2,067,934	1,449,880	(631,133)	(335,038)

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

## INDUSTRIAL AND GENERAL INSURANCE PLC

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

Attributable to equity holders- the Group

	Ordinary share capital N'000	Share premium N'000	Assets revaluation reserve N'000	Fairvalue reserve N'000	Contingency reserve N'000	Loss sustained N'000	Capital reserve N'000	Foreign exchange reserve N'000	Statutory(re gulatory) reserve N'000	Non- controlling interest N'000	Total N'000
<b>1 January 2018</b>	<b>7,115,619</b>	<b>8,530,781</b>	<b>5,489,812</b>	<b>174,262</b>	<b>3,697,482</b>	<b>(17,359,191)</b>	<b>131,557</b>	<b>(340,811)</b>	<b>162,473</b>	<b>39,008</b>	<b>7,640,992</b>
<b>Changes in equity for 2018:</b>											
Loss for the year	-	-	-	-	-	(445,042)	-	-	-	(35,644)	(480,686)
<b>Other comprehensive income;</b>											
Share of revaluation gain in retained earnings	-	-	-	-	-	-	-	-	-	-	-
Gain on valuation of property, plant and equipment	-	-	410,995	(4,871)	-	-	-	-	-	(6,710)	404,285
Deferred tax effect	-	-	(47,754)	(4,871)	-	-	-	-	-	(2,629)	(55,254)
Impact of investment reclassified to available for sale	-	-	-	-	-	(241,306)	-	-	-	-	(241,306)
Reversal of revaluation	-	-	66,047	-	-	-	-	-	-	-	66,047
Gain on available for sale financial assets	-	-	-	434,529	-	-	-	-	-	8,762	443,291
Transfer from life fund	-	-	-	-	-	-	-	-	-	-	-
Transalation gain/(loss) for the year	-	-	28,690	4,871	(705,586)	222,379	-	(215,216)	20,134	(132,138)	(776,867)
<b>Transactions with owners, recorded directly in equity:</b>											
Share of ordinary share capital	-	-	-	-	-	-	-	-	-	-	-
Share of share premium	-	-	-	-	-	-	-	-	-	-	-
Transfer (from)/to capital reserve	-	-	-	-	-	(2,679)	2,679	-	-	1,446	1,446
Transfer (from)/ to statutory reserve	-	-	-	-	-	-	-	-	-	259	259
Transfer (from)/ to contingency reserve	-	-	-	-	192,700	(192,700)	-	-	-	5,391	5,391
Transfer (from)/to assets revaluation reserve	-	-	(263,200)	-	-	-	-	-	-	-	(263,200)
Dividend paid / declared	-	-	-	-	-	36,432	-	-	-	-	36,432
<b>31 December 2018</b>	<b>7,115,619</b>	<b>8,530,781</b>	<b>5,684,590</b>	<b>608,791</b>	<b>3,184,596</b>	<b>(17,982,107)</b>	<b>134,236</b>	<b>(556,027)</b>	<b>182,607</b>	<b>(122,255)</b>	<b>6,780,831</b>
<b>1 January 2019</b>	<b>7,115,619</b>	<b>8,530,781</b>	<b>5,684,590</b>	<b>608,791</b>	<b>3,184,596</b>	<b>(17,982,107)</b>	<b>134,236</b>	<b>(556,027)</b>	<b>182,607</b>	<b>(122,255)</b>	<b>6,780,831</b>
<b>Changes in equity for 2019:</b>											
Profit for the year	-	-	-	-	-	5,706,601	-	-	-	(71,548)	5,635,053
<b>Other comprehensive income;</b>											
Gain on valuation of property, plant and equipment	-	-	594,822	-	-	-	-	-	-	12,746	607,568
Deferred tax effect	-	-	(22,654)	(80,439)	-	-	-	-	-	(3,920)	(107,012)
Impact of investment reclassified to available for sale	-	-	-	-	-	-	-	-	-	-	-
Reversal of revaluation	-	-	-	-	-	-	-	-	-	-	-
Gain on available for sale financial assets	-	-	-	(391,540)	-	-	-	-	-	319	(391,221)
Transfer from life fund	-	-	-	-	-	-	-	-	-	-	-
Transalation gain/(loss) for the year	-	-	-	-	-	0	-	(1,051,873)	-	-	(1,051,873)
<b>Transactions with owners, recorded directly in equity:</b>											
Share of ordinary share capital	-	-	-	-	-	-	-	-	-	-	-
Share of share premium	-	-	-	-	-	-	-	-	-	-	-
Transfer (from)/to capital reserve	-	-	-	-	-	-	-	-	-	-	-
Transfer (from)/ to statutory reserve	-	-	-	-	-	-	-	-	-	(244)	(244)
Transfer (from)/ to contingency reserve	-	-	-	-	1,033,415	(1,033,415)	-	-	-	-	-
Transfer (from)/to assets revaluation reserve	-	-	-	-	-	-	-	-	-	-	-
Dividend paid / declared	-	-	-	-	-	-	-	-	-	-	-
<b>31 December 2019</b>	<b>7,115,619</b>	<b>8,530,781</b>	<b>6,256,758</b>	<b>136,812</b>	<b>4,218,011</b>	<b>(13,308,921)</b>	<b>134,236</b>	<b>(1,607,900)</b>	<b>182,607</b>	<b>(184,902)</b>	<b>11,473,101</b>

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

11,473,101



# INDUSTRIAL AND GENERAL INSURANCE PLC

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

Attributable to equity holders- the Company

	Ordinary share capital N'000	Share premium N'000	Assets revaluation reserve N'000	Fairvalue reserve N'000	Contingency reserve N'000	Loss sustained N'000	Total N'000
<b>1 January 2018</b>	<b>7,115,619</b>	<b>8,530,781</b>	<b>5,159,421</b>	<b>66,676</b>	<b>2,845,224</b>	<b>(18,271,687)</b>	<b>5,446,034</b>
<b>Changes in equity for 2018:</b>							
Loss for the year	-	-	-	-	-	(358,916)	(358,916)
<b>Other comprehensive income;</b>							
Gain on valuation of property, plant and equipment	-	-	477,536	-	-	-	477,536
Deferred tax effect	-	-	(47,754)	-	-	-	(47,754)
Reversal of revaluation	-	-	66,048	-	-	-	66,048
Gain/(loss) on available for sale financial assets	-	-	-	423,163	-	-	423,163
<b>Transactions with owners, recorded directly in equity:</b>							
Contingency reserve for the year	-	-	-	-	38,906	(38,907)	(1)
Actuarial surplus/transfer from life fund	-	-	-	-	-	-	-
Transfer from assets revaluation reserve	-	-	(263,201)	-	-	263,200	(1)
<b>31 December 2018</b>	<b>7,115,619</b>	<b>8,530,781</b>	<b>5,392,050</b>	<b>489,839</b>	<b>2,884,130</b>	<b>(18,406,310)</b>	<b>6,006,109</b>
<b>1 January 2019</b>	<b>7,115,619</b>	<b>8,530,781</b>	<b>5,392,050</b>	<b>489,839</b>	<b>2,884,130</b>	<b>(18,406,310)</b>	<b>6,006,109</b>
<b>Changes in equity for 2019:</b>							
Profit for the year	-	-	-	-	-	5,209,594.75	5,209,595
<b>Other comprehensive income;</b>							
Gain on valuation of property, plant and equipment	-	-	561,315	-	-	-	561,315
Deferred tax effect	-	-	(94,473)	(1)	-	-	(94,474)
Reversal of revaluation	-	-	-	-	-	-	-
Gain/(loss) on available for sale financial assets	-	-	-	(367,607)	-	-	(367,607)
<b>Transactions with owners, recorded directly in equity:</b>							
Contingency reserve for the year	-	-	-	-	967,953	(967,953)	-
Actuarial surplus/transfer from life fund	-	-	-	-	(1)	-	(1)
Transfer from assets revaluation reserve	-	-	-	-	-	1	1
<b>31 December 2019</b>	<b>7,115,619</b>	<b>8,530,781</b>	<b>5,858,892</b>	<b>122,231</b>	<b>3,852,082</b>	<b>(14,164,667)</b>	<b>11,314,938</b>

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

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 1. General Information

Industrial and General Insurance Plc. ('the company') and its subsidiaries (together 'the Group') underwrite life and non-life risks, such as those associated with death, disability, health, property and liability. The Group also issues a diversified portfolio of investment contracts to provide its customers with asset management solutions for their savings and retirement needs. All these products are offered to both domestic and foreign markets. The Group does business in Nigeria, Uganda, Rwanda and The Gambia. The Company was incorporated in Nigeria as a private limited liability company on 31 October 1991 under the Companies and Allied Matters Act, CAP C20 LFN 2004.

The Registered office is located at: No 2, Agoro Odiyan Street, Victoria Island, Lagos, Nigeria.

### 2. Critical accounting estimates

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.

#### i) Future benefit payments from long-term business contracts

The estimation of future benefit payments from long-term business contracts is the life insurance business' most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimation of the liability that the company will ultimately pay for such claims.

The determination of the liabilities under long-term business contracts is dependent on estimates made by the Company. These estimates are incorporated in an automated model inbuilt into the company's financial information systems.

#### ii) Fair value of equity investments

Fair values of equity investments may be determined in whole or part using valuation techniques based on assumptions that are not supported by prices from current market transactions or observable market data.

The fair values of financial instruments that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques (for example models) are used to determine fair values, they are validated and periodically independently reviewed by qualified senior personnel. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use observable data, however, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates.

#### iii) Fair values of financial assets and liabilities

The fair values of the Group's financial assets and liabilities approximate over the respective carrying amounts, due to the generally short periods to contractual re-pricing or maturity dates as set out in these financial statements. Fair values are based on discounted cash flows using a discount rate based upon the borrowing rate that directors expect would be available to the Company at the statement of financial position date.

### Fair value hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the group market assumption. These two types of inputs have created the following fair value hierarchy:

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

**Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges and exchange traded derivatives like futures.

**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).

**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). This level include equity investments and debt instruments with significant unobservable components. The group considers relevant and observable market prices in its valuations where possible.

### Fair value of financial assets and liabilities

	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
<b>Group</b>				
<b>At 31 December 2019</b>				
Financial assets	<u>242,022</u>	<u>-</u>	<u>1,850,719</u>	<u>2,092,741</u>
<b>At 31 December 2018</b>				
Financial assets	<u>288,949</u>	<u>-</u>	<u>2,002,813</u>	<u>2,291,762</u>
<b>Company</b>				
<b>At 31 December 2019</b>				
Financial assets	<u>10,303</u>	<u>-</u>	<u>838,659</u>	<u>848,962</u>
<b>At 31 December 2018</b>				
Financial assets	<u>9,282</u>	<u>-</u>	<u>1,354,771</u>	<u>1,364,053</u>

### iv) Recoverable amount of loans and receivables

Critical estimates are made by the directors in determining the recoverable amount of impaired loans and receivables.

### v) Valuation of land and buildings

Investment properties and property, plant and equipment include freehold land and buildings carried at fair value. Fair value is based on valuations performed by an independent valuation expert. In performing the valuation, the valuer uses discounted cash flow projections which incorporate assumptions around the continued demand for rental space, sustainability of growth in rent rates as well as makes reference to recent sales. The change in these assumptions could result in a significant change in the carrying value of properties.

### vi) Useful lives of property, plant and equipment

The Company's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the projected useful lives for such assets. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

### vii) Income taxes

Judgement is required in determining the Company's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

### **3. Management of insurance and financial risk**

The Company's activities expose it to a variety of financial risks, including insurance risk, financial risk, credit risk, and the effects of changes in property values, debt and equity market prices, foreign currency exchange rates and interest rates. The Company's overall risk management programme focuses on the identification and management of risks and seeks to minimise potential adverse effects on its financial performance, by use of underwriting guidelines and capacity limits, reinsurance planning, credit policy governing the acceptance of clients, and defined criteria for the approval of intermediaries and reinsurers. Investment policies are in place which help manage liquidity, and seek to maximise return within an acceptable level of interest rate risk.

This section summarises the way the Company manages key risks:

#### **a) Insurance risk**

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and benefit 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 will vary from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

#### **b) Data – Nature, Accuracy and Interpretation**

The following data was supplied to us by the company:

- 1) Gross Premiums Written
- 2) Claims Paid
- 3) Reinsurance Premiums
- 4) Outstanding Reported Reserves as at the valuation date
- 5) Reinsurance Share of Outstanding Reported Reserves as at the valuation
- 6) Claim Recoveries

The data covered periods from 1 January 2007 to 31 December 2019.

**i) Data Reconciliation:** The correctness of the data used is key to the accuracy of the reserve determined. As part of our verification process, we have reconciled the gross written premiums, reinsurance premiums, claims paid and reinsurance recoveries in the technical data, with the carrying amounts held in the financial statement. The summary of the reconciliation is represented below.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### ii) Premium Data Reconciliation

#### Table 3.1a - Gross Written Premium Data

The gross written premium data submitted reconciles with the corresponding account figures. The details are shown below:

Class of Business	Gross Written Premium Data	Gross Written Premium Account	Percentage Difference
	N	N	
General Accident	161,462,335	161,462,335	0%
Engineering	13,276,523	13,276,523	0%
Fire	58,560,956	58,560,956	0%
Marine	17,196,679	17,196,679	0%
Motor	219,261,023	219,261,023	0%
Oil and Gas	8,452,806	8,452,806	0%
Total (31 December, 2019)	478,210,322	478,210,322	0%
Total (31 December, 2018)	1,246,594,700	1,246,594,700	0%

#### Table 3.1b - Reinsurance Premium Data

The ceded premium data submitted reconciles with the corresponding account figures. The details are shown below:

Class of Business	Reinsurance Premium Data	Reinsurance Premium Account	Percentage Difference
	N	N	
General Accident	250,776	250,776	0%
Engineering	7,421,486	7,421,486	0%
Fire	22,071,916	22,071,916	0%
Marine	7,698,654	7,698,654	0%
Motor	5,041,968	5,041,968	0%
Oil and Gas	-	-	0%
Total (31 December, 2019)	42,484,800	42,484,800	0%
Total (31 December, 2018)	140,581,908	140,581,908	0%

### Claims Paid and Reinsurance Recoveries Data

#### Table 3.1c - Gross Claim Paid Data

The gross claims paid data submitted reconciles with the corresponding account figures. The details are shown below:

Class of Business	Gross Claims Paid Data	Gross Claims Paid Account	Percentage Difference
	N	N	
General Accident	124,176,414	124,176,414	0%
Engineering	21,037,040	21,037,040	0%
Fire	389,756,380	389,756,380	0%
Marine		-	0%
Motor	48,605,065	48,605,065	0%
Oil and Gas	9,870,114	9,870,114	0%
Total (31 December, 2019)	593,445,013	593,445,013	0%
Total (31 December, 2018)	133,966,337	133,966,337	0%

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

**Table 3.1d - Reinsurance Recoveries Data**

The reinsurance recoveries data submitted reconciles with the corresponding account figures. The details are shown below:

Class of Business	Reinsurance Recoveries Data	Reinsurance Recoveries Account	Percentage Difference
	N'000	N'000	
General Accident	69,719,954	69,719,954	0%
Engineering	525,676	525,676	0%
Fire	368,371,373	368,371,373	0%
Marine		-	0%
Motor	4,017,405	4,017,405	0%
Oil and Gas		-	0%
Total (31 December, 2019)	442,634,408	442,634,408	0%
Total (31 December, 2018)	17,128,094	17,128,094	0%

Comments on Claims Data: The claims data was divided into six risk groups - (Marine, Motor, Fire, General Accident, Engineering and Oil & Gas) in accordance with the Nigerian Insurance Act 2003.

To avoid data paucity, we have not subdivided the claims data into sub risk groups e.g comprehensive,

### Business Trend:

We illustrate in the table below, the Gross Written Premium as at 31 December 2018 and 2019 respectively. There was a decrease in premium by all lines of business with significant decrease in Engineering, Marine and Oil & Gas. This resulted in an overall increase in GWP by 62%.

Class of Business	Gross Written Premium as at 31 December, 2019	Gross Written Premium as at 31 December, 2018	Percentage Difference
	Data	Data	
	N'000	N'000	
General Accident	161,462,335	187,289,664	-14%
Engineering	13,276,523	83,023,561	-84%
Fire	58,560,956	91,190,863	-36%
Marine	17,196,679	111,607,360	-85%
Motor	219,261,023	336,309,528	-35%
Oil and Gas	8,452,806	437,173,725	-98%
Total (31 December, 2019)	478,210,322	1,246,594,701	-62%

### c) Valuation Methodology

We describe in this section the methods used for calculating Premium and Claim Reserves.

#### Premium Reserves

Our reserves consist of Unearned Premium Reserve ("UPR"), Unexpired Risk Reserve ("URR") and Additional Unexpired Risk Reserve ("AURR"), which are all described in section 3.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

We adopted the 365th (time apportionment) method. Each policy's unexpired insurance period (UP) was calculated as the exact number of days of insurance cover available after the valuation date. The UPR is calculated as the premium  $\times$  (Unexpired Insurance Period)/full policy duration.

Each policy's URR = Unearned Premium  $\times$  Assumed loss Ratio.

Typically, the Unexpired Risk Reserve is expected to cover the unexpired risk. Where the unexpired risk exceeds the unearned premium we have held, an additional reserve called Additional Unexpired Risk Reserve (AURR) as described in section 3.

### Claims Reserves

The claim reserves comprise of:

- \* Outstanding Claims Reported (OCR)
- \* Incurred But Not Reported (IBNR)

### Reserving method

To ensure the estimates calculated are not biased by the underlying assumptions of the model chosen, four different deterministic methods were considered;

- \* Chain Ladder Method (BCL)
- \* Loss Ratio Method
- \* Bornhuetter-Ferguson Method
- \* Frequency and Severity Method

The following sections describe each of these approaches under the chainladder method in turn:

**The Basic Chain Ladder Method (BCL):** The Basic Chain Ladder method forms the basis to the deterministic reserving methods explained below. For each class of business, historical paid claims were grouped into accident year cohorts—representing when they were paid after their accident year. These cohorts form the development triangles. Each accident years, paid claims were accumulated to the valuation date and projected into the future to attain the expected ultimate claim arising in the year. This assumes the trends observed in the historical data will continue. The gross claim reserve is calculated as the difference between the cumulated paid claims and the estimated ultimate claims. For the later years where the cohorts are underdeveloped or has less than expected claims, the Bornhuetter 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.

**The Inflation Adjusted Basic Chain Ladder Method (IABCL):** Under this method, the historical paid losses were adjusted to allow for inflation to the valuation date using the corresponding inflation index in each of the accident years. The inflation adjusted claims were then treated similarly to the Basic Chain Ladder described above. The projected incremental paid claims are then inflated based on our future inflation assumption to the expected future payment date.

**Discounted BCL and IABCL:** This is the discounted form of the BCL and IABCL. In determining the value, the future expected cash flow for claim payments is discounted to present day terms using our assumed discount rate.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The following official inflation indices were adopted:

**Table 3.1.1**

Year	Inflation Index	Accumulated Inflation Index
2007	6.60%	319.16%
2008	15.10%	293.21%
2009	13.90%	241.62%
2010	11.80%	199.93%
2011	10.30%	168.27%
2012	12.00%	143.22%
2013	8.00%	117.16%
2014	8.30%	101.08%
2015	9.60%	85.67%
2016	18.48%	69.40%
2017	15.37%	42.98%
2018	11.28%	23.93%
2019	11.37%	11.37%
2020+	12.00%	

We performed calculations on the following bases:

\* By discounting the estimated claims to the valuation date at a rate of 12.67% p.a. At as the valuation date, this discount rate approximates the weighted average rate of bonds with outstanding term of 4 years or less.

\* With no discounting.

**Loss Ratio Method:** This method is simple and gives an approximate estimate. We adopted this method as a check on our ultimate projections and in cases where insufficient data dampened the measure of credibiity needed for the statistical approaches. Under this method, we obtained the Ultimate claims by studying the historical loss ratios, investigating any differences and using judgments to derive a loss ratio. Paid claims which have already emerged were deducted from the estimated Ultimate claims to obtain our reserves.

**Bornhuetter-Ferguson Method:** This method combines the estimates attained from the two methods mentioned above. It takes a weighted average of the two estimates, where the weights are related to the number of claims already reported. Therefore, if there are more historical information, then a higher weighting is given to the chain ladder estimate.

**Frequency and Severity Method (Average Cost per claim).** This method investigates the trend of the claim frequency and average cost per claim for each accident year. An average of the fully run off accident years was used as a guide on the ultimate claim frequency and ultimate average cost which was then adopted for the accident years that are not fully run off.

### Large Losses

Large losses distorting the claims payment trend were excluded from all our chain ladder projections and analyzed separately using the Average Cost per claim method. This is illustrated in Appendix 1.

**Choice of Method - Discounted IABCL:** The IBNR reserves are determined using deterministic calculations which provide a “best estimate” of the reserve. The “bestestimate” is determined by applying a combination of the Chain Ladder (“CL”) and the Bornhuetter-Ferguson (“BF”) methods to attrititional paid claims triangles.



# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The combination between a CL and BF methods aims to reflect the reliability of information when estimating the IBNR. For earlier accident years, where the development is reasonably mature, a CL approach was used which relied on the data to set the ultimate level of claims. For later accident periods, where there still exists a large degree of uncertainty about the ultimate level of claims, and where the reported-to-date is a less reliable estimate of the ultimate loss. The BF method, which makes use of an estimate of the ultimate loss ratio, is used.

The results of the Inflation Adjusted Chain Ladder method (Discounted) and Bornhuetter-Ferguson are dependent upon the stability of the triangulated claims information used to derive the claims development patterns. The triangulations are examined and smoothened for any anomalous movements that may have altered the estimated patterns. This adjustment prevents distortion of the results by once-off extreme movements and therefore ensures a stable result from year-on.

### Assumptions underlying the Valuation Methods

Our calculation assumes:

- \* Policies are written uniformly throughout the year for each class of business.
- \* Claims occur uniformly throughout the year for each class of business. This implies that claims occur on average halfway through year.
- \* Future claims follow a regression pattern from the historical data. Hence payment patterns will be broadly similar in each accident year. 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.
- \* Under the Average Cost per claim method used in estimating large losses, we assumed the early years (e.g. accident years 2007, 2008) are fully developed.

### Large Losses

The table below shows the large loss cut off level assumed for each class of business. The large loss for 2019 were updated for all classes of business using claims distribution experience over the past 5 years.

**Table 3.1.2**

Class of Business	Large Loss	Comment on Derivation
General Accident	5,652,416	Mean + 3SD
Engineering	64,576,551	Mean + 3SD
Fire	17,307,271	Mean + 3SD
Marine	45,954,172	Mean + 3SD
Motor	2,806,970	Mean + 3SD
Oil and Gas	N/A	Not Applicable

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### ii) Valuation Results

#### Inflation Adjusted Chain Ladder Method – Result Table

**Table 3.1.3 Discounted Inflation Adjusted Basic Chain Ladder Method**

	<b>Gross Outstanding Claims</b>	<b>Estimated Reinsurance Recoveries</b>	<b>Net Outstanding Claims</b>
<b>Class of Business</b>	<b>N</b>	<b>N</b>	<b>N</b>
General Accident	214,370,244	(7,218,848)	207,151,396
Engineering	560,390,322	(394,856,148)	165,534,174
Fire	94,986,643	(64,479,388)	30,507,255
Marine	331,242,695	(8,465,200)	322,777,495
Motor	91,128,508	(14,450,240)	76,678,268
Oil and Gas*	1,342,750,301	(640,487,118)	702,263,182
<b>TOTAL</b>	<b>2,634,868,713</b>	<b>(1,129,956,942)</b>	<b>1,504,911,770</b>
<b>Accounts (outstanding claims)</b>	2,486,051,804	(1,080,454,024)	1,405,597,780
<b>Difference</b>	148,816,909	(49,502,918)	99,313,990

\*Estimated using Expected Loss Ratio method and discounted

#### Incurred But Not Reported (IBNR) Table

**Table 3.1.4 IBNR Table**

<b>Class of Business</b>	<b>Outstanding Claims Reserves</b>	<b>Outstanding Reported Claims Reserves</b>	<b>Incurred But Not Reported (IBNR)</b>
	<b>N</b>	<b>N</b>	<b>N</b>
General Accident	214,370,244	178,375,165	35,995,079
Engineering	560,390,322	511,997,306	48,393,016
Fire	94,986,643	84,420,328	10,566,315
Marine	331,242,695	305,027,926	26,214,769
Motor	91,128,508	78,328,682	12,799,826
Oil and Gas*	1,342,750,301	1,327,902,397	14,847,904
<b>TOTAL</b>	<b>2,634,868,713</b>	<b>2,486,051,804</b>	<b>148,816,909</b>

**Table 3.1.5 Reinsurance IBNR Table**

	<b>Total Outstanding Reinsurance Recoveries</b>	<b>Outstanding Reported Reinsurance Recoveries</b>	<b>Reinsurance IBNR</b>
<b>Class of Business</b>	<b>N</b>	<b>N</b>	<b>N</b>
General Accident	7,218,848	-	7,218,848
Engineering	394,856,148	366,374,387	28,481,761
Fire	64,479,388	57,102,312	7,377,076
Marine	8,465,200	5,915,181	2,550,019
Motor	14,450,240	12,728,165	1,722,075
Oil and Gas	640,487,118	638,333,979	2,153,139
<b>TOTAL</b>	<b>1,129,956,942</b>	<b>1,080,454,024</b>	<b>49,502,918</b>

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

**Table 3.1.6 UPR (Gross and Reinsurance UPR) Table**

Estimated UPR (net of reinsurance)

	Gross UPR	Reinsurance UPR	NET UPR
Class of Business	N	N	N
General Accident	38,289,292	(172,161)	38,117,131
Engineering	2,446,775	(1,757,314)	689,461
Fire	24,558,987	(9,758,990)	14,799,997
Marine	6,583,118	(2,798,718)	3,784,400
Motor	92,726,388		92,726,388
Oil and Gas	1,972,479		1,972,479
<b>TOTAL</b>	<b>166,577,039</b>	<b>(14,487,183)</b>	<b>152,089,856</b>

### Additional Unexpired Risk Reserve (AURR)

We derived our expense ratio as the management expense ratio for the current year using the information provided by Industrial and General Insurance Plc. We do not have the breakdown of management expenses by line of business so we have used the management expense on a pooled basis to be 107%.

This level of expenses are clearly unsustainable and needs to be addressed through business expansion and/ or possible rationalisations. We have adopted 70% for the purpose of this exercise. This implies that if expense levels are uncurbed in 2020, the extra expenses over this assumption will be a charge on income.

We have illustrated the combined ratio for each line of business with a maximum combined ratio of 101% for Marine in the table below:

**Table 3.1.7 Loss Ratio Table**

Class of Business	Claims Ration (Net)	Combined Ration	AURR N
General Accident	17%	87%	-
Engineering	11%	81%	-
Fire	11%	81%	-
Marine	31%	101%	484,257
Motor	14%	84%	-
Oil and Gas	6%	76%	-
<b>Total</b>			<b>484,257</b>

We summarise the estimated Gross Reserves and Reinsurance Recoveries under four (4) main methods below:

**Table 3.1.8 Gross Reserves**

Valuation Method	Discounted	Undiscounted
	N	N
BCL	2,522,254,746	2,623,724,116
IABCL	<b>2,634,868,713</b>	<b>2,698,239,828</b>

# INDUSTRIAL AND GENERAL INSURANCE PLC

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**Table 3.1.10 Reinsurance Recoveries**

Valuation Method	Discounted	Undiscounted
	N	N
BCL	1,075,338,327	1,103,122,371
IABCL	<b>1,129,956,942</b>	<b>1,162,878,082</b>

Detailed breakdown by line of business are presented in the Appendix 9.

### Conclusion

We are adopting the reserves from the Inflation Adjusted Discounted Chain Ladder method in this report. This method as indicated earlier.

- anticipates that total claim payments may be exposed to future inflationary pressures.
- recognises that reserves should represent the present value and timing of future claim payments.

### Technical Reserves

We are reporting Gross Reserves of N2.8 billion and Reinsurance Assets of N1 billion as shown in the table below. Our estimates meet the Liability Adequacy Test.

### Technical Reserves

Reserves	Gross Reserve	Reinsurance Assets	Net Reserve
	N	N	N
Claims	2,634,868,713	(1,129,956,942)	1,504,911,771
UPR	166,577,040	(14,487,182)	152,089,858
AURR*	484,257	-	484,257
<b>Total</b>	<b>2,801,930,010</b>	<b>(1,144,444,124)</b>	<b>1,657,485,886</b>

\*Although the AURR has been calculated on a net basis, we have listed it under the gross reserve for representation purposes.

### Appendix 1 : Illustration of Gross Claim Reserving - Fire

The tables shown are the step by step output of the IABCL Method in estimating Gross Claim Reserve:

The claims paid are allocated to claim development years as illustrated below. Of the claims that arose in 2009, N12.31 million was paid in 2009 (development year 1), N21.97 million in 2010 (development year 2) etc.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### Incremental Chain Ladder (Table of claims paid excluding large claims (Attritional Table))

Accident year	Incremental Chain ladder-Yearly Projections (N'000)											
	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	12,076	-	-	50	-	-	32	-	-	-	-
2008	9,594	15,312	5,910	13,692	-	-	-	-	-	-	-	-
2009	12,306	21,966	13,424	14	50	-	-	-	-	-	-	-
2010	8,530	5,084	1,875	664	-	453	-	-	-	-	-	-
2011	6,410	33,570	1,781	16,956	-	15	1,707	-	-	-	-	-
2012	10,215	4,963	2,060	954	2,760	-	-	-	-	-	-	-
2013	2,602	17,444	8,155	15,078	443	8	-	-	-	-	-	-
2014	7,694	15,347	3,914	995	256	254	-	-	-	-	-	-
2015	2,680	24,344	3,790	10,266	611	-	-	-	-	-	-	-
2016	8,356	7,754	52	-	-	-	-	-	-	-	-	-
2017	9,421	1,070	-	-	-	-	-	-	-	-	-	-
2018	2,883	4,854	-	-	-	-	-	-	-	-	-	-
2019	1,983	-	-	-	-	-	-	-	-	-	-	-

3.2 The historical paid losses were inflated to reflect the valuation year's value using the corresponding inflation index as disclosed in the valuation assumptions section of the report.

### Inflation Adjusted Chain Ladder

Accident year	Inflation Adjusted Chain Ladder - Annual Projections (N'000)											
	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	41,253	-	-	122	-	-	59	-	-	-	-
2008	32,775	45,925	15,856	33,302	-	-	-	-	-	-	-	-
2009	36,910	58,928	32,650	31	100	-	-	-	-	-	-	-
2010	22,884	12,365	4,071	1,335	-	768	-	-	-	-	-	-
2011	15,591	72,901	3,581	31,482	-	22	2,115	-	-	-	-	-
2012	22,183	9,978	3,824	1,616	3,947	-	-	-	-	-	-	-
2013	5,231	32,387	13,815	21,559	549	8	-	-	-	-	-	-
2014	14,286	25,998	5,597	1,233	285	254	-	-	-	-	-	-
2015	4,540	34,807	4,697	11,433	611	-	-	-	-	-	-	-
2016	11,948	9,610	58	-	-	-	-	-	-	-	-	-
2017	11,675	1,191	-	-	-	-	-	-	-	-	-	-
2018	3,211	4,854	-	-	-	-	-	-	-	-	-	-
2019	1,983	-	-	-	-	-	-	-	-	-	-	-

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3.3 We then cumulate the claims as illustrated below.

#### Cumulative Inflation Adjusted Chain Ladder

Accident year	Cumulative Chain ladder-Annual Projections (N'000)											
	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	41,253	41,253	41,253	41,374	41,374	41,374	41,434	41,434	41,434	41,434	41,434
2008	32,775	78,700	94,556	127,858	127,858	127,858	127,858	127,858	127,858	127,858	127,858	127,858
2009	36,910	95,838	128,488	128,519	128,619	128,619	128,619	128,619	128,619	128,619	128,619	
2010	22,884	35,249	39,320	40,656	40,656	41,424	41,424	41,424	41,424	41,424		
2011	15,591	88,491	92,072	123,554	123,554	123,576	125,692	125,692	125,692			
2012	22,183	32,161	35,985	37,601	41,548	41,548	41,548	41,548				
2013	5,231	37,618	51,433	72,991	73,541	73,549	73,549					
2014	14,286	40,283	45,880	47,113	47,399	47,653						
2015	4,540	39,347	44,044	55,477	56,088							
2016	11,948	21,558	21,616	21,616								
2017	11,675	12,867	12,867									
2018	3,211	8,064										
2019	1,983											
Loss Dev Factors (LDF)		2.932	1.209	1.172	1.008	1.002	1.000	1.000	1.000	1.000	1.000	1.000
Loss Dev Factors		2.578	1.290	1.082	1.055	1.005	1.003	1.000	1.000		1.000	

We then use this table to estimate the loss development factor (LDF) for each period as average of the cumulative claims paid in one period divided by the corresponding amount paid in the previous period. The results were adjusted to allow for outliers, trends, etc, where necessary.

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These loss development factors were used to project cumulative payments for each accident year as shown below:

**3.4** From the combined settlement patterns we project the accumulation amounts payable in future years with allowance for future inflation. The results are shown below:

### Projected Table

Accident year	Incremental Chain ladder-Yearly Projections (N'000)											
	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	41,253	41,253	41,253	41,374	41,374	41,374	41,434	41,434	41,434	41,434	47,027
2008	32,775	78,700	94,556	127,858	127,858	127,858	127,858	127,858	127,858	127,858	127,858	127,858
2009	36,910	95,838	128,488	128,519	128,619	128,619	128,619	128,619	128,619	128,619	128,619	128,619
2010	22,884	35,249	39,320	40,656	40,656	41,424	41,424	41,424	41,424	41,424	43,776	43,776
2011	15,591	88,491	92,072	123,554	123,554	123,576	125,692	125,692	125,692	127,399	127,399	127,399
2012	22,183	32,161	35,985	37,601	41,548	41,548	41,548	41,548	45,001	45,001	45,001	45,001
2013	5,231	37,618	51,433	72,991	73,541	73,549	73,549	82,617	82,617	82,617	82,617	82,617
2014	14,286	40,283	45,880	47,113	47,399	47,653	58,192	58,192	58,192	58,192	58,192	58,192
2015	4,540	39,347	44,044	55,477	56,088	86,323	86,323	86,323	86,323	86,323	86,323	86,323
2016	11,948	21,558	21,616	21,616	25,017	25,069	25,069	25,069	25,069	25,069	25,069	25,069
2017	11,675	12,867	12,867	23,203	23,433	23,486	23,486	23,486	23,486	23,486	23,486	23,486
2018	3,211	8,064	27,123	32,519	32,862	32,941	32,941	32,941	32,941	32,941	32,941	32,941
2019	1,983	5,014	6,240	7,606	7,693	7,713	7,713	7,713	7,713	7,713	7,713	7,713

**3.5** Assuming claims are paid halfway through the year, the discounted cumulative claim amounts are as shown below.

Accident year	Discounted Cumulative IABCL - Annual Projections (N'000)											
	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	41,253	41,253	41,253	41,374	41,374	41,374	41,434	41,434	41,434	41,434	47,027
2008	32,775	78,700	94,556	127,858	127,858	127,858	127,858	127,858	127,858	127,858	127,858	127,858
2009	36,910	95,838	128,488	128,519	128,619	128,619	128,619	128,619	128,619	128,619	128,619	128,619
2010	22,884	35,249	39,320	40,656	40,656	41,424	41,424	41,424	41,424	41,424	43,639	43,639
2011	15,591	88,491	92,072	123,554	123,554	123,576	125,692	125,692	125,692	127,300	127,300	127,300
2012	22,183	32,161	35,985	37,601	41,548	41,548	41,548	41,548	44,801	44,801	44,801	44,801
2013	5,231	37,618	51,433	72,991	73,541	73,549	73,549	82,092	82,092	82,092	82,092	82,092
2014	14,286	40,283	45,880	47,113	47,399	47,653	57,582	57,582	57,582	57,582	57,582	57,582
2015	4,540	39,347	44,044	55,477	56,088	84,572	84,572	84,572	84,572	84,572	84,572	84,572
2016	11,948	21,558	21,616	21,616	24,820	24,863	24,863	24,863	24,863	24,863	24,863	24,863
2017	11,675	12,867	12,867	22,604	22,797	22,836	22,836	22,836	22,836	22,836	22,836	22,836
2018	3,211	8,064	26,019	30,531	30,786	30,838	30,838	30,838	30,838	30,838	30,838	30,838
2019	1,983	4,838	5,864	6,877	6,935	6,946	6,946	6,946	6,946	6,946	6,946	6,946

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#### 3.6 We illustrate our reserves for Fire large loss as follows:

Accident Year	Exposure / Earned Premium N'000	Total Paid Amounts N'000	O/s Reported LG Reserve	No. of Large Losses	Claim Frequency	Average Paid Cost N'000	Ult Avg Cost	Ultimate Freq	Ultimate Paid Amounts N'000	Large Loss Reserves N'000
2007	744,163	-	-	-	0.00000%	-	-	0.00000%	-	-
2008	744,163	58,942	-	1	0.00013%	58,942	58,942	0.00013%	58,942	-
2009	744,163	45,343	-	1	0.00013%	45,343	45,343	0.00013%	45,343	-
2010	744,163	134,129	-	3	0.00040%	44,710	44,710	0.00040%	134,129	-
2011	714,331	43,654	-	2	0.00028%	21,827	21,827	0.00028%	43,654	-
2012	438,135	417,499	-	3	0.00068%	139,166	139,166	0.00068%	417,499	-
2013	439,703	-	-	-	0.00000%	-	-	0.00000%	-	-
2014	309,580	52,206	-	1	0.00032%	52,206	52,206	0.00032%	52,206	-
2015	257,809	104,816	-	2	0.00078%	52,408	52,408	0.00078%	104,816	-
2016	147,864	-	-	-	0.00000%	-	-	0.00000%	-	-
2017	167,829	-	-	-	0.00000%	-	-	0.00000%	-	-
2018	106,197	-	-	-	0.00000%	-	-	0.00000%	-	-
2019	91,224	-	-	-	0.00000%	-	-	0.00000%	-	-
<b>Total</b>			-							-

\*This is calculated using the average of discount factors derived for attritional losses.

#### Note

\* Claim Frequency column is calculated thus: (No of Large Losses/Exposure) \* 1000

\* Average Paid Column is calculated thus: Total Paid Amounts/ No of Large Losses

\* The Ult Average Cost and Ultimate Frequency are informed selections from Claim Frequency and Average Paid columns

\* The Ultimate Paid amounts is calculated thus Ultimate Frequency \* Ult Avg Cost \* Exposure \* 1000

\* The Large Loss Reserves is calculated by subtracting the Total Paid amounts from the Ultimate Paid Amounts

#### 3.7 From the above tables, we illustrate the total expected payment for each future year as follows

Accident Year	Incremental Amounts N
2020	87,785
2021	5,774
2022	1,307
2023	109
2024	12
2025	0
<b>Attritional Losses</b>	<b>94,987</b>
<b>Large Loss</b>	<b>0</b>
<b>Total</b>	<b>94,987</b>



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#### Appendix 3.8 : Illustration of Gross Claim Reserving - General Accident

The tables shown are the step by step output of the IABCL Method in estimating Gross Claim Reserve:

##### 3.8.1 Table of claims paid excluding large claims (Attritional Table)

	Incremental Chain ladder-Yearly Projections (N'000)													
Accident year	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2007	-	11,394	1,934	165	728	-	15	30	-	-	-	-	-	-
2008	27,531	18,334	4,458	3,510	1,524	118	-	188	-	-	-	-	-	-
2009	8,205	23,566	17,125	354	2,775	58	211	-	-	-	-	-	-	-
2010	23,887	35,974	2,570	2,019	6,455	50	-	1,378	-	-	-	-	-	-
2011	13,849	13,408	9,650	7,566	1,240	12	596	240	-	-	-	-	-	-
2012	14,469	31,414	19,021	8,974	5,102	81	225	-	-	-	-	-	-	-
2013	11,842	36,842	23,141	2,738	1,397	224	-	-	-	-	-	-	-	-
2014	9,110	15,125	3,975	700	-	1,659	-	-	-	-	-	-	-	-
2015	3,493	9,039	7,196	2,705	4,184	-	-	-	-	-	-	-	-	-
2016	11,399	2,116	7,113	5,505	-	-	-	-	-	-	-	-	-	-
2017	6,570	5,889	558	-	-	-	-	-	-	-	-	-	-	-
2018	2,557	6,679	-	-	-	-	-	-	-	-	-	-	-	-
2019	3,968	-	-	-	-	-	-	-	-	-	-	-	-	-

##### 3.8.2 Inflation Adjusted Chain Ladder Table

	Inflation Adjusted Chain Ladder - Annual Projections (N'000)													
Accident year	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2007	-	38,926	5,801	442	1,772	-	31	56	-	-	-	-	-	-
2008	94,052	54,990	11,961	8,536	3,310	238	-	319	-	-	-	-	-	-
2009	24,609	63,221	41,652	769	5,579	107	358	-	-	-	-	-	-	-
2010	64,082	87,497	5,581	4,060	11,985	85	-	1,707	-	-	-	-	-	-
2011	33,684	29,118	19,404	14,047	2,100	17	739	268	-	-	-	-	-	-
2012	31,422	63,166	35,316	15,202	7,295	100	251	-	-	-	-	-	-	-
2013	23,812	68,403	39,201	3,915	1,731	249	-	-	-	-	-	-	-	-
2014	16,913	25,623	5,683	867	-	1,659	-	-	-	-	-	-	-	-
2015	5,918	12,924	8,918	3,013	4,184	-	-	-	-	-	-	-	-	-
2016	16,298	2,623	7,922	5,505	-	-	-	-	-	-	-	-	-	-
2017	8,143	6,558	558	-	-	-	-	-	-	-	-	-	-	-
2018	2,848	6,679	-	-	-	-	-	-	-	-	-	-	-	-
2019	3,968	-	-	-	-	-	-	-	-	-	-	-	-	-

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 3.8.3 Projected Inflation Adjusted Chain Ladder Table

	Cumulative Chain ladder-Annual Projections (N'000)													
Accident year	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2007	-	38,926	44,726	45,169	46,940	46,940	46,971	47,027	47,027	47,027	47,027	47,027	47,027	47,027
2008	94,052	149,042	161,003	169,539	172,849	173,087	173,087	173,406	173,406	173,406	173,406	173,406	173,406	173,406
2009	24,609	87,830	129,482	130,250	135,830	135,937	136,295	136,295	136,295	136,295	136,295	136,295	136,295	136,295
2010	64,082	151,578	157,159	161,220	173,204	173,289	173,289	174,997	174,997	174,997	177,349	177,349	177,349	177,349
2011	33,684	62,802	82,206	96,254	98,354	98,371	99,110	99,378	99,378	99,960	99,960	99,960	99,960	99,960
2012	31,422	94,588	129,904	145,106	152,401	152,501	152,752	152,752	163,470	163,470	163,470	163,470	163,470	163,470
2013	23,812	92,215	131,416	135,332	137,063	137,312	137,312	197,586	197,586	197,586	197,586	197,586	197,586	197,586
2014	16,913	42,536	48,219	49,086	49,086	50,745	89,552	89,552	89,552	89,552	89,552	89,552	89,552	89,552
2015	5,918	18,841	27,759	30,772	34,956	75,228	75,362	75,362	75,362	75,362	75,362	75,362	75,362	75,362
2016	16,298	18,921	26,843	32,348	49,846	49,999	50,101	50,101	50,101	50,101	50,101	50,101	50,101	50,101
2017	8,143	14,701	15,260	21,974	23,025	23,104	23,156	23,156	23,156	23,156	23,156	23,156	23,156	23,156
2018	2,848	9,527	26,663	28,533	29,991	30,100	30,173	30,173	30,173	30,173	30,173	30,173	30,173	30,173
2019	3,968	10,318	13,168	14,173	14,956	15,015	15,054	15,054	15,054	15,054	15,054	15,054	15,054	15,054

#### Appendix 3.8.4 Cont.

#### 3.8.5 Projected Inflation Adjusted Chain Ladder Table - Discounted Results

	Discounted Cumulative IABCL - Annual Projections (N'000)													
Accident year	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2007	-	38,926	44,726	45,169	46,940	46,940	46,971	47,027	47,027	47,027	47,027	47,027	47,027	47,027
2008	94,052	149,042	161,003	169,539	172,849	173,087	173,087	173,406	173,406	173,406	173,406	173,406	173,406	173,406
2009	24,609	87,830	129,482	130,250	135,830	135,937	136,295	136,295	136,295	136,295	136,295	136,437	136,437	136,437
2010	64,082	151,578	157,159	161,220	173,204	173,289	173,289	174,997	174,997	174,997	177,107	177,107	177,107	177,107
2011	33,684	62,802	82,206	96,254	98,354	98,371	99,110	99,378	99,378	99,927	99,927	99,927	99,927	99,927
2012	31,422	94,588	129,904	145,106	152,401	152,501	152,752	152,752	162,850	162,850	162,850	162,850	162,850	162,850
2013	23,812	92,215	131,416	135,332	137,063	137,312	137,312	194,096	194,096	194,096	194,096	194,096	194,096	194,096
2014	16,913	42,536	48,219	49,086	49,086	50,745	87,305	87,305	87,305	87,305	87,305	87,305	87,305	87,305
2015	5,918	18,841	27,759	30,772	34,956	72,896	73,008	73,008	73,008	73,008	73,008	73,008	73,008	73,008
2016	16,298	18,921	26,843	32,348	48,833	48,961	49,036	49,036	49,036	49,036	49,036	49,036	49,036	49,036
2017	8,143	14,701	15,260	21,585	22,464	22,523	22,557	22,557	22,557	22,557	22,557	22,557	22,557	22,557
2018	2,848	9,527	25,671	27,234	28,316	28,388	28,431	28,431	28,431	28,431	28,431	28,431	28,431	28,431
2019	3,968	9,951	12,334	13,079	13,595	13,630	13,650	13,650	13,650	13,650	13,650	13,650	13,650	13,650

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 3.8.6 Reserve for Large losses

Accident Year	Exposure / Earned Premium	Total Paid Amounts	O/s Reported LG Reserve	No. of Large Losses	Claim Frequency	Average Paid Cost	Ult Avg Cost	Ultimate Freq	Ultimate Paid Amounts	Large Loss Reserves
	N'000	N'000				N'000			N'000	N'000
2007	744,163	-	-	-	0.00000%	-	-	0.00000%	-	-
2008	744,163	58,942	-	1	0.00013%	10,669	10,669	0.00120%	96,023	-
2009	748,944	111,166	-	8	0.00107%	13,896	13,896	0.00107%	111,166	-
2010	748,944	17,574	-	2	0.00027%	8,787	8,787	0.00027%	17,574	-
2011	473,732	9,304	-	1	0.00021%	9,304	9,304	0.00021%	9,304	-
2012	393,774	10,600	-	1	0.00025%	10,600	10,600	0.00025%	10,600	-
2013	357,261	7,500	-	1	0.00028%	7,500	7,500	0.00028%	7,500	-
2014	281,014	-	-	-	0.00000%	-	-	0.00000%	-	-
2015	243,484	-	-	-	0.00000%	-	-	0.00000%	-	-
2016	277,299	-	-	-	0.00000%	-	-	0.00000%	-	-
2017	300,575	8,725	-	1	0.00033%	8,725	8,725	0.00033%	8,725	-
2018	209,467	92,898	-	11	0.00525%	8,445	8,445	0.00525%	92,898	-
2019	165,903	-	6,000	-	0.00060%	-	8,915	0.00127%	18,721	18,721
<b>Total</b>			-							<b>18,721</b>
									Discounted*	<b>17,504</b>

We have assumed that the pre 2018 claims are fully developed. For 2019 accident year, we used the average of 2011 to 2018 (excluding 2014 to 2016) accident years to derive the Ultimate frequency and the ultimate average cost as the average cost over the same years.

#### 3.8.7 Gross IBNR & ULR Results

Summary of Results						
Accident Year	Paid to date (N,000)	Latest Paid Large Loss	Total Ultimate	Gross Claims Reserve	Gross Earned Premium	Ultimate Loss Ratio
		N'000	N'000	N'000	N'000	
2007	47,027	-	47,027	-	748,944	6%
2008	173,406	96,023	269,429	-	748,944	36%
2009	136,295	111,166	247,604	142	748,944	33%
2010	174,997	17,574	194,681	2,110	748,944	26%
2011	99,378	9,304	109,231	549	473,732	23%
2012	152,752	10,600	173,450	10,098	393,774	44%
2013	137,312	7,500	201,596	56,785	357,261	56%
2014	50,745	-	87,305	36,560	281,014	31%
2015	34,956	-	73,008	38,052	243,484	30%
2016	32,348	-	49,036	16,688	277,299	18%
2017	15,260	8,725	31,282	7,297	300,575	10%
2018	9,527	92,898	121,329	18,903	209,467	58%
2019	3,968	-	31,154	27,185	165,903	19%
<b>Total</b>				<b>214,370</b>		

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### Appendix 3.9 : Illustration of Gross Claim Reserving - Engineering

The tables shown are the step by step output of the IABCL Method in estimating Gross Claim Reserve:

#### 3.9.1 Table of claims paid excluding large claims (Attritional Table)

	Incremental Chain ladder-Yearly Projections (N'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	6	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-	-	-
2010	43,225	-	-	-	-	-	-	-	-	762	-	-
2011	9,481	-	-	-	-	5,250	-	762	-	-	-	-
2012	7,181	1,201	4,138	-	14,996	-	-	-	-	-	-	-
2013	704	19,140	1,044	15,000	-	-	-	-	-	-	-	-
2014	8,187	2,664	-	61	-	-	-	-	-	-	-	-
2015	552	5,463	93	-	-	-	-	-	-	-	-	-
2016	84	6,035	-	-	-	-	-	-	-	-	-	-
2017	-	1,114	1,355	-	-	-	-	-	-	-	-	-
2018	-	18,920	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-

#### 3.9.2 Inflation Adjusted Chain Ladder Table

	Inflation Adjusted Chain Ladder - Annual Projections (N'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	20	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-	-	-
2010	115,962	-	-	-	-	-	-	-	-	762	-	-
2011	23,060	-	-	-	-	7,507	-	849	-	-	-	-
2012	15,595	2,415	7,682	-	21,441	-	-	-	-	-	-	-
2013	1,416	35,537	1,768	21,447	-	-	-	-	-	-	-	-
2014	15,201	4,513	-	75	-	-	-	-	-	-	-	-
2015	934	7,811	115	-	-	-	-	-	-	-	-	-
2016	120	7,479	-	-	-	-	-	-	-	-	-	-
2017	-	1,240	1,355	-	-	-	-	-	-	-	-	-
2018	-	18,920	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 3.9.3 Projected Inflation Adjusted Chain Ladder Table

Accident year	Cumulative Chain ladder-Annual Projections (N'000)											
	1	2	3	4	5	6	7	8	9	10	11	
2007	-	20	20	20	20	20	20	20	20	20	20	20
2008	-	-	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-	-	-
2010	115,962	115,962	115,962	115,962	115,962	115,962	115,962	115,962	115,962	116,724	116,724	116,724
2011	23,060	23,060	23,060	23,060	23,060	30,566	30,566	31,415	31,415	43,704	43,704	43,704
2012	15,595	18,009	25,692	25,692	47,133	47,133	47,133	47,133	49,112	49,112	49,112	49,112
2013	1,416	36,954	38,722	60,169	60,169	60,169	60,169	86,896	86,896	86,896	86,896	86,896
2014	15,201	19,714	19,714	19,789	19,789	19,789	24,572	24,572	24,572	24,572	24,572	24,572
2015	934	8,746	8,861	8,861	8,861	11,955	11,955	11,955	11,955	11,955	11,955	11,955
2016	120	7,599	7,599	7,599	10,889	11,262	11,262	11,262	11,262	11,262	11,262	11,262
2017	-	1,240	2,595	21,074	23,099	23,920	23,920	23,920	23,920	23,920	23,920	23,920
2018	-	18,920	54,500	60,211	66,773	69,432	69,432	69,432	69,432	69,432	69,432	69,432
2019	-	15,089	19,540	21,687	24,156	25,156	25,156	25,156	25,156	25,156	25,156	25,156

### 3.9.4 Projected Inflation Adjusted Chain Ladder Table - Discounted Results

Accident year	Discounted Cumulative IABCL - Annual Projections (N'000)											
	1	2	3	4	5	6	7	8	9	10	11	
2007	-	20	20	20	20	20	20	20	20	20	20	20
2008	-	-	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-	-	-
2010	115,962	115,962	115,962	115,962	115,962	115,962	115,962	115,962	115,962	116,724	116,724	116,724
2011	23,060	23,060	23,060	23,060	23,060	30,566	30,566	31,415	31,415	42,992	42,992	42,992
2012	15,595	18,009	25,692	25,692	47,133	47,133	47,133	47,133	48,997	48,997	48,997	48,997
2013	1,416	36,954	38,722	60,169	60,169	60,169	60,169	85,348	85,348	85,348	85,348	85,348
2014	15,201	19,714	19,714	19,789	19,789	19,789	24,295	24,295	24,295	24,295	24,295	24,295
2015	934	8,746	8,861	8,861	8,861	11,776	11,776	11,776	11,776	11,776	11,776	11,776
2016	120	7,599	7,599	7,599	10,699	11,010	11,010	11,010	11,010	11,010	11,010	11,010
2017	-	1,240	2,595	20,004	21,697	22,306	22,306	22,306	22,306	22,306	22,306	22,306
2018	-	18,920	52,440	57,215	62,085	63,837	63,837	63,837	63,837	63,837	63,837	63,837
2019	-	14,215	17,937	19,531	21,156	21,741	21,741	21,741	21,741	21,741	21,741	21,741

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 3.9.5 Reserve for Large losses

Account Year	Exposure / Earned Premium	Total Paid Amounts	O/s Reported LG Reserve	No. of Large Losses	Claim Freq	Average Paid Cost	Ult Avg Cost	Ultimate Freq	Ultimate Paid Amounts	Large Loss Reserve
	N'000	N'000				N'000			N'000	N'000
2007	662,227	-	-	-	0.00000%	-	-	0.00000%	-	-
2008	662,227	-	-	-	0.00000%	-	-	0.00000%	-	-
2009	662,227	-	-	-	0.00000%	-	-	0.00000%	-	-
2010	662,227	-	-	-	0.00000%	-	-	0.00000%	-	-
2011	529,540	-	-	-	0.00000%	-	-	0.00000%	-	-
2012	486,725	-	-	-	0.00000%	-	-	0.00000%	-	-
2013	222,644	-	151,200	-	0.00090%	-	-	0.00090%	151,200	151,200
2014	349,275	243,000	-	1	0.00029%	243,000	243,000	0.00029%	243,000	-
2015	579,535	-	-	-	0.00000%	-	-	0.00000%	-	-
2016	345,802	-	273,368	-	0.00087%	-	-	0.00087%	273,368	273,368
2017	209,495	-	-	-	0.00000%	-	-	0.00000%	-	-
2018	192,255	-	-	-	0.00000%	-	-	0.00000%	-	-
2019	43,135	-	-	-	0.00000%	-	-	0.00000%	-	-
<b>Total</b>			<b>424,568</b>							<b>424,568</b>

### 3.9.6 Gross IBNR & ULR Results

Summary of Results						
Accident Year	Paid to date	Latest Paid Large Loss	Total Ultimate	Gross Claims Reserve	Gross Earned Premium	Ultimate Loss Ratio
	N'000	N'000	N'000	N'000	N'000	
2007	20	-	20	-	662,227	0%
2008	-	-	-	-	662,227	0%
2009	-	-	-	-	662,227	0%
2010	116,724	-	116,724	-	662,227	18%
2011	31,415	-	42,992	11,577	529,540	8%
2012	47,133	-	48,997	1,864	486,725	10%
2013	60,169	-	236,548	176,379	222,644	106%
2014	19,789	243,000	267,295	4,505	349,275	77%
2015	8,861	-	11,776	2,915	579,535	2%
2016	7,599	-	284,379	276,780	345,802	82%
2017	2,595	-	22,306	19,711	209,495	11%
2018	18,920	-	63,837	44,917	192,255	33%
2019	-	-	21,741	21,741	43,135	50%
<b>Total</b>				<b>560,390</b>		

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### Appendix 3.10 : Illustration of Gross Claim Reserving - Motor

The tables shown are the step by step output of the IABCL Method in estimating Gross Claim Reserve:

#### 3.10.1 Table of claims paid excluding large claims (Attritional Table)

Accident year	Incremental Chain ladder-Yearly Projections (N'000)										11	12	13
	1	2	3	4	5	6	7	8	9	10			
2007	-	33,441	-	17	-	-	-	-	-	300	-	-	-
2008	49,846	20,601	1,859	1,101	1,036	2,030	-	2,588	6	-	-	-	-
2009	83,016	33,846	7,435	1,697	-	-	3,672	45	-	-	-	-	-
2010	64,431	74,319	17,644	743	-	1,040	120	-	-	-	-	-	-
2011	64,441	61,162	7,279	1,620	3,194	52	-	-	-	-	-	-	-
2012	58,106	36,723	2,289	-	446	2,016	-	-	-	-	-	-	-
2013	55,250	26,738	3,400	541	311	-	-	-	-	-	-	-	-
2014	36,887	26,538	7,276	102	-	2,370	-	-	-	-	-	-	-
2015	25,235	34,343	1,687	-	-	-	-	-	-	-	-	-	-
2016	27,328	10,729	2,286	360	-	-	-	-	-	-	-	-	-
2017	19,174	8,600	5,893	-	-	-	-	-	-	-	-	-	-
2018	17,547	13,434	-	-	-	-	-	-	-	-	-	-	-
2019	8,676	-	-	-	-	-	-	-	-	-	-	-	-

#### 3.10.2 Inflation Adjusted Chain Ladder Table

Accident year	Inflation Adjusted Chain Ladder - Annual Projections (N'000)										11	12	12
	1	2	3	4	5	6	7	8	9	10			
2007	-	114,242	-	46	-	-	-	-	-	429	-	-	-
2008	170,284	61,789	4,987	2,679	2,249	4,081	-	4,384	9	-	-	-	-
2009	248,990	90,801	18,083	3,685	-	-	6,220	65	-	-	-	-	-
2010	172,853	180,761	38,316	1,494	-	1,761	172	-	-	-	-	-	-
2011	156,736	132,821	14,636	3,008	5,411	75	-	-	-	-	-	-	-
2012	126,185	73,841	4,250	-	638	2,498	-	-	-	-	-	-	-
2013	111,095	49,644	5,760	774	386	-	-	-	-	-	-	-	-
2014	68,488	44,956	10,403	127	-	2,370	-	-	-	-	-	-	-
2015	42,749	49,104	2,091	-	-	-	-	-	-	-	-	-	-
2016	39,073	13,296	2,546	360	-	-	-	-	-	-	-	-	-
2017	23,763	9,578	5,893	-	-	-	-	-	-	-	-	-	-
2018	19,542	13,434	-	-	-	-	-	-	-	-	-	-	-
2019	8,676	-	-	-	-	-	-	-	-	-	-	-	-

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 3.10.3 Projected Inflation Adjusted Chain Ladder Table

	Cumulative Chain ladder-Annual Projections (N'000)												
Accident year	1	2	3	4	5	6	7	8	9	10	11	12	12
2007	-	114,242	114,242	114,288	114,288	114,288	114,288	114,288	114,288	114,717	114,717	114,717	114,717
2008	170,284	232,074	237,060	239,739	241,988	246,069	246,069	250,453	250,462	250,462	250,462	250,462	250,462
2009	248,990	339,791	357,873	361,558	361,558	361,558	367,779	367,843	367,843	367,843	367,843	367,843	367,843
2010	172,853	353,614	391,929	393,423	393,423	395,184	395,356	395,356	395,356	395,356	395,356	395,356	395,356
2011	156,736	289,556	304,192	307,200	312,611	312,686	312,686	312,686	312,686	314,487	314,487	314,487	314,487
2012	126,185	200,026	204,276	204,276	204,914	207,412	207,412	207,412	209,324	209,324	209,324	209,324	209,324
2013	111,095	160,739	166,499	167,273	167,659	167,659	167,659	167,883	167,883	167,883	167,883	167,883	167,883
2014	68,488	113,444	123,846	123,973	123,973	126,343	130,229	130,229	130,229	130,229	130,229	130,229	130,229
2015	42,749	91,853	93,944	93,944	93,944	104,124	104,124	104,124	104,124	104,124	104,124	104,124	104,124
2016	39,073	52,370	54,916	55,276	61,252	61,252	61,252	61,252	61,252	61,252	61,252	61,252	61,252
2017	23,763	33,341	39,234	46,985	47,236	47,236	47,236	47,236	47,236	47,236	47,236	47,236	47,236
2018	19,542	32,977	45,824	46,155	46,427	46,427	46,427	46,427	46,427	46,427	46,427	46,427	46,427
2019	8,676	19,845	21,108	21,272	21,406	21,406	21,406	21,406	21,406	21,406	21,406	21,406	21,406

### 3.10.4 Projected Inflation Adjusted Chain Ladder Table - Discounted Results

	Discounted Cumulative IABCL - Annual Projections (N'000)												
Accident year	1	2	3	4	5	6	7	8	9	10	11	12	12
2007	-	114,242	114,242	114,288	114,288	114,288	114,288	114,288	114,288	114,717	114,717	114,717	114,717
2008	170,284	232,074	237,060	239,739	241,988	246,069	246,069	250,453	250,462	250,462	250,462	250,462	250,462
2009	248,990	339,791	357,873	361,558	361,558	361,558	367,779	367,843	367,843	367,843	367,843	367,843	367,843
2010	172,853	353,614	391,929	393,423	393,423	395,184	395,356	395,356	395,356	395,356	395,356	395,356	395,356
2011	156,736	289,556	304,192	307,200	312,611	312,686	312,686	312,686	312,686	314,382	314,382	314,382	314,382
2012	126,185	200,026	204,276	204,276	204,914	207,412	207,412	207,412	209,214	209,214	209,214	209,214	209,214
2013	111,095	160,739	166,499	167,273	167,659	167,659	167,659	167,870	167,870	167,870	167,870	167,870	167,870
2014	68,488	113,444	123,846	123,973	123,973	126,343	130,004	130,004	130,004	130,004	130,004	130,004	130,004
2015	42,749	91,853	93,944	93,944	93,944	103,534	103,534	103,534	103,534	103,534	103,534	103,534	103,534
2016	39,073	52,370	54,916	55,276	60,906	60,906	60,906	60,906	60,906	60,906	60,906	60,906	60,906
2017	23,763	33,341	39,234	46,536	46,746	46,746	46,746	46,746	46,746	46,746	46,746	46,746	46,746
2018	19,542	32,977	45,080	45,357	45,559	45,559	45,559	45,559	45,559	45,559	45,559	45,559	45,559
2019	8,676	19,198	20,254	20,376	20,465	20,465	20,465	20,465	20,465	20,465	20,465	20,465	20,465



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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 3.10.5 Reserve for Large losses

Accident Year	Exposure / Earned Premium (N'000)	Total Paid Amounts (N'000)	O/s Reported LG Reserve	No. of Large Losses	Claim Frequency	Average Paid Cost (N'000)	Ult Avg Cost	Ultimate Freq	Ultimate Paid Amounts (N'000)	Large Loss Reserves (N'000)
2007	994,754	30,029	-	6	0.00060%	5,005	5,005	0.00060%	30,029	-
2008	994,754	30,202	-	7	0.00070%	4,315	4,315	0.00070%	30,202	-
2009	994,754	45,799	-	12	0.00121%	3,817	3,817	0.00121%	45,799	-
2010	994,754	72,130	-	17	0.00171%	4,243	4,243	0.00171%	72,130	-
2011	1,173,862	47,847	-	13	0.00111%	3,681	3,681	0.00111%	47,847	-
2012	1,132,834	38,073	-	10	0.00088%	3,807	3,807	0.00088%	38,073	-
2013	859,016	47,698	4,523	11	0.00140%	4,336	4,336	0.00140%	52,220	4,523
2014	669,873	30,336	6,800	7	0.00119%	4,334	4,334	0.00119%	37,136	6,800
2015	518,927	27,568	4,200	6	0.00135%	4,595	4,595	0.00135%	31,768	4,200
2016	423,105	22,036	-	4	0.00095%	5,509	5,509	0.00095%	22,036	-
2017	439,619	22,991	6,019	4	0.00114%	5,748	5,748	0.00114%	29,010	6,019
2018	417,626	4,794	6,187	1	0.00048%	4,794	4,794	0.00048%	10,981	6,187
2019	263,964	9,057	5,848	2	0.00152%	4,528	5,748	0.00135%	20,466	11,409
<b>Total</b>			<b>27,728</b>							<b>39,137</b>
									Discounted*	<b>36,655</b>

We have assumed that the pre 2018 claims are fully developed. For 2019 accident year, we used 2015 accident year to derive the Ultimate frequency and the ultimate average as the cost of 2017 accident year.

#### 3.10.6 Combined results table (Attritional and Large Losses)

Summary of Results						
Accident Year	Paid to date (N,000)	Latest Paid Large Loss (N'000)	Total Ultimate (N'000)	Gross Claims Reserve (N'000)	Gross Earned Premium (N'000)	Ultimate Loss Ratio
2007	114,717	30,029	144,746	-	994,754	15%
2008	250,462	30,202	280,664	-	994,754	28%
2009	367,843	45,799	413,642	-	994,754	42%
2010	395,356	72,130	467,486	-	994,754	47%
2011	312,686	47,847	362,229	1,696	1,173,862	31%
2012	207,412	38,073	247,287	1,801	1,132,834	22%
2013	167,659	47,698	220,090	4,734	859,016	26%
2014	126,343	30,336	167,140	10,461	669,873	25%
2015	93,944	27,568	135,302	13,790	518,927	26%
2016	55,276	22,036	82,942	5,631	423,105	20%
2017	39,234	22,991	75,756	13,531	439,619	17%
2018	32,977	4,794	56,540	18,769	417,626	14%
2019	8,676	9,057	38,449	20,716	263,964	15%
<b>Total</b>				<b>91,129</b>		

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### Appendix 3.11 : Illustration of Gross Claim Reserving - Marine

The tables shown are the step by step output of the IABCL Method in estimating Gross Claim Reserve:

#### 3.11.1 Table of claims paid excluding large claims (Attritional Table)

Accident year	Incremental Chain ladder-Yearly Projections (N'000)										11	12
	1	2	3	4	5	6	7	8	9	10		
2007	-	-	-	-	-	-	-	-	-	-	-	-
2008	12,518	-	-	-	-	-	-	-	-	-	-	-
2009	312	-	-	-	-	-	-	-	-	-	-	-
2010	51,664	-	-	-	-	-	-	-	-	-	-	-
2011	111,956	-	-	5,610	-	-	-	-	-	-	-	-
2012	26,563	21,882	9,219	2,502	-	-	-	-	-	-	-	-
2013	42	14,399	17,122	18,585	-	-	-	-	-	-	-	-
2014	18	5,050	536	18,511	-	-	-	-	-	-	-	-
2015	578	3,752	17,752	-	-	-	-	-	-	-	-	-
2016	-	1,524	-	-	-	-	-	-	-	-	-	-
2017	20,131	17,679	-	-	-	-	-	-	-	-	-	-
2018	18,147	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-

#### 3.11.2 Inflation Adjusted Chain Ladder Table

Accident year	Inflation Adjusted Chain Ladder - Annual Projections (N'000)										11	12
	1	2	3	4	5	6	7	8	9	10		
2007	-	-	-	-	-	-	-	-	-	-	-	-
2008	42,764	-	-	-	-	-	-	-	-	-	-	-
2009	936	-	-	-	-	-	-	-	-	-	-	-
2010	138,601	-	-	-	-	-	-	-	-	-	-	-
2011	272,302	-	-	10,416	-	-	-	-	-	-	-	-
2012	57,685	44,000	17,116	4,238	-	-	-	-	-	-	-	-
2013	85	26,734	29,005	26,572	-	-	-	-	-	-	-	-
2014	33	8,555	767	22,941	-	-	-	-	-	-	-	-
2015	980	5,364	22,000	-	-	-	-	-	-	-	-	-
2016	-	1,889	-	-	-	-	-	-	-	-	-	-
2017	24,949	19,689	-	-	-	-	-	-	-	-	-	-
2018	20,210	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 3.11.3 Projected Inflation Adjusted Chain Ladder Table

Accident year	Cumulative Chain ladder-Annual Projections (N'000)											
	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	-	-	-	-	-	-	-	-	-	-	-
2008	42,764	42,764	42,764	42,764	42,764	42,764	42,764	42,764	42,764	42,764	42,764	42,764
2009	936	936	936	936	936	936	936	936	936	936	936	936
2010	138,601	138,601	138,601	138,601	138,601	138,601	138,601	138,601	138,601	138,601	138,601	138,601
2011	272,302	272,302	272,302	282,719	282,719	282,719	282,719	282,719	282,719	282,719	282,719	282,719
2012	57,685	101,685	118,801	123,040	123,040	123,040	123,040	123,040	140,064	140,064	140,064	140,064
2013	85	26,818	55,823	82,396	82,396	82,396	82,396	100,853	100,853	100,853	100,853	100,853
2014	33	8,588	9,354	32,295	32,295	32,295	44,985	44,985	44,985	44,985	44,985	44,985
2015	980	6,344	28,345	28,345	28,345	65,161	65,161	65,161	65,161	65,161	65,161	65,161
2016	-	1,889	1,889	1,889	38,680	38,680	38,680	38,680	38,680	38,680	38,680	38,680
2017	24,949	44,638	44,638	88,595	88,595	88,595	88,595	88,595	88,595	88,595	88,595	88,595
2018	20,210	20,210	44,419	49,453	49,453	49,453	49,453	49,453	49,453	49,453	49,453	49,453
2019	-	2,295	2,569	2,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875

### 3.11.4 Projected Inflation Adjusted Chain Ladder Table - Discounted Results

Accident year	Discounted Cumulative IABCL - Annual Projections (N'000)											
	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	-	-	-	-	-	-	-	-	-	-	-
2008	42,764	42,764	42,764	42,764	42,764	42,764	42,764	42,764	42,764	42,764	42,764	42,764
2009	936	936	936	936	936	936	936	936	936	936	936	936
2010	138,601	138,601	138,601	138,601	138,601	138,601	138,601	138,601	138,601	138,601	138,601	138,601
2011	272,302	272,302	272,302	282,719	282,719	282,719	282,719	282,719	282,719	282,719	282,719	282,719
2012	57,685	101,685	118,801	123,040	123,040	123,040	123,040	123,040	139,078	139,078	139,078	139,078
2013	85	26,818	55,823	82,396	82,396	82,396	82,396	99,784	99,784	99,784	99,784	99,784
2014	33	8,588	9,354	32,295	32,295	32,295	44,250	44,250	44,250	44,250	44,250	44,250
2015	980	6,344	28,345	28,345	28,345	63,029	63,029	63,029	63,029	63,029	63,029	63,029
2016	-	1,889	1,889	1,889	36,549	36,549	36,549	36,549	36,549	36,549	36,549	36,549
2017	24,949	44,638	44,638	86,050	86,050	86,050	86,050	86,050	86,050	86,050	86,050	86,050
2018	20,210	20,210	43,017	47,226	47,226	47,226	47,226	47,226	47,226	47,226	47,226	47,226
2019	-	2,162	2,391	2,618	2,618	2,618	2,618	2,618	2,618	2,618	2,618	2,618

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 3.11.5 Reserve for Large losses

Accident Year	Exposure / Earned Premium (N'000)	Total Paid Amount (N'000)	O/s Reported LG Reserve	No. of Large Losses	Claim Freq	Average Paid Cost (N'000)	Ult Avg Cost	Ultimate Freq	Ultimate Paid Amount (N'000)	Large Loss Reserves (N'000)
2007	1,040,074	-	-	-	0.00000%	-	-	0.00000%	-	-
2008	1,040,074	-	-	-	0.00000%	-	-	0.00000%	-	-
2009	1,040,074	-	-	-	0.00000%	-	-	0.00000%	-	-
2010	1,040,074	-	-	-	0.00000%	-	-	0.00000%	-	-
2011	1,045,561	-	-	-	0.00000%	-	-	0.00000%	-	-
2012	789,139	-	-	-	0.00000%	-	-	0.00000%	-	-
2013	618,381	-	-	-	0.00000%	-	-	0.00000%	-	-
2014	462,695	136,060	-	1	0.00022%	136,060	136,060	0.00022%	136,060	-
2015	358,188	-	-	-	0.00000%	-	-	0.00000%	-	-
2016	272,899	-	-	-	0.00000%	-	-	0.00000%	-	-
2017	383,402	-	-	-	0.00000%	-	-	0.00000%	-	-
2018	164,788	-	132,675	-	0.00061%	-	-	0.00061%	132,675	132,675
2019	26,952	-	-	-	0.00000%	-	-	0.00000%	22,254	22,254
<b>Total</b>			<b>132,675</b>							<b>154,929</b>
									<b>Discounted*</b>	<b>145,470</b>

We have assumed that the pre 2018 claims are fully developed. For 2019 accident year, we used 2018 accident year to derive the Ultimate frequency and the ultimate average as the cost of 2014 accident year.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 3.11.6 Gross IBNR & ULR Results

Summary of Results						
Accident Year	Paid to date (N'000)	Latest Paid Large Loss (N'000)	Total Ultimate (N'000)	Gross Claims Reserve (N'000)	Gross Earned Premium (N'000)	Ultimate Loss Ratio
2007	-	-	-	-	1,040,074	0%
2008	42,764	-	42,764	-	1,040,074	4%
2009	936	-	936	-	1,040,074	0%
2010	138,601	-	138,601	-	1,040,074	13%
2011	282,719	-	282,719	-	1,045,561	27%
2012	123,040	-	139,078	16,038	789,139	18%
2013	82,396	-	99,784	17,388	618,381	16%
2014	32,295	136,060	180,311	11,955	462,695	39%
2015	28,345	-	63,029	34,684	358,188	18%
2016	1,889	-	36,549	34,661	272,899	13%
2017	44,638	-	86,050	41,412	383,402	22%
2018	20,210	-	179,901	159,691	164,788	109%
2019	-	-	15,413	15,413	26,952	57%
<b>Total</b>				<b>331,243</b>		

### Appendix 3.12 : Illustration of Gross Claim Reserving - Oil & Gas

The table shown is the output of the Expected Loss Ratio Method used in estimating Gross Claim Reserve for Oil & Gas:

*Expected Loss Ratio Method Table*

Accident Year	Gross Earned Premium (N' 000)	Claims Paid till date (N' 000)	Total O/s as at 31 Dec 2019 (N'000)	Current Incurred (N'000)	Current Loss Ratio	Ultimate Loss Ratio	Ultimate Losses (N'000)	O/s Claim Reserves (N'000)
2007	2,060,248	44,799	-	44,799	2%	2%	44,799	-
2008	2,060,248	59,201	-	59,201	3%	3%	59,201	-
2009	2,060,248	1,209,550	-	1,209,550	59%	59%	1,209,550	-
2010	2,060,248	27,135	17,485	44,620	2%	2%	44,620	17,485
2011	3,123,472	3,232,784	74,976	3,307,760	106%	106%	3,307,760	74,976
2012	3,384,452	253,572	503,712	757,284	22%	22%	757,284	503,712
2013	3,047,691	1,500,403	610	1,501,013	49%	49%	1,501,013	610
2014	2,765,860	38,992	696,010	735,002	27%	27%	735,002	696,010
2015	798,615	-	22,146	22,146	3%	3%	22,146	22,146
2016	728,781	10,590	12,963	23,553	3%	3%	23,553	12,963
2017	1,183,021	1,791	-	1,791	0%	0%	1,791	-
2018	457,611	-	-	-	0%	3%	13,739	13,739
2019	11,718	-	-	-	0%	9%	1,108	1,108
<b>Total</b>			<b>1,327,902</b>					<b>1,342,750</b>

We are assuming that the pre 2018 claims losses are fully developed. For 2018 accident year, we used the average of 2015 and 2016 ultimate loss ratios to derive the ultimate loss ratio. For 2019 accident year, we used the average of 2012 to 2016 (excluding 2013 and 2014) ultimate loss ratios to derive the ultimate loss ratio.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### Appendix 3.13 – Illustration of Reinsurance Recoveries Reserving

The tables shown are the step by step output of the IABCL Method in estimating Reinsurance Recoveries:

#### 3.13.1 General Accident Reinsurance Recoveries

##### 3.13.2 Table of reinsurance recoveries

Accident year	Incremental Chain ladder-Yearly Projections (N'000)										11	12
	1	2	3	4	5	6	7	8	9	10		
2008	-	-	-	-	-	-	-	-	-	-	-	-
2009	3,863	14,227	-	-	-	-	-	-	-	-	-	-
2010	588	-	-	-	841	-	-	-	-	-	-	-
2011	8,966	6,304	-	1,855	-	-	-	-	-	-	-	-
2012	-	942	8,193	-	2,020	-	-	-	-	-	-	-
2013	4,516	-	1,654	-	-	-	-	-	-	-	-	-
2014	1,488	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-	-	-
2016	2,449	-	-	2,097	-	-	-	-	-	-	-	-
2017	660	-	5,725	-	-	-	-	-	-	-	-	-
2018	-	61,898	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-

##### 3.13.3 Inflation Adjusted Chain Ladder Table

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Accident year	Inflation Adjusted Chain Ladder - Annual Projections (N'000)										11	12
	1	2	3	4	5	6	7	8	9	10		
2008	-	-	-	-	-	-	-	-	-	-	-	-
2009	11,586	38,168	-	-	-	-	-	-	-	-	-	-
2010	1,576	-	-	-	1,561	-	-	-	-	-	-	-
2011	21,807	13,690	-	3,444	-	-	-	-	-	-	-	-
2012	-	1,894	15,211	-	2,888	-	-	-	-	-	-	-
2013	9,080	-	2,803	-	-	-	-	-	-	-	-	-
2014	2,763	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-	-	-
2016	3,501	-	-	2,097	-	-	-	-	-	-	-	-
2017	818	-	5,725	-	-	-	-	-	-	-	-	-
2018	-	61,898	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 3.14.4 Projected Inflation Adjusted Chain Ladder Table

Accident year	Cumulative Chain ladder-Annual Projections (N'000)											
	1	2	3	4	5	6	7	8	9	10	11	12
2008	-	-	-	-	-	-	-	-	-	-	-	-
2009	11,586	49,753	49,753	49,753	49,753	49,753	49,753	49,753	49,753	49,753	-	-
2010	1,576	1,576	1,576	1,576	3,137	3,137	3,137	3,137	3,137	3,137	-	-
2011	21,807	35,498	35,498	38,942	38,942	38,942	38,942	38,942	38,942	38,942	-	-
2012	-	1,894	17,105	17,105	19,993	19,993	19,993	19,993	19,993	19,993	-	-
2013	9,080	9,080	11,882	11,882	11,882	11,882	11,882	11,882	11,882	11,882	-	-
2014	2,763	2,763	2,763	2,763	2,763	2,763	2,763	2,763	2,763	2,763	-	-
2015	-	-	-	-	-	-	-	-	-	-	-	-
2016	3,501	3,501	3,501	5,599	5,681	5,681	5,681	5,681	5,681	5,681	-	-
2017	818	818	6,543	6,664	6,774	6,774	6,774	6,774	6,774	6,774	-	-
2018	-	61,898	67,051	68,425	69,680	69,680	69,680	69,680	69,680	69,680	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-

### 3.13.5. Projected Inflation Adjusted Chain Ladder Table - Discounted Results

Accident year	Discounted Cumulative IABCL - Annual Projections (N'000)											
	1	2	3	4	5	6	7	8	9	10	11	12
2008	-	-	-	-	-	-	-	-	-	-	-	-
2009	11,586	49,753	49,753	49,753	49,753	49,753	49,753	49,753	49,753	49,753	-	-
2010	1,576	1,576	1,576	1,576	3,137	3,137	3,137	3,137	3,137	3,137	-	-
2011	21,807	35,498	35,498	38,942	38,942	38,942	38,942	38,942	38,942	38,942	-	-
2012	-	1,894	17,105	17,105	19,993	19,993	19,993	19,993	19,993	19,993	-	-
2013	9,080	9,080	11,882	11,882	11,882	11,882	11,882	11,882	11,882	11,882	-	-
2014	2,763	2,763	2,763	2,763	2,763	2,763	2,763	2,763	2,763	2,763	-	-
2015	-	-	-	-	-	-	-	-	-	-	-	-
2016	3,501	3,501	3,501	5,599	5,677	5,677	5,677	5,677	5,677	5,677	-	-
2017	818	818	6,543	6,657	6,749	6,749	6,749	6,749	6,749	6,749	-	-
2018	-	61,898	66,753	67,901	68,833	68,833	68,833	68,833	68,833	68,833	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 3.14 Fire Reinsurance Recoveries

##### 3.14.1 Table of reinsurance recoveries

	Incremental Chain ladder-Yearly Projections (N'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11	12
2008	-	-	-	-	-	-	-	-	-	-	-	-
2009	8,648	16,518	558	-	4,846	-	-	162	-	-	-	-
2010	6,824	66,242	49,878	681	6	435	-	-	-	-	-	-
2011	13,533	17,687	4,121	6,552	50	15	927	-	-	-	-	-
2012	35,649	3,846	590	330	2,623	-	-	366,911	-	-	-	-
2013	671	12,584	10,259	9,279	143	2	-	-	-	-	-	-
2014	4,138	8,448	122	47,114	51	203	-	-	-	-	-	-
2015	770	53,621	37,080	8,593	9	-	-	-	-	-	-	-
2016	6,880	576	44	-	-	-	-	-	-	-	-	-
2017	4,045	732	-	-	-	-	-	-	-	-	-	-
2018	2,077	545	-	-	-	-	-	-	-	-	-	-
2019	703	-	-	-	-	-	-	-	-	-	-	-

##### 3.14.2 Inflation Adjusted Chain Ladder Table

	Inflation Adjusted Chain Ladder - Annual Projections (N'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11	12
2008	-	-	-	-	-	-	-	-	-	-	-	-
2009	25,938	44,313	1,358	-	9,745	-	-	232	-	-	-	-
2010	18,307	161,115	108,316	1,370	11	737	-	-	-	-	-	-
2011	32,916	38,409	8,287	12,164	84	21	1,148	-	-	-	-	-
2012	77,417	7,734	1,095	559	3,750	-	-	366,911	-	-	-	-
2013	1,350	23,364	17,380	13,267	177	2	-	-	-	-	-	-
2014	7,683	14,312	174	58,390	57	203	-	-	-	-	-	-
2015	1,304	76,667	45,954	9,570	9	-	-	-	-	-	-	-
2016	9,838	714	49	-	-	-	-	-	-	-	-	-
2017	5,013	815	-	-	-	-	-	-	-	-	-	-
2018	2,313	545	-	-	-	-	-	-	-	-	-	-
2019	703	-	-	-	-	-	-	-	-	-	-	-



## INDUSTRIAL AND GENERAL INSURANCE PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 3.14.3 Projected Inflation Adjusted Chain Ladder Table

Accident year	Cumulative Chain ladder-Annual Projections (N'000)											
	1	2	3	4	5	6	7	8	9	10	11	12
2008	-	-	-	-	-	-	-	-	-	-	-	-
2009	25,938	70,251	71,609	71,609	81,354	81,354	81,354	81,585	81,585	81,585	-	-
2010	18,307	179,422	287,739	289,109	289,119	289,856	289,856	289,856	289,856	289,856	-	-
2011	32,916	71,326	79,613	91,777	91,861	91,882	93,031	93,031	93,031	94,567	-	-
2012	77,417	85,152	86,247	86,806	90,555	90,555	90,555	457,467	459,293	459,293	-	-
2013	1,350	24,715	42,094	55,361	55,539	55,540	55,540	62,048	62,048	62,048	-	-
2014	7,683	21,995	22,169	80,558	80,616	80,819	88,589	88,589	88,589	88,589	-	-
2015	1,304	77,971	123,925	133,495	133,503	152,824	152,824	152,824	152,824	152,824	-	-
2016	9,838	10,552	10,601	10,601	12,016	12,029	12,029	12,029	12,029	12,029	-	-
2017	5,013	5,829	5,829	11,343	11,501	11,515	11,515	11,515	11,515	11,515	-	-
2018	2,313	2,858	20,977	23,519	23,867	23,898	23,898	23,898	23,898	23,898	-	-
2019	703	1,928	2,426	2,755	2,800	2,804	2,804	2,804	2,804	2,804	-	-

#### 3.14.4 Projected Inflation Adjusted Chain Ladder Table - Discounted Results

Accident year	Discounted Cumulative IABCL - Annual Projections (N'000)											
	1	2	3	4	5	6	7	8	9	10	11	12
2008	-	-	-	-	-	-	-	-	-	-	-	-
2009	25,938	70,251	71,609	71,609	81,354	81,354	81,354	81,585	81,585	81,585	-	-
2010	18,307	179,422	287,739	289,109	289,119	289,856	289,856	289,856	289,856	289,856	-	-
2011	32,916	71,326	79,613	91,777	91,861	91,882	93,031	93,031	93,031	94,478	-	-
2012	77,417	85,152	86,247	86,806	90,555	90,555	90,555	457,467	459,187	459,187	-	-
2013	1,350	24,715	42,094	55,361	55,539	55,540	55,540	61,671	61,671	61,671	-	-
2014	7,683	21,995	22,169	80,558	80,616	80,819	88,139	88,139	88,139	88,139	-	-
2015	1,304	77,971	123,925	133,495	133,503	151,705	151,705	151,705	151,705	151,705	-	-
2016	9,838	10,552	10,601	10,601	11,934	11,945	11,945	11,945	11,945	11,945	-	-
2017	5,013	5,829	5,829	11,023	11,156	11,166	11,166	11,166	11,166	11,166	-	-
2018	2,313	2,858	19,928	22,053	22,312	22,332	22,332	22,332	22,332	22,332	-	-
2019	703	1,857	2,274	2,517	2,547	2,549	2,549	2,549	2,549	2,549	-	-

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 3.15 Engineering Reinsurance Recoveries

#### 3.15.1 Table of reinsurance recoveries

	Incremental Chain ladder-Yearly Projections (N'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11	12
2009	95	4,319	-	466	-	-	-	-	-	-	-	-
2010	188	-	-	-	-	-	-	-	-	-	-	-
2011	9,507	7,345	-	-	62	62	-	637	-	-	-	-
2012	4,304	616	-	-	13,509	-	-	-	-	-	-	-
2013	372	2,912	44,666	1,780	-	-	-	-	-	-	-	-
2014	1,032	1,555	22,321	39	-	-	-	-	-	-	-	-
2015	580	3,776	2,764	-	-	-	-	-	-	-	-	-
2016	55	2,200	-	-	-	-	-	-	-	-	-	-
2017	-	843	526	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-

#### 3.15.2 Inflation Adjusted Chain Ladder Table

	Inflation Adjusted Chain Ladder - Annual Projections (N'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11	12
2009	285	11,586	-	1,013	-	-	-	-	-	-	-	-
2010	505	-	-	-	-	-	-	-	-	-	#REF!	#REF!
2011	23,123	15,951	-	-	106	88	-	709	-	-	-	-
2012	9,346	1,238	-	-	19,316	-	-	-	-	-	-	-
2013	748	5,406	75,665	2,544	-	-	-	-	-	-	-	-
2014	1,916	2,634	31,915	49	-	-	-	-	-	-	-	-
2015	983	5,399	3,426	-	-	-	-	-	-	-	-	-
2016	79	2,726	-	-	-	-	-	-	-	-	-	-
2017	-	939	526	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-

## INDUSTRIAL AND GENERAL INSURANCE PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 3.15.3 Projected Inflation Adjusted Chain Ladder Table

Accident year	Cumulative Chain ladder-Annual Projections (N'000)											
	1	2	3	4	5	6	7	8	9	10	11	12
2009	285	11,872	11,872	12,884	12,884	12,884	12,884	12,884	12,884	12,884	-	-
2010	505	505	505	505	505	505	505	505	505	505	-	-
2011	23,123	39,074	39,074	39,074	39,180	39,268	39,268	39,977	39,977	50,300	-	-
2012	9,346	10,585	10,585	10,585	29,900	29,900	29,900	29,900	30,255	30,255	-	-
2013	748	6,154	81,819	84,364	84,364	84,364	84,364	186,406	186,406	186,406	-	-
2014	1,916	4,550	36,465	36,514	36,514	36,514	40,468	40,468	40,468	40,468	-	-
2015	983	6,382	9,808	9,808	9,808	12,768	12,768	12,768	12,768	12,768	-	-
2016	79	2,805	2,805	2,805	265,104	265,228	265,228	265,228	265,228	265,228	-	-
2017	-	939	1,464	17,362	19,249	19,259	19,259	19,259	19,259	19,259	-	-
2018	-	-	4,952	5,051	5,658	5,662	5,662	5,662	5,662	5,662	-	-
2019	-	5,664	13,416	13,699	15,429	15,438	15,438	15,438	15,438	15,438	-	-

#### 3.15.4 Projected Inflation Adjusted Chain Ladder Table - Discounted Results

	Discounted Cumulative IABCL - Annual Projections (N'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11	12
2009	285	11,872	11,872	12,884	12,884	12,884	12,884	12,884	12,884	12,884	-	-
2010	505	505	505	505	505	505	505	505	505	505	-	-
2011	23,123	39,074	39,074	39,074	39,180	39,268	39,268	39,977	39,977	49,702	-	-
2012	9,346	10,585	10,585	10,585	29,900	29,900	29,900	29,900	30,234	30,234	-	-
2013	748	6,154	81,819	84,364	84,364	84,364	84,364	180,497	180,497	180,497	-	-
2014	1,916	4,550	36,465	36,514	36,514	36,514	40,239	40,239	40,239	40,239	-	-
2015	983	6,382	9,808	9,808	9,808	12,596	12,596	12,596	12,596	12,596	-	-
2016	79	2,805	2,805	2,805	249,916	250,020	250,020	250,020	250,020	250,020	-	-
2017	-	939	1,464	16,441	18,019	18,027	18,027	18,027	18,027	18,027	-	-
2018	-	-	4,665	4,748	5,199	5,201	5,201	5,201	5,201	5,201	-	-
2019	-	5,336	11,818	12,028	13,167	13,173	13,173	13,173	13,173	13,173	-	-

## INDUSTRIAL AND GENERAL INSURANCE PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 3.16 Engineering Reinsurance Loss Ratio Table

The table shown is the output of the Expected Loss Ratio Method used in estimating Reinsurance Recoveries Reserve for Engineering:

*Expected Loss Ratio Method Table*

Accident Year	Reinsurance Earned Premium (N' 000)	RI Claims till date (N' 000)	Total O/s as at 31 December 2019	Current Incurred (N'000)	Current Loss Ratio	Ultimate Loss Ratio	Ultimate Losses (N'000)	Outstanding RI Reserves (N'000)
2009	-	-	-	-	0%	0%	-	-
2010	-	455,099	-	4,876,531	0%	0%	-	-
2011	149,280,507	16,516,685	-	22,609,916	15%	15%	22,609,916	-
2012	149,280,507	50,595,316	-	117,262,049	79%	79%	117,262,049	-
2013	149,280,507	91,818,494	-	58,834,520	39%	39%	58,834,520	-
2014	149,280,507	44,491,850	-	6,467,078	4%	4%	6,467,078	-
2015	134,285,253	4,770,315	-	1,501,805	1%	1%	1,501,805	-
2016	153,890,155	10,260,860	68,774,193	80,863,053	53%	53%	80,863,053	68,774,193
2017	280,158,030	12,648	31,907,487	67,263,546	24%	24%	67,263,546	31,907,487
2018	1,035,591,814	54,937,584	301,840	78,907,852	8%	10%	100,856,761	22,250,749
2019	4,262,310,552	139,051,502	9,576,902	84,884,424	2%	3%	116,159,354	40,851,832
<b>Total</b>			<b>100,983,520</b>					<b>122,932,430</b>

#### 3.16 Motor Reinsurance Recoveries

##### 3.16.1 Table of reinsurance recoveries

Accident year	Incremental Chain ladder-Yearly Projections (N'000)										11	12
	1	2	3	4	5	6	7	8	9	10		
2009	1,864	6,887	-	-	2,524	-	-	-	-	-	-	-
2010	2,977	4,806	2,015	-	-	-	-	-	-	-	-	-
2011	1,984	1,518	-	1,104	-	-	-	-	-	-	-	-
2012	3,101	2,279	2,000	2,355	-	-	-	-	-	-	-	-
2013	9,156	5,671	7,269	-	-	-	-	-	-	-	-	-
2014	3,776	2,400	40	-	60	-	-	-	-	-	-	-
2015	-	1,160	595	-	-	-	-	-	-	-	-	-
2016	9,356	-	-	-	-	-	-	-	-	-	-	-
2017	5,881	4,089	1,000	-	-	-	-	-	-	-	-	-
2018	-	2,927	-	-	-	-	-	-	-	-	-	-
2019	90	-	-	-	-	-	-	-	-	-	-	-

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 3.16.2 Inflation Adjusted Chain Ladder Table

	Inflation Adjusted Chain Ladder - Annual Projections (N'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11	12
2009	5,590	18,476	-	-	5,075	-	-	-	-	-	-	-
2010	7,986	11,689	4,376	-	-	-	-	-	-	-	-	-
2011	4,827	3,296	-	2,050	-	-	-	-	-	-	-	-
2012	6,735	4,583	3,713	3,989	-	-	-	-	-	-	-	-
2013	18,410	10,529	12,314	-	-	-	-	-	-	-	-	-
2014	7,010	4,066	57	-	67	-	-	-	-	-	-	-
2015	-	1,659	737	-	-	-	-	-	-	-	-	-
2016	13,377	-	-	-	-	-	-	-	-	-	-	-
2017	7,289	4,554	1,000	-	-	-	-	-	-	-	-	-
2018	-	2,927	-	-	-	-	-	-	-	-	-	-
2019	90	-	-	-	-	-	-	-	-	-	-	-

### 3.16.3 Projected Inflation Adjusted Chain Ladder Table

	Cumulative Chain ladder-Annual Projections (N'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11	12
2009	5,590	24,066	24,066	24,066	29,141	29,141	29,141	29,141	29,141	29,141	29,141	29,141
2010	7,986	19,675	24,051	24,051	24,051	24,051	24,051	24,051	24,051	24,051	-	-
2011	4,827	8,122	8,122	10,172	10,172	10,172	10,172	10,172	10,172	10,172	-	-
2012	6,735	11,318	15,031	19,021	19,021	19,021	19,021	19,021	19,021	19,021	-	-
2013	18,410	28,939	41,253	41,253	41,253	41,253	41,253	42,958	42,958	42,958	-	-
2014	7,010	11,076	11,133	11,133	11,200	11,200	15,456	15,456	15,456	15,456	-	-
2015	-	1,659	2,396	2,396	2,396	3,740	3,740	3,740	3,740	3,740	-	-
2016	13,377	13,377	13,377	13,377	13,377	13,377	13,377	13,377	13,377	13,377	-	-
2017	7,289	11,843	12,843	16,224	16,224	16,224	16,224	16,224	16,224	16,224	-	-
2018	-	2,927	6,674	6,934	6,934	6,934	6,934	6,934	6,934	6,934	-	-
2019	90	655	751	782	782	782	782	782	782	782	-	-

## INDUSTRIAL AND GENERAL INSURANCE PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 3.16.4 Projected Inflation Adjusted Chain Ladder Table - Discounted Results

	Discounted Cumulative IABCL - Annual Projections (N'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11	12
2009	5,590	24,066	24,066	24,066	29,141	29,141	29,141	29,141	29,141	29,141	-	-
2010	7,986	19,675	24,051	24,051	24,051	24,051	24,051	24,051	24,051	24,051	-	-
2011	4,827	8,122	8,122	10,172	10,172	10,172	10,172	10,172	10,172	10,172	-	-
2012	6,735	11,318	15,031	19,021	19,021	19,021	19,021	19,021	19,021	19,021	-	-
2013	18,410	28,939	41,253	41,253	41,253	41,253	41,253	42,860	42,860	42,860	-	-
2014	7,010	11,076	11,133	11,133	11,200	11,200	15,209	15,209	15,209	15,209	-	-
2015	-	1,659	2,396	2,396	2,396	3,662	3,662	3,662	3,662	3,662	-	-
2016	13,377	13,377	13,377	13,377	13,377	13,377	13,377	13,377	13,377	13,377	-	-
2017	7,289	11,843	12,843	16,029	16,029	16,029	16,029	16,029	16,029	16,029	-	-
2018	-	2,927	6,457	6,675	6,675	6,675	6,675	6,675	6,675	6,675	-	-
2019	90	622	702	725	725	725	725	725	725	725	-	-

#### 3.17 Marine Reinsurance Recoveries

##### 3.17.1 Table of reinsurance recoveries

	Incremental Chain ladder-Yearly Projections (N'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11	12
2009	8,426	-	-	-	-	-	-	-	-	-	-	-
2010	27,530	-	-	-	-	-	-	-	-	-	-	-
2011	28,870	-	-	-	218	-	-	-	-	-	-	-
2012	4,399	208	-	-	-	-	-	-	-	-	-	-
2013	-	918	-	-	-	-	-	-	-	-	-	-
2014	1,816	80	458	29,335	-	-	-	-	-	-	-	-
2015	-	74	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 3.17.2 Inflation Adjusted Chain Ladder Table

	Inflation Adjusted Chain Ladder - Annual Projections (N'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11	12
2009	25,273	-	-	-	-	-	-	-	-	-	-	-
2010	73,855	-	-	-	-	-	-	-	-	-	-	-
2011	70,217	-	-	-	369	-	-	-	-	-	-	-
2012	9,552	419	-	-	-	-	-	-	-	-	-	-
2013	-	1,704	-	-	-	-	-	-	-	-	-	-
2014	3,372	135	655	36,356	-	-	-	-	-	-	-	-
2015	-	106	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-

### 3.17.3 Projected Inflation Adjusted Chain Ladder Table

	Cumulative Chain ladder-Annual Projections (N'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11	12
2009	25,273	25,273	25,273	25,273	25,273	25,273	25,273	25,273	25,273	25,273	25,273	25,273
2010	73,855	73,855	73,855	73,855	73,855	73,855	73,855	73,855	73,855	73,855	-	-
2011	70,217	70,217	70,217	70,217	70,587	70,587	70,587	70,587	70,587	70,587	-	-
2012	9,552	9,972	9,972	9,972	9,972	9,972	9,972	9,972	9,972	9,972	-	-
2013	-	1,704	1,704	1,704	1,704	1,704	1,704	5,368	5,368	5,368	-	-
2014	3,372	3,507	4,162	40,518	40,518	40,518	40,518	40,518	40,518	40,518	-	-
2015	-	106	106	106	106	106	106	106	106	106	-	-
2016	-	-	-	-	1,129	1,129	1,129	1,129	1,129	1,129	-	-
2017	-	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	2,018	2,018	2,018	2,018	2,018	2,018	2,018	2,018	-	-
2019	-	2,168	2,175	2,175	2,175	2,175	2,175	2,175	2,175	2,175	-	-

## INDUSTRIAL AND GENERAL INSURANCE PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 3.17.4 Projected Inflation Adjusted Chain Ladder Table - Discounted Results

	Discounted Cumulative IABCL - Annual Projections (N'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11	12
2009	25,273	25,273	25,273	25,273	25,273	25,273	25,273	25,273	25,273	25,273	89,448	89,448
2010	73,855	73,855	73,855	73,855	73,855	73,855	73,855	73,855	73,855	73,855	-	-
2011	70,217	70,217	70,217	70,217	70,587	70,587	70,587	70,587	70,587	70,587	-	-
2012	9,552	9,972	9,972	9,972	9,972	9,972	9,972	9,972	9,972	9,972	-	-
2013	-	1,704	1,704	1,704	1,704	1,704	1,704	5,368	5,368	5,368	-	-
2014	3,372	3,507	4,162	40,518	40,518	40,518	40,518	40,518	40,518	40,518	-	-
2015	-	106	106	106	106	106	106	106	106	106	-	-
2016	-	-	-	-	1,129	1,129	1,129	1,129	1,129	1,129	-	-
2017	-	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	2,018	2,018	2,018	2,018	2,018	2,018	2,018	2,018	-	-
2019	-	2,168	2,175	2,175	2,175	2,175	2,175	2,175	2,175	2,175	-	-

#### 3.18 Motor Reinsurance Loss Ratio Table

The table shown is the output of the Expected Loss Ratio Method used in estimating Reinsurance Recoveries Reserve for Motor:

##### Expected Loss Ratio Method Table

Accident Year	Reinsurance Earned Premium (N' 000)	RI Claims till date (N' 000)	Total O/s as at 31 December 2019 (N'000)	Current Incurred (N'000)	Current Loss Ratio	Ultimate Loss Ratio	Ultimate Losses (N'000)	Outstanding RI Reserves (N'000)
2009	-	-	-	-	0%	0%	-	-
2010	-	-	-	-	0%	0%	-	-
2011	68,551	-	-	-	0%	0%	-	-
2012	68,551	-	-	-	0%	0%	-	-
2013	68,551	-	-	-	0%	0%	-	-
2014	68,551	-	-	-	0%	0%	-	-
2015	456,057	13	-	13	0%	0%	13	-
2016	186,382	224	-	224	0%	0%	224	0
2017	193,420	26,124	49	26,172	14%	14%	26,172	49
2018	148,752	42,998	106	43,104	29%	31%	46,079	3,081
2019	171,544	36,076	1,546	37,622	22%	24%	41,053	4,977
Total			155					3,130



## INDUSTRIAL AND GENERAL INSURANCE PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 3.19 Marine Reinsurance Loss Ratio Table

The table shown is the output of the Expected Loss Ratio Method used in estimating Reinsurance Recoveries Reserve for Marine:

*Expected Loss Ratio Method Table*

Accident Year	Reinsurance Earned Premium (N' 000)	RI Claims till date (N' 000)	Total O/s as at 31 December 2019 (N'000)	Current Incurred (N'000)	Current Loss Ratio	Ultimate Loss Ratio	Ultimate Losses (N'000)	Outstanding RI Reserves (N'000)
2009	-	-	-	-	0%	0%	-	-
2010	-	827	-	827	0%	0%	-	-
2011	78,833	7,215	-	7,215	9%	9%	7,215	-
2012	78,833	4,451	-	4,451	6%	6%	4,451	-
2013	78,833	1,827	-	1,827	2%	2%	1,827	-
2014	78,833	1,122	-	1,122	1%	1%	1,122	-
2015	120,807	5,739	-	5,739	5%	5%	5,739	-
2016	123,181	56,518	202	56,720	46%	46%	56,720	202
2017	138,144	17,060	144	17,204	12%	12%	17,204	144
2018	162,966	71,130	833	71,964	44%	47%	76,038	4,908
2019	206,708	2,672	2,173	4,846	2%	6%	12,314	9,642
<b>Total</b>			<b>1,180</b>					<b>5,254</b>

#### 3.20 Oil & Gas Reinsurance Loss Ratio Table

The table shown is the output of the Expected Loss Ratio Method used in estimating Reinsurance Recoveries Reserve for Oil & Gas:

*Expected Loss Ratio Method Table*

Accident Year	Reinsurance Earned Premium (N' 000)	RI Claims till date (N' 000)	Total O/s as at 31 Dec 2019 (N'000)	Current Incurred (N'000)	Current Loss Ratio	Ultimate Loss Ratio	Ultimate Losses (N'000)	
2009	1,178,393	453,359	-	453,359	38%	38%	453,359	0
2010	1,178,393	3,978	11,366	15,343	1%	1%	15,343	11,366
2011	1,178,393	551,025	24,824	575,850	49%	49%	575,850	24,824
2012	1,178,393	33,729	23,145	56,874	5%	5%	56,874	23,145
2013	1,138,932	110,868	437	111,305	10%	10%	111,305	437
2014	1,217,854	-	578,562	578,562	48%	48%	578,562	578,562
2015	571,453	101,126	-	101,126	18%	18%	101,126	-
2016	611,473	-	-	-	0%	0%	-	-
2017	158,443	-	-	-	0%	0%	-	-
2018	19,732	-	-	-	0%	11%	2,124	2,124
2019	269	-	-	-	0%	11%	29	29
<b>Total</b>			<b>638,334</b>					<b>640,487</b>

## INDUSTRIAL AND GENERAL INSURANCE PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### Appendix 3.21: Gross Claims Paid Data- Combined Claims Data (Attritional and Large Losses)

The claims data has eight risk groups – (Marine, Motor, Engineering, Fire, General Accident, Aviation, Bond and Oil & Gas).

The combined claims data, for all lines of business between 2007 and 31st December 2019 are summarized in the table below.

Incremental Chain Ladder (Table of combined claims paid)

Accident year	Incremental Chain ladder-Yearly Projections (N'000)-Attritional and Large Losses										11	12
	1	2	3	4	5	6	7	8	9	10		
2007	-	80,196	2,940	182	6,523	-	15	44,861	-	300	-	-
2008	261,329	78,392	14,010	18,303	2,560	58,749	-	(27,766)	-	-	-	-
2009	156,696	1,256,076	98,329	2,065	117,709	58	3,883	7,118	-	-	-	-
2010	227,651	222,152	106,092	21,566	6,472	1,543	6,240	1,378	-	(762)	-	-
2011	3,053,710	147,504	303,815	66,986	110,895	25,181	2,303	1,003	-	-	-	-
2012	165,067	236,663	102,307	14,655	84,305	11,292	6,325	386,629	-	-	-	-
2013	1,418,909	309,705	59,995	51,942	2,151	5,088	-	-	-	-	-	-
2014	68,672	374,161	140,240	77,149	3,316	4,283	-	-	-	-	-	-
2015	46,407	128,916	89,115	20,913	4,795	-	-	-	-	-	-	-
2016	69,202	28,158	14,746	11,161	-	-	-	-	-	-	-	-
2017	68,969	41,440	20,552	-	-	-	-	-	-	-	-	-
2018	41,135	141,579	-	-	-	-	-	-	-	-	-	-
2019	23,685	-	-	-	-	-	-	-	-	-	-	-

#### Appendix 3.22 : Gross Claim Paid-Large Losses

##### 3.22.1 Gross Claims Paid (Large Losses) - General Accident

The claims paid for large losses are allocated to claim development years as illustrated below.

Incremental Chain Ladder (Table of claims paid -Large losses)

Accident year	Incremental Chain ladder-Yearly Projections (N'000) - Large Losses										11	12
	1	2	3	4	5	6	7	8	9	10		
2007	-	-	-	-	-	-	-	-	-	-	-	-
2008	73,029	22,994	-	-	-	-	-	-	-	-	-	-
2009	44,893	14,977	51,296	-	-	-	-	-	-	-	-	-
2010	-	17,574	-	-	-	-	-	-	-	-	-	-
2011	-	9,304	-	-	-	-	-	-	-	-	-	-
2012	-	-	10,600	-	-	-	-	-	-	-	-	-
2013	7,500	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-	-	-
2017	-	-	8,725	-	-	-	-	-	-	-	-	-
2018	-	92,898	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 3.23 Gross Claims Paid (Large Losses) - Motor

	Incremental Chain ladder-Yearly Projections (N'000) - Large Losses											
Accident year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	23,279	1,006	(5,744)	-	-	-	-	-	-	-	-
2008	29,868	334	-	-	-	-	-	-	-	-	-	-
2009	7,952	20,246	9,049	-	8,552	-	-	-	-	-	-	-
2010	14,900	49,200	8,021	9	-	-	-	-	-	-	-	-
2011	29,318	10,518	-	6,039	1,972	-	-	-	-	-	-	-
2012	15,533	17,279	5,249	12	-	-	-	-	-	-	-	-
2013	24,156	23,542	-	-	-	-	-	-	-	-	-	-
2014	6,776	17,460	3,040	-	3,060	-	-	-	-	-	-	-
2015	13,869	7,160	3,597	2,942	-	-	-	-	-	-	-	-
2016	22,036	-	-	-	-	-	-	-	-	-	-	-
2017	11,881	7,089	4,020	-	-	-	-	-	-	-	-	-
2018	-	4,794	-	-	-	-	-	-	-	-	-	-
2019	9,057	-	-	-	-	-	-	-	-	-	-	-

### 3.24 Gross Claims Paid (Large Losses) - Fire

	Incremental Chain ladder-Yearly Projections (N'000) - Large Losses											
Accident year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	-	-	-	-	-	-	-	-	-	-	-
2008	58,942	-	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	44,782	-	-	562	-	-	-	-
2010	-	40,000	75,983	18,130	17	-	-	-	-	-	-	-
2011	-	19,543	23,767	-	344	-	-	-	-	-	-	-
2012	33,000	-	232	2,214	-	-	-	382,054	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	52,206	-	-	-	-	-	-	-	-
2015	-	44,816	55,000	5,000	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-

## INDUSTRIAL AND GENERAL INSURANCE PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 3.25 Gross Claims Paid (Large Losses) - Marine

	Incremental Chain ladder-Yearly Projections (N'000) -Large Losses											
Accident year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	-	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-	-	-
2014	-	136,060	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-

#### 3.26 Gross Claims Paid (Large Losses) - Engineering

	Incremental Chain ladder-Yearly Projections (N'000) -Large Losses											
Accident year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	-	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-	-	-
2014	-	121,500	121,500	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### Overview of Gross Technical Reserves

Class of Business	2018 O/s Claims Reserves (IBNR+ O/s Reported Claims) A	Paid in 2019 for prior accident years B	Remaining Gross Reserves C = A - B	Outstanding Reported as at 31st December 2019 D	Recalculated Reserves as at 31st December 2019 for prior Accident years E	Actuarial Loss/Gain F = C - E	IBNR & IBNER G = E - D
Motor	156,917,138	30,872,034	126,045,104	66,011,714	68,654,496	57,390,608	2,642,782
General Accident	230,058,040	120,208,076	109,849,964	170,725,165	187,184,846	(77,334,882)	16,459,681
Fire	522,365,255	387,772,892	134,592,363	84,167,049	90,023,868	44,568,495	5,856,819
Marine	333,926,365	-	(333,926,365)	303,527,926	307,729,523	26,196,842	4,201,596
Engineering	506,673,337	21,037,040	485,636,297	496,061,831	499,734,845	(14,098,548)	3,673,014
Oil & Gas	1,540,691,148	9,870,114	1,530,821,034	1,327,902,397	1,342,750,301	188,070,733	14,847,905
Total	3,290,631,283	569,760,156	2,053,018,397	2,448,396,082	2,496,077,879	224,793,248	47,681,797

### Appendix 13B Overview of Gross Technical Reserves for 2019 Accident Year

Class of Business							
Motor	263,963,849	17,733,032	22,474,012	12,316,968	10,157,044	223,756,806	15.2%
General Accident	165,903,121	3,968,339	18,903,462	7,350,000	11,553,462	143,031,321	13.8%
Fire	91,224,461	1,983,488	4,962,775	253,279	4,709,496	84,278,198	7.6%
Engineering	43,135,075	-	21,740,924	15,935,475	5,805,449	21,394,151	50.4%
Marine	26,952,153		23,513,173	1,500,000	22,013,173	3,438,980	87.2%
Oil & Gas	11,717,572		1,108,491		1,108,491	10,609,081	9.5%
Total	602,896,231	23,684,859	92,702,837	37,355,722	55,347,115	486,508,537	19.3%

Based on reserving methodology, this table indicates that we expect a pooled loss ratio 19% with regards to the 2016 accident year.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### iii) Life Valuation Methodology and Assumptions Report 31 December 2019

#### Valuation methods & assumptions

The valuation methods and assumptions should be consistent over time and should not be changed arbitrarily. It is, therefore, appropriate to start by considering the methods and assumptions used for the previous valuation and considering whether any changes are justified.

#### Valuation Methods

The Insurance Act 2003 does not specify any particular approach that must be used in determining the statutory value of insurance liabilities. Whilst some sections of the Act appear to make reference to the net premium approach to reserving, we understand that this simply reflects the practice at the time the Act was written and is not a requirement to adopt a net premium valuation approach. We have in the last few years adopted the gross premium valuation approach for statutory purposes as standard and this has been acceptable to NAICOM.

From the IFRS perspective, the main features of IFRS 4 that impact the liability calculations are as follows:

- a) The IFRS prohibits provisions for possible claims under contracts that are not in existence at the end of the reporting period.
- b) The IFRS requires an insurer to keep insurance liabilities in its statement of financial position until they are discharged or cancelled, or expire, and to present insurance liabilities **without offsetting** them against related reinsurance assets.
- c) The IFRS requires a test for the adequacy of recognised insurance liabilities and an impairment test for reinsurance assets.

#### Liability Adequacy Test

IFRS 4 paragraph 15 describes the liability adequacy test which, if the conditions are not met, requires any deficiency to be recognised in profit or loss. Section 16 states that:

“If an insurer applies a liability adequacy test that meets specified minimum requirements, this IFRS imposes no further requirements. The minimum requirements are the following:

- a) The test considers current estimates of all contractual cash flows, and of related cash flows such as claims handling costs, as well as cash flows resulting from embedded options and guarantees.
- b) If the test shows that the liability is inadequate, the entire deficiency is recognised in profit or loss.”

The proposed methodology is as follows:

Type of Business	Valuation Method
Individual Risk Business	Gross premium (1)
Individual Deposit Based Business	Deposit Reserve Account balance at valuation date (2a). Risk Reserve: Gross premium (2b)
Group Life	UPR + IBNR (3)
Group Deposit Administration	Account balance at valuation date (2a)

#### Notes:

1. A gross premium method is proposed for individual traditional risk business. This is a monthly cashflow approach taking into account the incidence of all expected future cashflows including office premiums, expenses and benefit payments, satisfying the Liability Adequacy Test. This implies that no further testing is required as a result of the implementation of the IFRS; or in other

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

words the liability adequacy test has been met implicitly and a separate liability calculation will not be required for accounting purposes. Negative reserves will be zeroised at the valuation date.

2.a A reserve for the Individual deposit-based business (Deposit Plus Plan) will be maintained being the amount standing to the credit of the policyholders (account balance) at the valuation date.

b) Reserves for the supplementary life cover and expenses for individual deposit based business will be calculated using a gross premium cashflow approach as described in (1). This is the present value of future guaranteed benefit costs and expenses, less future risk premiums. For the paid-up DPP policies, we have held two times of the annual estimated expense as the risk reserves.

3. Reserves for Group Life business will comprise an unexpired premium reserve (UPR) and where necessary, a reserve for Incurred But Not Reported Claims (IBNR) to make an allowance for the delay in reporting of claims.

The UPR will represent the unexpired portion of the premium for each scheme, net of an expense margin reflecting the acquisition cost loadings. The adequacy of the UPR will be tested by comparing against an Additional Unexpired Risk Reserve (AURR), which will be calculated using pooled industry claims data for the underlying assumptions. An AURR will be held in cases where the UPR is deemed insufficient to meet claims in respect of the unexpired period.

A loss ratio approach will be used for IBNR reserving, where the underlying claim rates are based on an analysis of historical group life claims experience, with judgement adopted where required.

No separate reserve is proposed for claims handling costs for Group Life business as these are typically insignificant in size. Any costs incurred are absorbed as part of the general business management costs.

### Assumptions

The Insurance Act 2003 does not specify any particular rules for determining the valuation assumptions but instead places reliance on the advice of the Actuary.

Paragraphs 22-30 of IFRS4 make reference to the setting of an IFRS compliant valuation basis. The following points are noted in particular:

\* Paragraph 24 - Current market interest rates: An insurer is permitted, but not required, to change its accounting policies so that it re-measures designated insurance liabilities to reflect current market interest rates and recognises changes in those liabilities in profit and loss. At that time it may also introduce accounting policies that require other current estimates and assumptions for the designated liabilities.

\* Paragraph 26 - Prudence: An insurer need not change its accounting policies for insurance contracts to eliminate excessive prudence. However, if an insurer already measures its insurance contracts with sufficient prudence it shall not introduce additional prudence.

In light of the above requirements we have determined a valuation basis adopting the following principles:

\* The basis is a single set of realistic long term assumptions expected to reflect the average future experience of the business.

\* Adjustments are then made to the individual assumptions for prudence and other considerations.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### Valuation interest rate

The proposed valuation interest rate is based on current market risk-free yields with adjustments. This is in line with the requirements of IFRS 4 (Paragraph 24). The use of a riskfree rate also implies that future investment margins (in excess of the risk-free return) will not be capitalised upon, which satisfies paragraph 27 of IFRS 4. Further the result is a "fair value" liability calculation which aids the comparability of accounts between insurers.

We propose to adopt net valuation interest rates of 11.42% pa for all long term business except Annuity, and 11.90% pa for Annuity business. These rates are to be applied as single long term rates of return.

The VIR is calculated based on the weighted average of Gross Redemption Yield (GRY) on Long term FGN Bond (reference: FMDQ Daily Quotations List as at 31st December 2019).

For the purpose of determining the valuation interest rate we have considered a 0.25% deduction from the long term yield to arrive at a gross valuation interest rate of 12.15%p.a. This makes some allowance for the volatility of the "risk free" yields.

A Life Assurance company pays tax at 30% of Income minus Expenses (the "I minus E" basis) on non-annuity business, with some specific investment income being exempt from tax. However, this calculation is subjected to a minimum tax, which is payable on 20% of gross incomes, with no exemptions or deductions. This is equivalent to tax payable of 6% of gross investment income. The minimum tax test implies that tax will always be payable, and as such the payment of future tax needs to be allowed for. We propose to do so implicitly by deducting 6% of the gross valuation interest rate, to arrive at net rates to adopt for valuation of non-annuity business.

When setting the valuation interest rate for annuity business we have taken into account that the annuity liability duration is longer than the duration of the longest available Government bonds. The longer term introduces uncertainty – which typically will be reflected in higher yield/reward demand by investors. The duration mismatch between available bonds and the liabilities also implies there is a reinvestment risk. We have made a provision for this by deducting a margin of 0.25% of the gross yield.

Type of Business	Long-Term Business excluding Annuities	Annuities
Average yield on 20 year FGN bonds	12.40%	12.40%
Less Prudent Margin	(0.25%)	(0.25%)
Less Reinvestment Risk margin	0.00%	(0.25%)
Gross Valuation interest rate	12.15%	11.90%
Less tax (6%)	(0.73%)	-
Net Valuation interest rate	11.42%	11.90%
Rates to adopt	11.42%	11.90%



# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The proposed valuation interest rates for individual risk products are as follows:

	Current Valuation	Previous Valuation
Risk Business	11.42%	14.21%
Deposit Based Policies	11.42%	14.21%
Annuities	11.90%	14.87%

### Expenses

A firm must make provisions for expenses, either implicitly or explicitly, in its mathematical reserves of an amount which is not less than the amount expected to be incurred in fulfilling its long-term insurance contracts. IFRS 4 explicitly requires the consideration of claims handling expenses.

### Future maintenance expenses

The regulatory maintenance expenses are derived from the best estimate maintenance expenses plus a prudence margin for adverse deviations.

The best estimate maintenance expenses are calculated as the sum of the following:

- \* Per policy maintenance charges
- \* Allocated operating expenses

An expense analysis has not been provided however we have based the expense assumptions on the information provided in the draft management accounts for 2019. Below we summarise the approach we have taken to estimating the ongoing per policy maintenance expenses for the purpose of setting the valuation expense assumptions:

31 December 2019 Draft Accounts	Expenses attributable to Individual
Operating expenses	
Add other maintenance expense	
Total	
<b>Less</b>	
Allocation of Acquisition Cost to Group Life	
Expense Allocation to Individual Life	
Acquisition Cost on the Individual Life	
Maintenance Expense on individual Life	
Number of policies as at 1.1.2018	
Number of policies as at 31.12.2018	
Average number of policies in force	
<b>Best estimate expense per policy</b>	
Prior year expense per policy	
Proposed expense per policy	
<b>Expense Overrun</b>	

In the absence of an expense analysis we have assumed that:

- 10% of the overheads (management expenses) were incurred in managing the group life portfolio, with the balance relating to individual life. The reduced portion of expense allocation to group life

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

business is reflective of the low premium income written in the current year relative to previous year.

- Of the individual life share, 10% of the overheads were incurred in the acquisition and administration of a new business.

We recommend that an expense analysis project is undertaken for the life business. This will make clearer the actual maintenance costs being incurred, and also help understand whether there is any difference in terms of costs incurred in managing different products, regular versus single premium business etc. This will help to set more product/policy specific expense assumptions going forward.

Expense	Current Valuation	Previous valuation
Risk Business	N18,480 pp	N16,650 pp
Deposit based	N18,4	N16,650 pp

### Expense inflation & other inflation measures

We propose adopting an ongoing expense per policy inflation assumption of 11% pa. The latest published annual Consumer Price Inflation as at 30 November 2019 was 11.85%. We do not expect the current high inflation levels to persist, more so, we expect internal efficiencies to be put in place to reduce administrative costs – hence our assumed low inflation assumption.

### Commission

Commission rates are set at the rates payable.

### Mortality

There has been no change to the mortality assumptions since the previous valuation. The proposed mortality tables for the current valuation remains The UK's A6770 mortality table without adjustment for Individual risk business. We conducted a mortality study in 2010 using industry mortality experience data which demonstrated a good fit to the A6770 table.

### Future mortality improvements

No allowance has been made for future mortality improvements as there is no business in force with exposure to longevity risk.

### Withdrawals

The full account balance will be maintained for lapsed deposit based policies at the valuation date, as the funds remain a policyholder entitlement. No reserve will be held for future guaranteed life insurance benefits.

No allowance will be made for a future lapse or surrender in the reserve calculations.

### Group Life Business

Unexpired premium reserves (UPR) are reduced by a margin representing acquisition expenses, as these have been loaded into rates yet they have already been incurred. We propose to adopt an acquisition expense ratio of 20% of the gross premium. Group Life commission is currently paid at 9% of premium and a NAICOM (regulatory) fee is payable at 1% of premium. The remaining 10% of premium reflects the loading for additional acquisition expenses.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The following average loss ratios are proposed for AURR estimation and IBNR reserving purposes, based on Industrial and General Insurance group life coverage for 2017:

	Pure risk rates assumed
Average schemes	2.8 per mille
Large Private Oil Schemes	2.0 per mille
Public Oil (NNPC)	6.5 per mille
Police, Armed Forces, Paramilitary	80% of premium
Federal Head of Service schemes	45% of premium

### Reinsurance Agreements

Reinsurance is allowed for in the valuation by having gross and reinsurance ceded records in the policy files. For IFRS compliance purposes all reserves will be reported gross of reinsurance, with the value of the reinsurance asset calculated and reported separately.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### FORM 16

### ACTUARIAL VALUATION OF LIFE INSURANCE BUSINESS

(Under the Insurance Act 2003)

### SUMMARY AND VALUATION OF THE POLICIES OF

### INDUSTRIAL AND GENERAL INSURANCE PLC AS AT 31 DECEMBER 2019

Description of Transaction	Number of Policies	Amount of Sum Insured	Amount of Bonuses	Amount of Office Yearly Premiums	Amount OF Single Premium	DA liability (Account Balance)	Risk Liability	Total Liabilities
<b>INDIVIDUAL BUSINESS</b>		N	N	N	N	N	N	N
<b><i>Deposit Based Policies</i></b>								
Dividend Plus Plan-Active	2,795	5,152,543,136	-	121,383,174	-	3,424,834,558	139,260,435	3,564,094,993
Dividend Plus Plan Paid up	5,918	9,539,863,761	-	-	-	3,358,910,241	218,747,034	3,577,657,275
<b>Total Deposit Based</b>	<b>8,713</b>	<b>14,692,406,897</b>	<b>-</b>	<b>121,383,174</b>	<b>-</b>	<b>6,783,744,799</b>	<b>358,007,469</b>	<b>7,141,752,268</b>
<b><i>Individual with Participation in Profits</i></b>								
Anticipated Endowments	3,035	2,208,044,799	455,652,158	175,317,424	-	-	1,556,555,643	1,556,555,643
Educational Endowments	-	-	-	-	-	-	-	-
Endowments Assurances	6	7,764,000	1,231,560	834,867	-	-	5,175,233	5,175,233
Continuous Educational Endowment	104	89,997,288	17,947,595	6,843,279	-	-	59,075,313	59,075,313
<b><i>Individual without Participation in profits</i></b>								-
Mortgage	116	186,934,313	-	2,170	-	-	6,479,047	6,479,047
Term Assurance	10	25,675,160	-	114,820	-	-	694,760	694,760
<b>Total risk</b>	<b>3,271</b>	<b>2,518,415,560</b>	<b>474,831,313</b>	<b>183,112,560</b>	<b>-</b>	<b>-</b>	<b>1,627,979,996</b>	<b>1,627,979,996</b>
<b>Total Individual Business</b>	<b>11,984</b>	<b>17,210,822,457</b>	<b>474,831,313</b>	<b>304,495,734</b>	<b>-</b>	<b>6,783,744,799</b>	<b>1,985,987,465</b>	<b>8,769,732,264</b>
<b>Group Deposit Based Business</b>								
Group Deposit Administration	32	2,332,695,136				2,332,695,136		2,332,695,136
<b>Total Group Deposit Based business</b>	<b>32</b>	<b>2,332,695,136</b>				<b>2,332,695,136</b>		<b>2,332,695,136</b>

## INDUSTRIAL AND GENERAL INSURANCE PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### FORM 16

#### ACTUARIAL VALUATION OF LIFE INSURANCE BUSINESS

(Under the Insurance Act 2003)

#### SUMMARY AND VALUATION OF THE POLICIES OF

#### INDUSTRIAL AND GENERAL INSURANCE PLC AS AT 31 DECEMBER 2019

Description of Transaction	Number of Policies	Amount of Sum Insured	Amount of Bonuses	Amount of Office Yearly Premiums	Amount OF Single Premium	DA liability (Account Balance)	Risk Liability	Total Liabilities
		N	N	N	N	N	N	N
Group Life	250	45,542,471,185		286,552,925			199,195,896	199,195,896
<b>Total Group Business</b>	<b>282</b>	<b>47,875,166,321</b>		<b>286,552,925</b>		<b>2,332,695,136</b>	<b>199,195,896</b>	<b>2,531,891,032</b>
Additional reserve							205,431,000	205,431,000
Unallocated premium							-	-
<b>Grand Total</b>	<b>12,266</b>	<b>65,085,988,778</b>	<b>474,831,313</b>	<b>591,048,659</b>	<b>-</b>	<b>9,116,439,935</b>	<b>2,390,614,361</b>	<b>11,507,054,296</b>

The valuation has been made on the following principles which were determined by the Actuary: -

#### **a) Individual Business**

For all Endowment, Term Assurance and Mortgage Protection policies, the gross premium method of valuation was adopted.

Reserves were calculated via a monthly cash flow projection approach, taking into account future office premiums, expenses and benefit payments. Future cash flows were discounted back to the valuation date at the valuation rate of interest. The full valuation assumptions are given (after Group Business section) below.

The reserve for the deposit based policies has been taken as the amount standing to the credit of the policy holders at the valuation date. We were provided with individual policyholder account balances as part of the valuation data, which were relied upon without qualification. Where policies still have active life cover, this has been valued using a monthly cashflow projection approach as described above for other risk business.

#### **Group Business**

An unexpired premium was included for Group business policies. An allowance was made for IBNR (Incurred But Not Reported) claims in Group Life to take care of the delay in reporting claims. No assets have been established in respect of deferred Acquisition Costs (DAC)

An allowance was made for IBNR (Incurred But Not Reported) claims in Group Life to take care of the delay in reporting claims. This was based on a loss ratio approach, which uses historical claims experience to estimate the ultimate claim rates, from which the IBNR portion is determined

b) For Individual policies, the valuation age has been taken as Age Last Birthday at the valuation date. The period to maturity has been taken as the full term of the policy less the expired term. Full credit has been taken for premiums due between the valuation date and the end of the premium term

c) The valuation of the liabilities was made on the assumption that premiums have been credited to the accounts as they fall due, according to the frequency of the particular payment.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### FORM 16

### ACTUARIAL VALUATION OF LIFE INSURANCE BUSINESS

(Under the Insurance Act 2003)

### SUMMARY AND VALUATION OF THE POLICIES OF INDUSTRIAL AND GENERAL INSURANCE PLC AS AT 31 DECEMBER 2019

d)

i. No specific adjustment has been made for immediate payment of claims.  
ii. No specific adjustment has been made for expenses after premiums have ceased for limited payment policies i.e. they have been allocated the same level of expenses as other policies.

e) Where negative reserves were calculated, these were set to zero to prevent policyholders' assets.

f) There were no policies subject to substandard terms in force at the valuation date.

3. The Mortality Table used in the valuation is the UK's Mortality of Assured Lives Table.

4. The rate of interest used in the valuation is 14.21%.

5. Expenses for individual risk and deposit based business were reserved for expenses increasing with inflation at 11% pa.

6. The basis to be adopted for the distribution of profits among policyholders at the end of the year is determined by the Directors, on the advice of the Actuary, bearing in mind the distribution of profits to with-profits policyholders.

7a) The principles upon which any distribution of profits to policyholders will be made at the end of the year are determined by the Directors, acting upon the advice of the Actuary.

7b) Reversionary bonuses are allotted in respect of each full year's premium paid.

7c) Reversionary bonuses vest on the policy anniversary.

8. The liabilities given in Form 16 are presented gross of reinsurance. The table below shows the gross position and impact of reinsurance.

	Gross liability (N)	Reinsurance (N)
Individual Traditional	1,985,987,465	-
Individual DA	6,783,744,799	-
Group DA	2,332,695,136	-
Group Life- UPR	151,269,971	(12,404,138)
Group Life- IBNR	47,925,925	(4,792,593)
Outstanding Claims	3,247,354,060	(1,563,837,730)
Additional reserves	205,431,000	-
<b>Total</b>	<b>14,754,408,356</b>	<b>(1,581,034,461)</b>

An additional reserve of N205,431,000 was held representing a cautionary contingency for an expense overrun at the valuation date.

The solvency level at the valuation date was xx%. That is, assets representing the Administration Funds on the company's balance sheet (N11.5bn) were xx% of the assets less gross liabilities including outstanding claims (N11.5bn).

# **INDUSTRIAL AND GENERAL INSURANCE PLC**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

FORM 15 PART B (f)

(Under the Insurance Act 2003)

Industrial and General Insurance Plc

### POLICIES INCLUDED IN THE VALUATION AT 31 DECEMBER 2019

	With Profits Sums Assured	Declared Bonus
	N	N
<b>ANTICIPATED ENDOWMENT</b>		
<u>Year of Maturity</u>		
2018-2020	173,647,944	31,759,521
2021 -2025	1,178,579,070	164,184,249
2026-2030	1,502,301,092	93,908,814
2031-2035	43,779,976	4,184,088
<b>TOTAL</b>	<b>2,898,308,082</b>	<b>294,036,672</b>
	With Profits Sums Assured	Declared Bonus
	N	N
<b>EDUCATION ENDOWMENT ASSURANCES</b>		
<u>Year of Maturity</u>		
2018-2020	4,585,000	417,800
2021 -2025	764,000	30,560
2026-2030	-	-
2031-2035	-	-
<b>TOTAL</b>	<b>5,349,000</b>	<b>448,360</b>
<b>CONTINUOUS EDUCATIONAL ENDOWMENT</b>		
<u>Year of Maturity</u>		
2018-2020	16,791,474	4,610,971
2021 -2025	6,030,500	1,258,714
2026-2030	184,375	51,625
2031-2035	-	-
<b>TOTAL</b>	<b>23,006,349</b>	<b>5,921,310</b>



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<b>Net liability (N)</b>
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6,783,744,799
2,332,695,136
138,865,833
43,133,332
1,683,516,330
205,431,000
<b>13,173,373,895</b>

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# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

HYPOTHECATION OF ASSETS AS AT 31ST DECEMBER, 2019								
AS AT DECEMBER, 2019	General Business			Life Business				TOTAL
	Shareholders' Fund	Policy Holders' Fund	Others	Shareholders' Fund	Deposit Admin Fund	Policy Holders' Fund	Others	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
COMPANY TOTAL	7,069,729	2,801,929	8,399,526	4,245,208	9,116,440	5,637,968	2,052,893	39,323,693
ASSETS:								
Investment Property	7,445,989	700,482	4,995,073	3,805,321	3,190,754	1,973,289	2,758,503	24,869,411
Land and Building			2,548,595	1,234,450			2,142,208	5,925,253
Leasehold Improvement								-
Computer and Other Equipment			759					759
Motor vehicles			3			145		148
Furniture and Fittings			512					512
Trade Receivables								-
Reinsurance Assets		1,635,960				1,568,630.00		3,204,590
Loans to Policy Holders		6,731				320,076		326,807
Statutory Deposits		300,000				200,000		500,000
Investment in subsidiaries			262,385				3,127,398	3,389,783
Financial assets - Fair value through P & L		3,296				7,007		10,303
- Available for sale			474,205			37,647		511,852
Cash & Cash equivalents			109,317			71,073		180,390
Other Assets	-		(237,603)				602,394	364,791
TOTAL	7,445,989	2,646,469	8,153,247	5,039,771	3,190,754	4,177,867	8,630,503	39,284,600
Surplus/(Deficit)	376,260	(155,460)	(246,280)	794,563	(5,925,686)	(1,460,101)	6,577,610	(39,093)
Other Aseets:								
		Non-Life		Life				
Loans and Receivables-Staff								
Other Receivables and Prepayment		(237,603)		602,394.00				
Deferred Acquisition Cost								
Deferred Income Tax								
Intangible Assets								
TOTAL								
	(237,603)			602,394				(7,987,293)

NOTE: As demonstrated in the table above, there are other assets to account for the shortfall in the asset hypothecation as they become admissible under the existing guidelines. The company has taken steps to make the assets admissible.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### HYPOTHECATION OF ASSETS AS AT 31ST DECEMBER, 2018

AS AT DECEMBER, 2018	General Business			Life Business				TOTAL
	Shareholders' Fund	Policy Holders' Fund	Others	Shareholders' Fund	Deposit Admin Fund	Policy Holders' Fund	Others	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
COMPANY TOTAL	3,599,304	3,581,895	5,890,149	2,294,646	8,626,085	5,515,758	2,091,456	31,599,293
ASSETS:								
Investment Property	3,092,783	895,474	3,327,461	1,827,717	3,019,130	1,930,515	3,660,416	17,753,496
Land and Building			2,766,832				2,548,637	5,315,469
Leasehold Improvement			-				-	-
Computer and Other Equipment			2,946				483	3,429
Motor vehicles			3				-	3
Furniture and Fittings			1,983				258	2,241
Trade Receivables								-
Reinsurance Assets		1,607,228				1,446,054		3,053,282
Loans to Policy Holders						468,978		468,978
Statutory Deposits	300,000			200,000				500,000
Financial Assets- Fair Value through P or L		3,061				6,221		9,282
- Available for sale			612,530	266,929		-		879,459
Bank Placements								-
Cash & Cash equivalents		83,627				62,742		146,369
Investment in Subsidiaries	206,521	-				-	3,127,398	3,333,919
Other Assets			170,899				(37,533)	133,366
TOTAL	3,599,304	2,589,390	6,882,654	2,294,646	3,019,130	3,914,510	9,299,659	31,599,293
Surplus/(Deficit)	-	(992,505)	992,505	-	(5,606,955)	(1,601,248)	7,208,203	0
Other Aseets:		Non-Life		Life		SUMMARY OF DEFICIT		
Loans and Receivables-Staff		6,334				General Business		
						Shareholder		
						Policy Holders Fund Bal.		
Other Receivables and Prepayment		127,689		(38,331)				
Deferred Acquisition Cost		36,876		798		Life Business		
Deferred Income Tax						Policy Holders Fund Balance		
Intangible Assets						Deposit Admin Balance		
TOTAL		170,899		(37,533)				

NOTE: As demonstrated in the table above, there are other assets to account for the shortfall in the asset hypothecation as they become admissible under the existing guidelines. The company has taken steps to make the assets admissible.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 3. Management of insurance and financial risk (continued)

#### b) Financial risk management

Financial Risks Management (FRM) Risk Classification: Most financial risk can be categorized as either systematic or non-systematic. Systematic risk affects an entire economy and all of the businesses within it; an example of systematic risk would be losses due to a recession. Non-systematic risks are those that vary between companies or industries; these risks can be avoided completely through careful planning. There are several types of systematic risk. Interest risk is the risk that changing interest rates will make the current investment's rate look unfavorable. Inflation risk is the risk that inflation will increase, making the current investment's return smaller in relation. Liquidity risk is associated with "tying up" investible funds in long-term assets that cannot be sold easily. There are also different types of non-systematic risk. Management risk is the risk that bad management decisions will hurt the company in which investment had been made. Credit risk is the risk that a debt instrument issuer (such as a bond issuer) will default on their repayments. The Group is exposed to an array of risks through its operations and has identified and categorized its exposure to these broad risks listed below: Market Risk, Credit Risk, Operational Risk, Liquidity Risk, Interest Rate Risk, Reputational Risk, Foreign Currency Risk, Equity risk.

The Group manages financial risks via the Board Assets & Liabilities Committee (ALCO) which is mandated to achieve long-term investment returns in excess of the group's obligations under insurance and investment contracts. The principal technique of the Group's BIC 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 category of business, a separate portfolio of assets is maintained.

#### i) Market risk

Market Risk is the risk that changes in market prices, which include currency exchange rates and interest rates, will affect the fair value or future cash flows of a financial instrument. Market risk arises from open positions in interest rates, foreign currencies and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while optimizing the return on risk. Overall responsibility for managing market risk rests with the Assets and Liabilities Committee (ALCO).

#### Market risk measurement techniques

The following market risk limits are adopted by the group to measure market volatilities in interest rate, liquidity, foreign exchange risk and trading exposures:

- i. Counterparty limits;
- ii. Liquidity gap reports;
- iii. 3-6 month repricing gap report;
- iv. Liquidity and cash forecasting.

#### ii) Credit risks

Credit risk is the risk of financial loss to the Group if a debtor fails to make payments of interest and principal when due. The Group is exposed to this risk relating to its debt holdings in its investment portfolio and the reliance on reinsurers to make payment when certain loss conditions are met. Sources of credit risk identified are Direct Default Risk that the Group will not receive the cash flows or assets to which it is entitled because a party with which the firm has a bilateral contract defaults on one or more obligations. Downgrade Risk that changes the possibility of future default by an obligor will adversely present value of the contract with the obligor today and Settlement risk arising from lag between the value and settlement dates of transactions. All these risks are closely monitored and measures are put in place to minimise the Groups exposure to them.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The Group'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.

The Group's set guidelines to determine when to obtain collateral and guarantees. The Group 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 Group either obtains collateral from counterparties or requires margin deposits. Collateral may be sold or repledged by the Group and is repayable if the contract terminates or the contract's fair value falls.

	Note	Group 2019 N'000	Group 2018 N'000	Company 2019 N'000	Company 2018 N'000
<b>ii) Credit risk (continued)</b>					
<b>Maximum exposure to credit risk</b>					
Cash and cash equivalents (excl. cash on hand)	5.	<b>2,094,063</b>	1,477,089	<b>180,390</b>	146,369
Investment Securities:					
- At Fair value through Profit or Loss	6.1	<b>242,022</b>	288,949	<b>10,303</b>	9,282
- Available for sale	6.2	<b>975,385</b>	1,213,802	<b>511,852</b>	879,459
- Held to Maturity	6.3.	<b>509,431</b>	293,981	-	-
- Loans and Receivables	6.4.	<b>365,903</b>	495,030	<b>326,807</b>	475,312
Trade receivables	7.	<b>725,192</b>	512,354	-	-
Reinsurance Assets	8.	<b>3,857,653</b>	3,533,301	<b>3,204,590</b>	3,053,282
Other receivables and prepayments	12.	<b>569,076</b>	403,249	<b>364,791</b>	155,509
Statutory deposits	18.	<b>555,267</b>	554,608	<b>500,000</b>	500,000
<b>Total assets exposed to credit risk</b>		<b>9,893,992</b>	8,772,363	<b>5,098,733</b>	5,219,213

The Company has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the Company is exposed to credit risk are:

- \* receivables arising out of direct insurance arrangements;
- \* receivables arising out of reinsurance arrangements; and
- \* reinsurers' share of insurance liabilities.

Other areas where credit risk arises include cash and cash equivalents, derivative financial instrument, corporate bonds and deposits with banks and other receivables.

The Company has no significant concentrations of credit risk. The Company structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparty, and to geographical and industry segments. Such risks are subject to an annual or more frequent review. Limits on the level of credit risk by category and territory are approved quarterly by the Board of Directors.

Reinsurance is used to manage insurance risk. This does not, however, discharge the Company's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Company remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The exposure to individual counterparties is also managed by other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the Company. Management information reported to the Company includes details of provisions for impairment on loans and receivables and subsequent write-offs. Internal audit makes regular reviews to assess the degree of compliance with the Company procedures on credit. Exposures to individual policyholders and groups of policyholders are collected within the ongoing monitoring of the controls associated with regulatory solvency. Where there exists significant exposure to individual policyholders, or homogenous groups of policyholders, a financial analysis equivalent to that conducted for reinsurers is carried out by the Company risk department.

### Maximum exposure to credit risk before collateral held

	2019		2018	
	Group N'000	Company N'000	Group N'000	Company N'000
Trade receivables	725,192	-	512,354	-
Reinsurance assets	3,857,653	3,204,590	3,533,301	3,053,282
Loans and receivables	365,903	326,807	495,030	475,312
Other receivables	569,076	364,791	403,249	155,509
Deposits with financial institutions	1,327,603	1,792	966,098	765
Cash and bank balances	766,460	178,598	510,991	145,604
	<b>7,611,887</b>	<b>4,076,578</b>	<b>6,421,023</b>	<b>3,830,472</b>

No collateral is held for any of the above assets. All receivables that are neither past due or impaired are within their approved credit limits, and no receivables have had their terms renegotiated. None of the Company's credit risk counterparties are rated.

None of the above assets are past due or impaired except for the following amounts in:

- receivables arising out of direct insurance arrangements (which are due on inception of insurance cover):
- receivables arising out of reinsurance arrangements.

Financial assets that are past due or impaired are summarised as follows:

	Receivables arising out of direct insurance arrangements		Receivables arising out of reinsurance arrangements	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Neither past due nor impaired	-	-	3,353,654	3,202,346
Past due but not impaired	-	-	-	-
Impaired	-	7,047	-	-
Gross	-	7,047	3,353,654	3,202,346
<b>Less:</b> Allowance for impairment	-	(7,047)	-	-
<b>Net</b>	<b>-</b>	<b>-</b>	<b>3,353,654</b>	<b>3,202,346</b>

Financial assets past due but not impaired:

Past due but not impaired:

- by 91 to 180 days

All receivables past due by more than 90 days are considered to be impaired, and are carried at their estimated recoverable value.



# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### Financial assets individually impaired

Of the total gross amount of impaired receivables, the following amounts have been individually assessed:

	Receivables arising out of direct insurance arrangements		Receivables arising out of reinsurance arrangements	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Individually assessed impaired receivables	-	-	-	-
- direct clients	-	-	-	-
- agency	-	-	-	-
- insurance brokers	-	7,047	-	-
	-	7,047	-	-

### iii) Sensitivity analysis - interest-rate risk

The sensitivity analysis below is based on a change in one assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated - for example, change in interest rate and change in market values.

	2019			
	Carrying amount N'000	Fixed rate N'000	Floating rate N'000	Non-interest bearing N'000
<b>Assets</b>				
Cash and cash equivalent	180,390	-	-	180,390
Trade receivable	-	-	-	-
Reinsurance Assets	3,204,590	-	-	3,204,590
	3,384,980	-	-	3,384,980
<b>Liabilities</b>				
Non-life insurance liability	2,801,929	-	-	2,801,929
Other liabilities	16,342,501	9,116,440	-	7,226,061
Loans and Borrowings	1,020,441	1,020,441	-	-
	20,164,871	10,136,881	-	10,027,990

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	2018			
	Carrying amount N'000	Fixed rate N'000	Floating rate N'000	Non-interest bearing N'000
<b>Assets</b>				
Cash and cash equivalent	146,369	-	-	146,369
Trade receivables	-	-	-	-
Reinsurance Assets	3,053,282	-	-	3,053,282
	<u>3,199,651</u>	<u>-</u>	<u>-</u>	<u>3,199,651</u>
<b>Liabilities</b>				
Non-life insurance liability	3,581,894	-	-	3,581,894
Other liabilities	14,918,098	8,626,085	-	6,292,013
Loans and Borrowings	486,906	486,906	-	-
	<u>18,986,898</u>	<u>9,112,991</u>	<u>-</u>	<u>9,873,907</u>

The impact on the Company's profit before tax if interest rates on financial instruments held at amortised cost or at fair value had increased or decreased by 100 basis points, with all other variables held constant are considered insignificant. This is due to the short term nature of the majority of the financial assets measured at amortised cost.

### iv) Sensitivity analysis - equity risk

The sensitivity analysis for equity price risk illustrates how changes in the fair value of equity securities will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual equity issuer, or factors affecting all similar equity securities traded in the market.

Management monitors movements of financial assets and equity price risk movements by assessing the expected changes in the different portfolios due to parallel movements of a 10% increase or decrease in the Nigeria All share index with all other variables held constant and all the Company's equity instruments in that particular index moving proportionally.

As at 31 December 2019, the market value of quoted securities held by the Company is N10.3 Million (2018: N9.3 million). If the all share index of the NSE moves by 100 basis points at 31 December 2019, the effect on profit or loss would have been N1.02 million (2018: N4.3 million).

The Company holds a number of investments in unquoted securities with a market value of N512 million as at 31 December 2019 (2018: N456 million).

### v) Foreign exchange risk

The Company holds offshore investments and carries out cross-border business transactions, which exposes it to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets.

The Company does not deem this exposure as being significant and manages it through holding USD denominated bank accounts.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 3. Management of insurance and financial risk (continued)

At 31 December 2019, if the Nigeria Naira had weakened/strengthened by 10% against the US dollar with all other variables held constant, pre-tax profit for short term insurance for the year would have been Naira 5.3 billion (2018: Naira 270 million) higher/lower and pre-tax profit for long-term business for the year would have been Naira 6.4 billion (2018: Naira 1.364 million), mainly as a result of US dollar receivables and bank balances.

#### vi) Price risk

The Company is exposed to equity securities price risk because of investments in quoted securities classified either as available-for-sale or at fair value through profit or loss. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity and debt securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with limits set by the Company. All quoted shares held by the Company are traded on the Nigerian Stock Exchange (NSE).

At 31 December 2019, if the NSE Index had increased/decreased by 10 % with all other variables held constant and all the Company's equity instruments moved according to the historical correlation to the index, pre-tax profit for short term insurance for the year would have been Naira 44 million (2018: N44 million), higher/lower, and equity for long-term business would have been Naira Nil million (2018:Naira Nil)higher/lower.

#### c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet all cash outflow obligations as they come due. The Group mitigates this risk by monitoring cash activities and expected outflows. The Group's current liabilities arise as claims are made. The Group does not have material liabilities that can be called unexpectedly at the demand of a lender or client. It has no material commitments for capital expenditures and there is no need for such expenditures in the normal course of business. Claim payments are funded by current operating cash flow including investment income. Short-term investments are term deposits with an original maturity of less than one year. There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

The table below presents the discounted cash flows payable by the Company under financial and other liabilities by remaining contractual maturities at the balance sheet date.

**1-12 months  
N'000**

#### General insurance:

##### At 31 December 2019:

#### Liabilities

Insurance contract liabilities	2,801,929
Other payables	7,379,084
Loans and borrowings	<u>1,020,441</u>
<b>Total financial liabilities</b>	<b><u>11,201,454</u></b>

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	1-12 months N'000
<b>At 31 December 2018:</b>	
<b>Liabilities</b>	
Insurance contract liabilities	3,581,894
Other payables	5,604,912
Loans and Borrowings	486,906
<b>Total financial liabilities</b>	<b>9,673,712</b>

Experience shows that the short term insurance contract liabilities are settled over periods exceeding the brackets shown above.

	1-3 months N'000	3-12 months N'000	1-5 years N'000	Total N'000
<b>Life business:</b>				
<b>At 31 December 2019:</b>				
Insurance contract liabilities		-	-	-
Payable under investment contracts	9,116,440	-	-	9,116,440
Other payables	827,730	-	-	827,730
Loans and Borrowings	-	-	-	-
<b>Total financial liabilities</b>	<b>9,944,170</b>	<b>-</b>	<b>-</b>	<b>9,944,170</b>
<b>At 31 December 2018:</b>				
Insurance contract liabilities	5,515,758	-	-	5,515,758
Payable under investment contracts	8,626,085	-	-	8,626,085
Other payables	882,180	-	-	882,180
Loans and borrowings	-	-	-	-
<b>Total financial liabilities</b>	<b>15,024,023</b>	<b>-</b>	<b>-</b>	<b>15,024,023</b>

## INDUSTRIAL AND GENERAL INSURANCE PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### Liquidity risk

The following table shows amount expected to be recovered or settled after more than twelve months (non current) for each asset and liability line item and the amount expected to be recovered or settled not more than twelve months after the reporting date (current).

Group	2019			2018		
	Current N'000	Non current N'000	Total N'000	Current N'000	Non current N'000	Total N'000
<b>Assets</b>						
Cash and cash equivalents	2,094,063	-	2,094,063	1,477,089	-	1,477,089
Financial Assets	1,137,617	955,124	2,092,741	1,574,620	293,981	1,868,601
Trade receivables	725,192	-	725,192	512,354	-	512,354
Reinsurance Assets	3,857,653	-	3,857,653	3,533,301	-	3,533,301
Deferred acquisition costs	92,728	-	92,728	70,830	-	70,830
Loans and advances to customers	62,049	15,512	77,561	259,729	64,932	324,661
Other receivables and prepayments	569,076	-	569,076	403,249	-	403,249
Intangible assets	-	21,797	21,797	-	-	-
Deferred tax assets	-	-	-	-	-	-
Investment Property	-	24,991,815	24,991,815	-	21,431,642	21,431,642
Property plant and equipment	-	7,517,859	7,517,859	-	6,418,830	6,418,830
Statutory deposits	-	555,267	555,267	-	554,608	554,608
	<b>8,538,378</b>	<b>34,057,375</b>	<b>42,595,753</b>	<b>7,831,172</b>	<b>28,763,994</b>	<b>36,595,166</b>
Non current assets held for sale	-	6,307,411	6,307,411	-	4,093,324	4,093,324
Assets classified as discontinued operations	-	5,733,010	5,733,010	-	5,733,010	5,733,010
<b>Total assets</b>	<b>8,538,378</b>	<b>46,097,796</b>	<b>54,636,174</b>	<b>7,831,172</b>	<b>38,590,328</b>	<b>46,421,500</b>
<b>Liabilities</b>						
Insurance Contract Liabilities	4,693,668	5,736,706	10,430,374	4,581,750	5,599,916	10,181,666
Investment Contract Liabilities	-	9,559,606	9,559,606	3,340,962	6,529,640	9,870,602
Trade Payable	2,468,968	-	2,468,968	1,236,737	-	1,236,737
Loans and Borrowings	26,129	1,308,883	1,335,012	27,209	1,156,551	1,183,760
Other payables and accruals	8,127,303	-	8,127,303	7,174,316	-	7,174,316
Income tax payable	-	2,029,100	2,029,100	-	1,893,722	1,893,722
Deferred tax liabilities	-	2,147,965	2,147,965	-	1,568,211	1,568,211
Deposit for shares	-	1,331,735	1,331,735	-	1,221,804	1,221,804
	<b>15,316,069</b>	<b>22,113,994</b>	<b>37,430,063</b>	<b>16,360,974</b>	<b>17,969,844</b>	<b>34,330,818</b>
Liabilities classified as discontinued operations	-	5,733,010	5,733,010	-	5,733,010	5,733,010
<b>TB Total liabilities</b>	<b>15,316,069</b>	<b>27,847,004</b>	<b>43,163,073</b>	<b>16,360,974</b>	<b>23,702,854</b>	<b>40,063,828</b>
<b>Gap</b>	<b>(6,777,691)</b>	<b>18,250,792</b>	<b>11,473,101</b>	<b>(8,529,802)</b>	<b>14,887,474</b>	<b>6,357,672</b>

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### Liquidity risk

The following table shows amount expected to be recovered or settled after more than twelve months (non current) for each asset and liability line item and the amount expected to be recovered or settled not more than twelve months after the reporting date (current).

	2019			2018		
	Current N'000	Non current N'000	Total N'000	Current N'000	Non current N'000	Total N'000
<b>Company</b>						
<b>Assets</b>						
Cash and cash equivalents	180,390	-	180,390	146,369	-	146,369
Financial Assets	403,269	445,693	848,962	940,890	-	940,890
Trade receivables	-	-	-	-	-	-
Reinsurance Assets	3,204,590	-	3,204,590	3,053,282	-	3,053,282
Deferred acquisition costs	39,093	-	39,093	37,674	-	37,674
Other receivables and prepayments	364,791	-	364,791	155,509	-	155,509
Investment in Subsidiaries	-	3,389,783	3,389,783	-	3,333,919	3,333,919
Investment Property	-	24,869,411	24,869,411	-	17,753,486	17,753,486
Property plant and equipment	-	5,926,673	5,926,673	-	5,395,844	5,395,844
Statutory deposits	-	500,000	500,000	-	500,000	500,000
	<b>4,192,133</b>	<b>35,131,560</b>	<b>39,323,693</b>	<b>4,333,724</b>	<b>26,983,249</b>	<b>31,316,974</b>
Assets classified as discontinued operations	-	-	-	-	1	1
<b>Total Assets</b>	<b>4,192,133</b>	<b>35,131,560</b>	<b>39,323,693</b>	<b>4,333,724</b>	<b>26,983,250</b>	<b>31,316,975</b>
<b>Liabilities</b>						
Insurance contract liabilities	3,797,954	4,641,943	8,439,897	4,093,944	5,003,709	9,097,653
Investment contract liabilities	-	9,116,440	9,116,440	3,510,776	5,115,309	8,626,085
Trade payable	1,588,093	-	1,588,093	855,678	-	855,678
Loans and borrowings	811,523	208,918	1,020,441	481,407	5,499	486,906
Other payables and accruals	4,316,680	-	4,316,680	4,051,350	-	4,051,350
Income tax payable	-	1,643,148	1,643,148	-	1,539,140	1,539,140
Deferred tax liabilities	-	1,884,056	1,884,056	-	1,077,223	1,077,223
<b>TB total liabilities</b>	<b>10,514,250</b>	<b>17,494,505</b>	<b>28,008,755</b>	<b>12,993,155</b>	<b>12,740,880</b>	<b>25,734,035</b>
<b>Gap</b>	<b>(6,322,117)</b>	<b>17,637,055</b>	<b>11,314,938</b>	<b>(8,659,430)</b>	<b>14,242,370</b>	<b>5,582,940</b>

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 3. Management of insurance and financial risk (continued)

#### d) Strategic risk management

Strategic risks are those that arise from the fundamental decisions that directors take concerning an organization's objectives. Essentially, strategic risks are the risks of failing to achieve these business objectives.

The company's strategic risks are:

i) **Business risks** – risks that derive from the decisions that the Board takes about the creation of new products for future business developments for the company. They include risks associated with developing and marketing these products, economic risks affecting the products and risks arising from changes in the technological environment which impact on revenue generation.

ii) **Non-business risks** – risks that do not derive from the products developed for the business. For example, risks associated with the long-term sources of finance used.

Strategic risk levels link in with how the whole organization is positioned in relation to its environment and are not affected solely by what the directors decide. Competitor actions will affect risk levels in product markets and technological developments may mean that production processes, or products, quickly become out-of-date.

#### Responsibility for strategic risk management

Strategic risks are determined by Board decisions about the objectives and direction of the company. Board strategic planning and decision-making processes, therefore, must be thorough. It's important that directors establish a formal schedule of matters that are reserved for their decision.

These should include significant acquisitions and disposals of assets, investments, capital projects, and treasury policies. To take strategic decisions effectively, the Board needs sufficient information about how the business is performing, and about relevant aspects of the economic, commercial, and technological environments. To assess the variety of strategic risks the company faces, the board needs to have a breadth of vision; hence governance reports recommend that a Board be balanced in skills, knowledge, and experience.

However, even if the Board follows corporate governance best practices concerning the procedures for strategic decision making, this will not necessarily ensure that the directors make the correct decisions.

#### Managing strategic risks

Strategic risks are often risks that company may have to take in order to expand, and even to continue in the long term. For example, the risks connected with developing a new product may be very significant – the technology may be uncertain, and the competition facing the company may severely limit premium generation.

However, the alternative strategy may be to persist with products in mature markets, the marketing of which are static and ultimately likely to decline.

The company may accept other strategic risks in the short term, but take action to reduce or eliminate those risks over a longer timeframe.

#### e) Operational risk management

Operational risk is the risk of indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each department. This responsibility is supported by the development of overall Company standards for the management of operational risks in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorization of transactions;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- Requirements for the reporting of operational losses and proposed remedial action;
- Development of contingency plans;
- Training and professional development and
- Ethical and business standards.

### **f) Compliance risk management**

Compliance risk management is the current and prospective risk to earnings or capital arising from violations of, or non-conformity with, laws, rules, regulations, prescribed practices, internal policies, and procedures, or ethical standards. Compliance risk also arises in situations where the laws or rules governing certain Insurance products or activities of the Insurer's clients may be ambiguous or untested. This risk exposes the institution to fines, civil money penalties, payment of damages, and the voiding of contracts. Compliance risk can lead to diminished reputation, reduced franchise value, limited business opportunities, reduced expansion potential, and an inability to enforce contracts.

### **Quantity of Compliance Risk Indicators**

The following indicators are used when assessing the quantity of compliance risk.

#### **Low**

- Violations or noncompliance issues are insignificant, as measured by their number or seriousness.
- The institution has a good record of compliance. The Company has a strong control structure that has proven effective. Compliance management systems are sound and minimize the likelihood of excessive or serious future violations or non-compliance.

#### **Moderate**

- The frequency or severity of violations or non-compliance is reasonable.
- The company has a satisfactory record of compliance. Compliance management systems are adequate to avoid significant or frequent violations or non-compliance.

#### **High**

Violations or non-compliance expose the company to significant impairment of reputation, value, earnings, or business opportunity.

The company has an unsatisfactory record of compliance. Compliance management systems are deficient, reflecting an inadequate commitment to risk management.

### **Quality of Compliance Risk Management Indicators**

The following indicators are used when assessing the quality of compliance risk management.



# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### **Strong**

- Management fully understands all aspects of compliance risk and exhibits a clear commitment to compliance. The commitment is communicated throughout the institution.
- Authority and accountability for compliance are clearly defined and enforced.
- Management anticipates and responds well to changes of a market, technological, or regulatory nature.
- Compliance considerations are incorporated into product and system development and modification processes, including changes made by outside service providers or vendors.

When deficiencies are identified, management promptly implements meaningful corrective action.

- Appropriate controls and systems are implemented to identify compliance problems and assess performance.
- Training programs are effective, and the necessary resources have been provided to ensure compliance.
- Compliance management process and information systems are sound, and the company has a strong control culture that has proven effective.
- The company's privacy policies fully consider legal and litigation concerns.

### **Satisfactory**

- Management reasonably understands the key aspects of compliance risk. Its commitment to compliance is reasonable and satisfactorily communicated.
- Authority and accountability are defined, although some refinements may be needed.
- Management adequately responds to changes of a market, technological, or regulatory nature.
- While compliance may not be formally considered when developing products and systems, issues are typically addressed before they are fully implemented.
- Problems can be corrected in the normal course of business without a significant investment of money or management attention. Management is responsive when deficiencies are identified.

- No shortcomings of significance are evident in controls or systems. The probability of serious future violations or noncompliance is within acceptable tolerance.
- Management provides adequate resources and training given the complexity of products and operations.
- Compliance management processes and information systems are adequate to avoid significant or frequent violations or noncompliance.
- Company privacy policies adequately consider legal and litigation concerns.

### **Weak**

- Management does not understand, or has chosen to ignore, key aspects of compliance risk. The importance of compliance is not emphasized or communicated throughout the organization.
- Management has not established or enforced accountability for compliance performance.
- Management does not anticipate or take timely or appropriate actions in response to changes of a market, technological, or regulatory nature.
- Compliance considerations are not incorporated into product and system development.
- Errors are often not detected internally, corrective action is often ineffective, or Management is unresponsive.
- The likelihood of continued violations or noncompliance is high because a corrective action program does not exist, or extended time is needed to implement such a program.
- Management has not provided adequate resources or training.
- Compliance management processes and information systems are deficient.
- Company privacy policies are non-existent or do not consider legal and litigation concerns.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### **g) Capital management**

The Company's objectives when managing capital, which is a broader concept than the 'equity' on the balance sheets, are:

- to comply with the capital requirements as set out in the Insurance Act, CAP I17 LFN 2004 governing the organisation of insurance business in Nigeria and the related regulations (together "insurance regulations");
- to comply with regulatory solvency requirements as set out in the insurance regulations;
- to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to its policyholders; and
- to provide an adequate return to shareholders by pricing insurance and investment contracts commensurately with the level of risk.

The deficit in asset cover of N25.48 million (2018: Nil) in respect of general business and N13.61 million (2018: Nil) for Life business totalling N39.09 million (2018: Nil) recorded in Hypothecation under the Insurance and Investment Contracts Liabilities as at the reporting date arose as a result of the restrictions placed on investment of the policy holders funds by the Insurance Act 2003 and NAICOM regulations, as the Company has adequate assets to provide cover to the liabilities.

The Directors have commenced the process of restructuring the investment portfolio towards liquidity and admissibility of the Group and have obtained the permission of the NAICOM accordingly.

The Group's continued existence as a going concern is dependent on the following:

- the board approved a new investment policy that reduces the percentage of real estate holdings as well as private equity. Thus, sale placing some assets for sale;
- the company's major shareholders have agreed to dilution of their holding, thereby creation of additional 9.4 billion shares to be sold; and
- all non-related line of business to the company's core functions of "risk management" should be sold;

Insurance regulations require each insurance Company to hold the minimum level of paid up capital as follows:

- General insurance business companies 3 billion Naira; and
- Life insurance business companies 2 billion Naira

Composite insurance businesses are required to maintain a solvency margin (admitted assets less admitted liabilities) equivalent to the higher of 15% of net premium or the amount of Minimum Capital Base whichever is higher.

Capital adequacy and solvency margin are monitored regularly by the Board of Directors. The required information is filed with the NAICOM on a quarterly basis.

During the year the Company held the minimum paid up capital required for both general insurance and life businesses.

### **Minimum Capital Requirement**

Industrial and General Insurance Plc complied with the minimum capital requirement of N3 billion for general business. This is shown under Shareholders' fund in the statement of financial Position.

### **Solvency Margin**

Insurance industry regulator measures the financial strength of general business insurers using a solvency margin model, which NAICOM generally expects general business insurers to comply with this capital adequacy requirements.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Section 24 of the Insurance Act 2003 defines Solvency margin of a general business insurer as the difference between the admissible assets and liabilities and this shall not be less than 15% of Net premium income or the minimum capital base (N3billion) whichever is higher.

This test compares insurers' capital against the risk profile. The regulator indicated that insurers should produce a minimum solvency margin of 100%. The company had a solvency margin of N12.03 Billion (2018: N10.87 billion) and a (shortfall) of (N17.03) billion ((N15.87) billion) in its solvency margin for the year ended 31 December 2019. The regulator has the authority to request more extensive reporting and can place restriction on the Company's operations if the company falls below this requirement.

The table below summarises the solvency margin of the Company at 31 December 2019.

	<b>Total N'000</b>	<b>Admissible N'000</b>	<b>Inadmissible N'000</b>
<b>Admissible assets</b>			
Cash and cash equivalents	180,390	180,390	-
<b>Financial Assets:-</b>			
- At fair value through profit or loss	10,303	10,303	-
- Available for sale	511,852	511,852	-
- Loans and Receivables	326,807	326,807	-
Trade Receivables	-	-	-
Reinsurance assets	3,204,590	3,204,590	-
Deferred acquisition cost	39,093	39,093	-
Investment in subsidiaries	3,389,783	1,751,135	1,638,648
Investment properties	24,869,411	7,531,192	17,338,220
Statutory deposits with CBN	500,000	500,000	-
Other receivables and prepayments	364,791	-	364,791
Property, plant & equipment	5,926,673	-	5,926,673
	<b>39,323,693</b>	<b>14,055,362</b>	<b>25,268,331</b>
<b>Less: Admissible liabilities</b>			
Insurance contract liabilities	8,439,897	8,439,897	
Investment Contract Liabilities	9,116,440	9,116,440	
Trade payable	1,588,093	1,588,093	
Other payables and accruals	4,316,680	4,316,680	
income tax payable	1,643,148	1,643,148	
Deferred tax liabilities	1,884,056	-	1,884,056
Loans and Borrowings	1,020,441	1,020,441	
	<b>28,008,755</b>	<b>26,124,699</b>	<b>1,884,056</b>
<b>Solvency margin</b>		<b>(12,069,337)</b>	
<b>15% of Net Premium</b>	<b>104,920</b>		
<b>Minimum Capital Base</b>	<b>5,000,000</b>	<b>5,000,000</b>	
<b>Surplus in solvency margin</b>		<b>(17,069,337)</b>	
<b>Solvency ratio</b>		<b>(241)</b>	

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### Solvency Margin

Insurance industry regulator measures the financial strength of general business insurers using a solvency margin model, which NAICOM generally expects general business insurers to comply with this capital adequacy requirements.

Section 24 of the Insurance Act 2003 defines Solvency margin of a general business insurer as the difference between the admissible assets and liabilities and this shall not be less than 15% of Net premium income or the minimum capital base (N3 billion) whichever is higher.

This test compares insurers' capital against the risk profile. The regulator indicated that insurers should produce a minimum solvency margin of 100%. The company had a solvency margin of N10.875 billion (31 Dec 2017: N6.580 billion) and a shortfall of N15,875 billion (31 Dec 2017: N11.580 billion) in its solvency margin for the year ended 31 December 2018. The regulator has the authority to request more extensive reporting and can place restriction on the Company's operations if the company falls below this requirement.

The table below summarises the solvency margin of the Company at 31 December 2018.

	<b>Total N'000</b>	<b>Admissible N'000</b>	<b>Inadmissible N'000</b>
<b>Admissible assets</b>			
Cash and cash equivalents	146,369	114,301	32,068
Financial Assets -			
- At fair value through profit or loss	9,282	9,282	
- Available for sale	879,459	879,452	7
- Loans and Receivables	475,312	475,312	
Trade Receivables	-	-	-
Reinsurance assets	3,053,282	3,053,282	
Deferred acquisition cost	37,674	37,674	
Investment in subsidiaries	3,333,919	1,201,220	2,132,699
Investment properties	17,753,486	7,511,776	10,241,710
Statutory deposits with CBN	500,000	500,000	-
Other receiveables and prepayments	155,509	-	155,509
Property, plant & equipment	5,395,844	(0)	5,395,844
	<b>31,740,137</b>	<b>13,782,300</b>	<b>17,957,837</b>
<b>Less:</b>			
<b>Admissible liabilities</b>			
Insurance contract liabilities	9,097,653	9,097,653	
Investment Contract Liabilities	8,626,085	8,626,085	
Trade payable	855,678	855,678	
Other payables and accruals	4,051,350	4,051,350	
income tax payable	1,539,140	1,539,140	
Deferred tax liabilities	1,077,223	-	1,077,223
Loans and Borrowings	486,906	486,906	
	<b>25,734,035</b>	<b>24,656,812</b>	<b>1,077,223</b>
<b>Solvency margin</b>		<b>(10,874,512)</b>	
<b>15% of Net Premium</b>	<b>235,348</b>		
<b>Minimum Capital Base</b>	<b>5,000,000</b>	<b>5,000,000</b>	
<b>(Deficit)/surplus in solvency margin</b>		<b>(15,874,512)</b>	
<b>Solvency ratio</b>		<b>(217)</b>	

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### Solvency capital requirements

As an existing company, the capital requirement that Industrial and General Insurance Plc attained as at 31 December, 2019 (under the Finance Act 2021 – Part IX – Insurance Act) is as shown below:

	2019 N'000	2018 N'000
Share capital	7,115,619	7,115,619
Share premium	8,530,781	8,530,781
Statutory contingency reserve	3,852,082	2,884,130
Accumulated losses	<u>(14,164,667)</u>	<u>(18,406,310)</u>
<b>Excess of admissible assets over liabilities</b>	<b>5,333,815</b>	124,220
Less own shares	<u>-</u>	<u>-</u>
Subordinated liabilities approved by the Commission	<b>5,333,815</b>	124,220
Other instruments approved by the Commission	<u>-</u>	<u>-</u>
Capital Requirements	<u><b>5,333,815</b></u>	<u>124,220</u>

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### Enterprise-wide Risk Management Principles

The Group's business operations are largely diversified and spread across different geographical locations. This necessitates the need for proper identification, measurement, aggregation and effective management of risks and efficient utilisation of capital to derive an optimal risk and return ratio. To ensure effective integration over time into organization processes so that risk management not only protects value but creates value, the Group is guided by the following principles:

- The Group will not take any action that will compromise its integrity. It shall identify, measure, manage, control and report as practical as possible all risks.
- The Group will at all times comply with all government regulations and uphold international best practice.
- The Group will build and entrench an enduring risk culture, which shall pervade the entire organization.
- The Group will only accept the risk that fall within its risk acceptance criteria and have commensurate returns and continually review its activities to determine inherent risks level and adopt appropriate risk response at all times.
- The Group will make decision based on careful analysis of the implication of such risk to its strategic goals and operating environment.

### Enterprise-wide Risk Management Framework

This framework is developed to promote a strong risk management culture and integrate risk considerations into management and decision-making processes through a robust risk governance structure. It ensures that top risks are properly identified, analyzed and assessed, in a consistent manner across the organisation. We operate the 'three lines of defense model' for the oversight and management of risk to create and promote a culture that emphasizes effective management and adherence to operating controls as illustrated below:

### Risk Appetite

The Group's risk appetite is reviewed by the Board of Directors annually at a level that minimises erosion of earnings or capital due to avoidable losses or from frauds and operational inefficiencies. This reflects the conservative nature of IGI Group as far as risk taking is concerned.

The Group employs a range of quantitative indicators to monitor the risk profile. Specific limits have been set in line with the Group's risk appetite.

### Risk management Approach

The Group addresses the challenge of risks comprehensively through an Enterprise-wide risk management framework by applying leading practices that is supported by a robust governance structure consisting of board level and executive management committees. The Board drives the risk governance and compliance process through its committees. The audit committee provides oversight function on the system of internal control, financial reporting and compliance. The Board Risk Committee sets the risk philosophy, policies and strategies as well as provides guidance on the various risk element and their management. The management risk committee drives the management of the financial risks (Market, Liquidity and credit Risk), operational risks as well as strategic and reputational risks.

### Enterprise-wide Risk Management Principles

#### Risk management Approach (continued)

In addition, the Group manages its risk in a structured, systematic and transparent manner through a global risk policy which embeds comprehensive risk management processes into the organisational structure and risk measurement and monitoring activities. This structure ensures that the Group's overall risk exposure are within the parameters set by the Board.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The key features of the Group's risk management policy are:

- i. The Board of Directors provides overall risk management direction and oversight
- ii. The Group's risk appetite is approved by the Board of Directors.
- iii. Risk management is embedded in the Group as an intrinsic process and is core competency of all its employees.
- iv. The Group manages its credit, market, operational and liquidity risks in a co-ordinated manner within the organisation.
- v. The Group's risk management function is independent of the business divisions
- vi. The Group's internal audit function reports to the Board Audit committee and provides independent validation of the business units compliance with risks policies and procedures and the adequacy and effectiveness of the risk management framework on an enterprise-wide basis.

The Group continually modifies and enhances its risk management policies and systems to reflect changes in markets, products and international best practices. Training, individual responsibility and accountability, together with a disciplined and cautious culture of control, lie at the heart of the Group's management of risk.

The Board of Directors is committed to managing compliance with a robust compliance framework to enforce compliance with applicable laws, rules and standards issued by the industry regulators and other law enforcement agencies, market conventions, codes of practices promoted by industry associations and internal policies.

#### 4. SEGMENT INFORMATION-Group

Segment performance is evaluated based on profit or loss which in certain respects is measured differently from profit or loss in the consolidated financial statements. Group financing, including finance cost and income taxes are managed on group basis and are not allocated to individual operating segments.

No inter-segment transactions occurred in the year. if any transaction were to occur, transfer prices between operation segments are set on arm's length basis in manner similar to transaction's with third parties ,Segment income, expenses and results will then include those transfers between business segments which will then be eliminated on consolidation.

The Group comprises of 9 operating segments. These segments distribute their products through various forms of brokers, agencies and direct marketing consistent with the reports used by the Management Investment and Underwriting Committee. These segments and their programs. Management identifies its reportable operating segments by product line respective operations are as follows:

**Insurance:** The insurance aspect of the group is made up of six operating segments based on geographical locations and broadly classified as short term (Non life) and long term (life) insurance businesses.

**Non-Life:** This segments covers the protection of customers's assets (particularly their properties, both for personal and commercial business) and indemnification of other parties that have suffered damage as a result of customers' accidents. All contracts in this segment are short-term in nature. Revenue in this segment is derived primarily from insurance premium, investment income, net realized gains on financial assets, and net fair value gains on financial assets at fair value through profit or loss.

**Life:** This segment covers the protection of the Group's customer against the risk of premature death, disability, critical illness and other accidents. Revenue from this segment is derived primarily

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

from insurance premium, investment income, net realized gains on financial assets and net fair value gains on financial assets at fair value through profit and loss.

**Banking:** This segment is engaged in the business of banking and provision of related services.

**Telecommunications:** services in this segment include Fixed Wireless and Wire line, Private Network link, Internet Services, Paging and voicemail Services, Public Payphones Services, Prepaid Calling Cards, Cabling, Sales and individual needs.

**Registrars:** This segment carries on the business of share registration and act as Company Registrar.

**Health Management Services:** The principal activity of this segment is the provision of healthcare maintenance, management, advisory, administrative and logistics support services.



# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

4a SEGMENT INFORMATION-Group		STATEMENT OF FINANCIAL POSITION								
		IGI Plc Nigeria N'000	Global Trust Savings & Loans Ltd Nigeria N'000	All Crown Registrars Nigeria N'000	Int'l Health Mgt. Serv Ltd Nigeria N'000	NIC Holdings Ltd Uganda N'000	IGI Gamstar Ins. Company Gambia N'000	Monarch Communicati ons Limited Nigeria N'000	Elimination adjustment N'000	Total N'000
31 December 2019	Note									
<b>Assets</b>										
Cash and cash equivalents	5.	180,390	274,243	63,114	821,115	574,619	173,745	6,837	-	2,094,063
<b>Financial Assets:</b>										
At fair value through profit or loss	6.1	10,303	-	-	-	231,719	-	-	-	242,022
Available for sale	6.2	511,852	-	-	-	463,529	-	-	4	975,385
Held to maturity	6.3.	-	-	-	-	409,414	100,017	-	-	509,431
Loans and receivables	6.4.	326,807	-	-	9,249	27,454	1,338	-	1,055	365,903
Trade receivables	7.	-	-	600	32,970	596,178	6,486	-	88,958	725,192
Reinsurance assets	8.	3,204,590	-	-	-	622,943	30,119	-	(4,791)	3,852,861
Deferred acquisition costs	9.	39,093	-	-	-	53,633	-	-	2	92,728
Loans and advances to customers	10.	-	567,329	-	-	-	-	-	(489,768)	77,561
Other receivables and prepayments	12.	364,791	11,881	5,170	-	164,352	10,592	-	12,291	569,077
Investment in subsidiaries	14.	3,389,783	-	-	-	-	-	-	(3,389,783)	-
Intangible ssets	15.	-	-	-	-	21,216	-	-	581	21,797
Deferred tax assets	48.4.	-	-	-	-	-	-	-	-	-
Investment properties	16.	24,869,411	-	115,000	-	1,951,162	-	-	(1,943,768)	24,991,805
Property plant and equipment	17.	5,926,673	7,717	206	346,370	664,569	291,069	16,500	264,756	7,517,860
Statutory deposits	18.	500,000	-	-	-	76,819	-	-	(21,552)	555,267
		<b>39,323,693</b>	<b>861,170</b>	<b>184,090</b>	<b>1,209,704</b>	<b>5,857,607</b>	<b>613,366</b>	<b>23,337</b>	<b>(5,482,015)</b>	<b>42,590,952</b>
Non-current assets held for sale	11.	-	3,122,483	-	-	3,558,893	-	-	(373,965)	6,307,411
Assets classified as discontinued operations	57.	-	-	-	-	-	-	-	5,733,010	5,733,010
<b>Total assets</b>		<b>39,323,693</b>	<b>3,983,653</b>	<b>184,090</b>	<b>1,209,704</b>	<b>9,416,500</b>	<b>613,366</b>	<b>23,337</b>	<b>(122,970)</b>	<b>54,631,373</b>
<b>Equity</b>										
Ordinary share capital	19.2	7,115,619	(1,100,000)	(168,556)	(449,194)	(701,762)	(141,390)	(1,000,000)	3,560,902	7,115,619
Share premium	19.3	8,530,781	(1,000,000)	-	(7,768)	(357,564)	-	-	1,365,332	8,530,781
Assets revaluation reserve	20.	5,858,891	-	-	(88,667)	(16,534)	(260,711)	-	763,778	6,256,757
Fairvalue reserve	21.	122,231	-	-	-	(22,221)	-	-	36,802	136,812
Contingency reserve	22.	3,852,082	-	-	-	(484,635)	(52,795)	-	894,066	4,208,718
Loss sustained	23.	(14,164,667)	269,218	(1,929)	(1,208)	1,603,175	(174,768)	(4,838,469)	2,603,422	(14,705,226)
Capital reserve	24.	-	-	-	-	209,198	-	-	(74,962)	134,236
Foreign exchange reserve	25.	-	-	-	-	(22,366)	2,413	-	(2,318,732)	(2,338,685)
Statutory(regulatory) reserve	26.	-	165,782	-	-	-	-	-	16,825	182,607
<b>Shareholder's fund</b>		<b>11,314,937</b>	<b>(1,665,000)</b>	<b>(170,485)</b>	<b>(546,837)</b>	<b>207,291</b>	<b>(627,251)</b>	<b>(5,838,469)</b>	<b>6,847,433</b>	<b>9,521,619</b>
Non-controlling interests	27.	-	(568)	293	2,496	(86,342)	11,258	-	(112,039)	(184,902)
<b>Total equity</b>		<b>11,314,937</b>	<b>(1,665,568)</b>	<b>(170,192)</b>	<b>(544,341)</b>	<b>120,949</b>	<b>(615,993)</b>	<b>(5,838,469)</b>	<b>6,735,394</b>	<b>9,336,717</b>

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

### 4a SEGMENT INFORMATION-Group

4a SEGMENT INFORMATION-Group		STATEMENT OF FINANCIAL POSITION								
		IGI Plc	Global Trust	All Crown	Int'l Health	NIC	IGI Gamstar	Monarch	Elimination	
31 December 2019		Nigeria	Savings &	Registrars	Mgt. Serv Ltd	Holdings	Ins.	Communicati	adjustment	Total
	Note	N'000	Loans Ltd	Nigeria	Nigeria	Ltd	Company	ons Limited	N'000	N'000
			Nigeria	Nigeria	Nigeria	Uganda	Gambia	Nigeria		
			N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Liabilities										
Insurance contract liabilities	28.	8,439,897	-	-	393,722	1,481,369	115,385	-	1	10,430,374
Investment contract liabilities	29.	9,116,440	-	-	-	876,135	-	-	(432,969)	9,559,606
Trade payables	30.	1,588,093	-	-	-	691,571	18,837	-	170,469	2,468,970
Loans and borrowings	31.	1,020,441	167,628	-	-	-	-	932,336	(785,393)	1,335,012
Other payables and accruals	32.	4,316,680	1,022,550	15,652	269,065	2,247,201	63,184	1,791,194	(1,598,223)	8,127,303
Income tax payable	48.2	1,643,148	-	-	-	-	-	-	385,952	2,029,100
Deferred tax liabilities	48.4.	1,884,056	-	-	-	1,541,270	-	-	(1,277,362)	2,147,964
Deposit for shares	33.	-	-	-	-	-	109,931	1,138,275	83,529	1,331,735
		28,008,755	1,190,178	15,652	662,787	6,837,546	307,337	3,861,805	(3,453,996)	37,430,064
Liabilities classified as discontinued operations	57.	-	-	-	-	2,801	6,031	-	5,724,178	5,733,010
Total liabilities		28,008,755	1,190,178	15,652	662,787	6,840,347	313,368	3,861,805	2,270,182	43,163,074
Total equity and liabilities		39,323,692	(475,390)	(154,540)	118,446	6,961,296	(302,625)	(1,976,664)	9,005,576	52,499,791

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 4.b. SEGMENT INFORMATION-Group

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

31 December 2019	Note	IGI Plc Nigeria N'000	Global Trust Savings & Loans Ltd Nigeria N'000	All Crown Registrars Nigeria N'000	Int'l Health Mgt. Serv Ltd Nigeria N'000	NIC Holdings Ltd Uganda N'000	IGI Gamstar Ins. Company Gambia N'000	Monarch Communicati ons Limited Nigeria N'000	Elimination adjustment N'000	Total N'000
<b>Gross premium written</b>	34.	<b>762,516</b>	-	-	1,053,129	1,725,002	261,811	-	-	<b>3,802,458</b>
Changes in unearned premium	34.	24,128	-	-	616,539	(16,453)	-	-	(1)	<b>624,213</b>
<b>Gross premium income</b>		<b>786,644</b>	-	-	1,669,668	1,708,549	261,811	-	(1)	<b>4,426,671</b>
Reinsurance costs	35.	(87,177)	-	-	-	(793,108)	(101,138)	-	2,423	<b>(979,000)</b>
<b>Net premium income</b>		<b>699,467</b>	-	-	1,669,668	915,441	160,673	-	2,422	<b>3,447,671</b>
Fees and commission income	36.	22,910	-	-	-	159,212	52,881	-	10,202	<b>245,205</b>
<b>Net underwriting income</b>		<b>722,377</b>	-	-	<b>1,669,668</b>	<b>1,074,653</b>	<b>213,554</b>	-	<b>12,624</b>	<b>3,692,876</b>
Claims expenses (Gross)	37.	(266,794)	-	-	(537,318)	(202,669)	(36,429)	-	(48,780)	<b>(1,091,990)</b>
Changes in claims recoveries	37.	253,356	-	-	-	29,353	-	-	4,027	<b>286,736</b>
<b>Net claims incurred</b>		<b>(13,438)</b>	-	-	(537,318)	(173,316)	(36,429)	-	(44,753)	<b>(805,254)</b>
Underwriting expenses	38.	(1,379,757)	(15,525)	(277)	(824,013)	(463,218)	(39,466)	-	(71,152)	<b>(2,793,408)</b>
Changes in contract liabilities	39.	(1,580)	-	-	-	(103,498)	-	-	(70,639)	<b>(175,717)</b>
<b>Underwriting (loss)/profit</b>		<b>(672,398)</b>	(15,525)	(277)	308,337	334,621	137,659	-	(173,920)	<b>(81,503)</b>
Investments incomes	40.	307,417	23,247	7,709	4,877	307,374	18,426	-	(68,364)	<b>600,686</b>
Profit/(loss) on disposal of Investment properties		47,947	-	-	-	56,118	-	-	-	<b>104,065</b>
Net interest income	41.2	405	18,815	-	-	-	-	-	(6,372)	<b>12,848</b>
Profit on disposal of properties, plant & equipment	49.3	460	-	-	-	510	447	-	(3,946)	<b>(2,529)</b>
Other operating incomes	42.	15,992	5,985	622	4,160	82,387	8,138	-	(958)	<b>116,326</b>
Loss on investment contract	43.	(238,493)	-	-	-	(53,521)	-	-	(134,575)	<b>(426,589)</b>
Fair value gain/(loss) through profit or loss	44.	7,479,046	-	-	-	113,309	-	-	55,449	<b>7,647,804</b>
Impairment charge	45.	(116,798)	(1,763)	-	-	(106,618)	-	-	303,779	<b>78,600</b>
Management and administrative expenses	46.	(791,264)	(92,039)	(6,591)	(290,121)	(937,035)	(122,564)	-	998	<b>(2,238,616)</b>
<b>Net operating (loss)/income</b>		<b>6,032,314</b>	(61,280)	1,463	27,253	(202,855)	42,106	-	(27,909)	<b>5,811,092</b>
Finance costs	47.	(6,372)	-	-	-	(13,040)	-	-	6,372	<b>(13,040)</b>
<b>Profit/(loss) before income tax</b>		<b>6,025,942</b>	(61,280)	1,463	27,253	(215,895)	42,106	-	(21,537)	<b>5,798,052</b>
Income tax expense	48.1	(816,347)	(2,632)	-	-	(17,233)	(11,506)	-	235,584	<b>(612,134)</b>
<b>Profit/(loss) from continuing operations</b>		<b>5,209,595</b>	(63,912)	1,463	27,253	(233,128)	30,600	-	214,047	<b>5,185,918</b>

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 4c SEGMENT INFORMATION-Group

		STATEMENT OF FINANCIAL POSITION								
		Global Trust	Int'l Health	IGI Gamstar	Monarch					
		Savings &	All Crown	Ins.	Communicati	Elimination				
		Loans Ltd	Registrars	Mgt. Serv	NIC Holdings	Company	ons Limited	adjustment	Total	
		Nigeria	Nigeria	Ltd	Ltd	Gambia	Nigeria			
		N'000	N'000	N'000	Uganda	N'000	N'000	N'000	N'000	
		Note			N'000					
31 December 2018										
Assets										
Cash and cash equivalents	5.	146,369	429,952	66,799	508,002	171,406	147,723	6,837	-	1,477,088
Financial Assets:										
At fair value through profit or loss	6.1	9,282	-	-	-	279,667	-	-	-	288,949
Available for sale	6.2	879,459	-	-	-	334,344	-	-	6	1,213,809
Held to maturity	6.3.	-	-	-	-	293,981	-	-	-	293,981
Loans and receivables	6.4.	475,312	-	-	2,757	15,785	945	-	231	495,030
Trade receivables	7.	-	-	3,071	1,414	508,768	-	-	(899)	512,354
Reinsurance assets	8.	3,053,282	-	-	-	394,661	85,358	-	-	3,533,301
Deferred acquisition costs	9.	37,674	-	-	-	33,155	-	-	1	70,830
Loans and advances to customers	10.	-	324,893	-	-	-	-	-	(232)	324,661
Other receivables and prepayments	12.	155,509	8,880	-	1,964	166,302	4,439	-	66,155	403,249
Investment in subsidiaries	14.	3,333,919	-	-	-	-	-	-	(3,333,919)	-
Intangible ssets	15.	-	-	-	-	-	-	-	-	-
Deferred tax assets	48.4.	-	-	-	-	-	-	-	-	-
Investment properties	16.	17,753,486	-	115,000	-	3,563,146	-	-	-	21,431,632
Property plant and equipment	17.	5,395,844	7,703	292	357,748	417,708	223,034	16,500	1	6,418,830
Statutory deposits	18.	500,000	-	-	-	54,608	-	-	-	554,608
		31,740,137	771,428	185,162	871,885	6,233,531	461,499	23,337	(3,268,656)	37,018,323
Non-current assets held for sale	11.	-	3,142,359	-	-	950,965	-	-	-	4,093,324
Assets classified as discontinued operations	57.	1	-	-	-	-	-	-	5,733,010	5,733,011
Total assets		31,740,138	3,913,787	185,162	871,885	7,184,496	461,499	23,337	2,464,354	46,844,658
Equity										
Ordinary share capital	19.2	7,115,619	1,100,000	168,556	449,194	503,687	107,433	1,000,000	(3,328,870)	7,115,619
Share premium	19.3	8,530,781	1,000,000	-	7,768	256,641	-	-	(1,264,409)	8,530,781
Assets revaluation reserve	20.	5,392,050	-	-	95,377	-	198,096	-	(934)	5,684,589
Fairvalue reserve	21.	489,839	-	-	-	131,553	-	-	(12,601)	608,791
Contingency reserve	22.	2,884,130	-	-	-	344,717	22,752	-	(67,003)	3,184,596
Loss sustained	23.	(18,406,310)	312,783	(15,317)	171,540	1,266,358	97,928	(4,838,771)	3,429,682	(17,982,107)
Capital reserve	24.	-	-	-	-	150,151	-	-	(15,915)	134,236
Foreign exchange reserve	25.	-	-	-	-	(41,003)	(165,018)	-	(350,006)	(556,027)
Statutory(regulatory) reserve	26.	-	184,956	-	-	-	-	-	(2,349)	182,607
		6,006,109	2,597,739	153,239	723,879	2,612,104	261,191	(3,838,771)	(1,612,405)	6,903,085
Shareholder's fund										
Non-controlling interests	27.	-	604	350	(17,807)	(27,191)	(124,315)	302	45,801	(122,256)
Total equity		6,006,109	2,598,343	153,589	706,072	2,584,913	136,876	(3,838,469)	(1,566,604)	6,780,829

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

		STATEMENT OF FINANCIAL POSITION							
		Global Trust		Int'l Health		IGI Gamstar	Monarch		
		Savings &	All Crown	Mgt. Serv	NIC Holdings	Ins.	Communicati	Elimination	Total
		Loans Ltd	Registrars	Ltd	Ltd	Company	ons Limited	adjustment	
31 December 2018	Note	IGI Plc Nigeria N'000	Nigeria N'000	Nigeria N'000	Nigeria N'000	Uganda N'000	Gambia N'000	Nigeria N'000	N'000
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>Liabilities</b>									
Insurance contract liabilities	28.	9,097,653	-	-	70,872	908,550	104,591	-	-
Investment contract liabilities	29.	8,626,085	-	-	-	1,244,517	-	-	-
Trade payables	30.	855,678	-	-	-	377,324	3,737	-	(3)
Loans and borrowings	31.	486,906	218,715	-	-	-	-	932,336	(454,197)
Other payables and accruals	32.	4,051,350	839,935	30,055	89,718	1,465,666	70,284	1,791,194	(1,163,886)
Income tax payable	48.2	1,539,140	256,794	1,517	5,223	83,848	62,481	-	(55,281)
Deferred tax liabilities	48.4.	1,077,223	-	-	-	519,679	-	-	(28,691)
Deposit for shares	33.	-	-	-	-	-	83,529	-	1,138,275
		<b>25,734,035</b>	<b>1,315,444</b>	<b>31,572</b>	<b>165,813</b>	<b>4,599,584</b>	<b>324,622</b>	<b>2,723,530</b>	<b>(563,783)</b>
Assets classified as discontinued operations	57.	-	-	-	-	-	-	-	5,733,010
<b>Total liabilities</b>		<b>25,734,035</b>	<b>1,315,444</b>	<b>31,572</b>	<b>165,813</b>	<b>4,599,584</b>	<b>324,622</b>	<b>2,723,530</b>	<b>5,169,227</b>
<b>Total equity and liabilities</b>		<b>31,740,144</b>	<b>3,913,787</b>	<b>185,161</b>	<b>871,885</b>	<b>7,184,497</b>	<b>461,498</b>	<b>(1,114,939)</b>	<b>46,844,656</b>

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 4d SEGMENT INFORMATION-Group

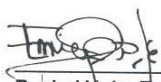
		STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME							
		Global Trust	Int'l Health	NIC	IGI Gamstar	Monarch	Elimination		
		Savings & Loans Ltd	All Crown Registrars	Mgt. Serv Ltd	Holdings Ltd	Ins. Company	Communications Limited	adjustment	Total
		Nigeria	Nigeria	Nigeria	Uganda	Gambia	Nigeria		
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
31 December 2018	Note								
<b>Gross premium written</b>	<b>34.</b>	<b>1,397,464</b>	-	-	<b>1,009,664</b>	<b>1,704,534</b>	<b>245,317</b>	-	<b>4,356,979</b>
Changes in unearned premium	34.	344,912	-	-	323,810	(54,963)	-	-	613,759
<b>Gross Premium Income</b>		<b>1,742,376</b>	-	-	<b>1,333,474</b>	<b>1,649,571</b>	<b>245,317</b>	-	<b>4,970,738</b>
Reinsurance costs	35.	(173,392)	-	-	-	(616,513)	(166,412)	-	(956,317)
<b>Net Premium Income</b>		<b>1,568,984</b>	-	-	<b>1,333,474</b>	<b>1,033,058</b>	<b>78,905</b>	-	<b>4,014,421</b>
Fees and commission income	36.	80,644	-	-	-	126,937	101,893	(3)	309,471
<b>Net underwriting income</b>		<b>1,649,628</b>	-	-	<b>1,333,474</b>	<b>1,159,995</b>	<b>180,798</b>	-	<b>4,323,892</b>
Claims expenses (Gross)	37.	(178,495)	-	-	(351,299)	(205,554)	(102,766)	-	(838,115)
Changes in claims recoveries	37.	(180,155)	-	-	-	61,368	65,471	-	(53,316)
<b>Net claims incurred</b>		<b>(358,650)</b>	-	-	<b>(351,299)</b>	<b>(144,186)</b>	<b>(37,295)</b>	-	<b>(891,431)</b>
Underwriting expenses	38.	(937,418)	-	-	(828,648)	(1,117,020)	(27,500)	-	(2,910,587)
Changes in contract liabilities	39.	(131,924)	-	-	-	(1,590)	-	-	(133,514)
<b>Underwriting profit</b>		<b>221,636</b>	-	-	<b>153,527</b>	<b>(102,801)</b>	<b>116,003</b>	-	<b>388,360</b>
Investments incomes	40.	164,531	29,559	8,218	8,790	211,675	13,480	-	409,016
Profit/(loss) on disposal of Investment properties		(5,000)	-	-	-	27,265	-	8,322	30,587
Net interest income	41.	113,154	160,971	-	-	-	-	(139,340)	134,785
Profit/(loss) on disposal of properties, plant & equipment	49.3	16,186	(8,984)	-	(130,060)	-	-	2,626	(120,232)
Other operating incomes	42.	22,443	14,954	653	1,566	47,007	6,333	(2,784)	90,172
Loss on investment contract	43.	303,787	-	-	-	(44,188)	-	-	259,599
Fair value gain/(loss) through Profit or loss	44.	429,344	-	-	-	(3,904)	-	-	425,440
Impairment charge	45.	(5,433)	(1,027)	-	-	(10,710)	(4,080)	-	(21,250)
Management and administrative expenses	46.	(1,250,613)	(111,062)	(7,118)	(146,763)	(105,647)	(158,358)	-	(1,779,565)
<b>Net operating (loss)/income</b>		<b>10,035</b>	<b>84,411</b>	<b>1,753</b>	<b>(112,940)</b>	<b>18,697</b>	<b>(26,622)</b>	-	<b>(183,088)</b>
Finance costs	47.	(183,342)	-	-	(2,986)	-	(2,801)	-	(49,789)
<b>(Loss)/profit before income tax</b>		<b>(173,307)</b>	<b>84,411</b>	<b>1,753</b>	<b>(115,926)</b>	<b>18,697</b>	<b>(29,423)</b>	-	<b>(232,877)</b>
Income tax expense	48.1	(185,609)	(16,434)	-	(5,223)	(26,755)	(13,790)	2	(247,809)
<b>(Loss)/profit from continuing operations</b>		<b>(358,916)</b>	<b>67,977</b>	<b>1,753</b>	<b>(121,149)</b>	<b>(8,058)</b>	<b>(43,213)</b>	-	<b>(480,686)</b>

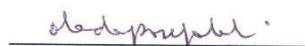
# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### COMPANY STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2019

	Notes	Life Business 2019 N'000	General Business 2019 N'000	Intra company adjustment N'000	Total N'000	2018 N'000
<b>Assets</b>						
Cash and cash equivalents	5.	71,073	109,317	-	180,390	146,369
<b>Financial Assets:</b>						
- At Fair value through Profit or Loss	6.1	7,007	3,296	-	10,303	9,282
- Available for sale	6.2	37,647	474,205	-	511,852	879,459
- Loans and Receivables	6.4.	320,076	6,731	-	326,807	475,312
Trade receivables	7.	-	-	-	-	-
Reinsurance Assets	8.	1,568,630	1,635,960	-	3,204,590	3,053,282
Deferred acquisition costs	9.	13,614	25,479	-	39,093	37,674
Other receivables and Prepayments	12.	609,811	(237,603)	(7,417)	364,791	155,509
Investment in Subsidiaries	14.	3,127,398	262,385	-	3,389,783	3,333,919
Investment Properties	16.	11,727,867	13,141,544	-	24,869,411	17,753,486
Property plant and equipment	17.	3,376,803	2,549,870	-	5,926,673	5,395,844
Statutory deposits	18.	200,000	300,000	-	500,000	500,000
<b>Total assets</b>		<b>21,059,926</b>	<b>18,271,184</b>	<b>(7,417)</b>	<b>39,323,693</b>	<b>31,740,136</b>
<b>Liabilities</b>						
Insurance Contract Liabilities	28.	5,637,968	2,801,929	-	8,439,897	9,097,653
Investment Contract Liabilities	29.	9,116,440	-	-	9,116,440	8,626,085
Trade payables	30.	725,986	862,107	-	1,588,093	855,678
Loans and Borrowings	31.	-	1,020,441	-	1,020,441	486,906
Other payables and Accruals	32.	101,744	4,222,353	(7,417)	4,316,680	4,051,350
Income tax payable	48.2	401,378	1,241,770	-	1,643,148	1,539,140
Deferred tax liabilities	48.4.	831,202	1,052,854	-	1,884,056	1,077,223
<b>Total Liabilities</b>		<b>16,814,718</b>	<b>11,201,454</b>	<b>(7,417)</b>	<b>28,008,755</b>	<b>25,734,035</b>
<b>Net assets</b>		<b>4,245,208</b>	<b>7,069,730</b>	<b>-</b>	<b>11,314,938</b>	<b>6,006,101</b>
<b>Equity</b>						
Share capital	19.2	2,650,806	4,464,813	-	7,115,619	7,115,619
Share premium	19.3	3,871,731	4,659,050	-	8,530,781	8,530,781
Assets revaluation reserve	20.	4,397,622	1,461,269	-	5,858,891	5,392,050
Fair value reserve	21.	(129,708)	251,939	-	122,231	489,839
Contingency reserve	22.	546,329	3,305,753	-	3,852,082	2,884,130
Loss sustained	23.	(7,091,572)	(7,073,095)	-	(14,164,667)	(18,406,310)
		<b>4,245,208</b>	<b>7,069,729</b>	<b>-</b>	<b>11,314,937</b>	<b>6,006,109</b>
		-	-	1	1	8

  
**Rachel Yoke Emenike**  
 Managing Director  
 FRC/2015/CIIN/00000013299

  
**Professor Oladapo Afolabi**  
 Director  
 FRC/2017/IPAN/00000015950

  
**Tolu Delano**  
 Chief Finance Officer  
 FRC/2019/ANAN/00000019788

# INDUSTRIAL AND GENERAL INSURANCE PLC

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	General Business	Life Business	2019	2018
<b>Continuing operations</b>					
<b>Gross premium written</b>	34.	<b>478,211</b>	<b>284,305.00</b>	<b>762,516</b>	1,397,464
Changes in unearned premium	34.	<u>124,202</u>	<u>(100,074)</u>	<u>24,128</u>	344,912
<b>Gross Premium Income</b>		<b>602,413</b>	<b>184,231</b>	<b>786,644</b>	1,742,376
Reinsurance costs	35.	<u>(101,093)</u>	13,916	<u>(87,177)</u>	(173,392)
<b>Net Premium Income</b>		<b>501,320</b>	<b>198,147</b>	<b>699,467</b>	1,568,984
Fees and commission income	36.	<u>11,052</u>	<u>11,858</u>	<u>22,910</u>	80,644
<b>Net underwriting income</b>		<b>512,372</b>	<b>210,005</b>	<b>722,377</b>	1,649,628
Claims expenses (Gross)	37.	<b>62,318</b>	<b>(329,112)</b>	<b>(266,794)</b>	(178,495)
Changes in claims recoveries	37.	<u>147,976</u>	<u>105,380</u>	<u>253,356</u>	(180,155)
<b>Net claims incurred</b>		<b>210,294</b>	<b>(223,732)</b>	<b>(13,438)</b>	(358,650)
Underwriting expenses	38.	<u>(977,333)</u>	(402,424)	<u>(1,379,757)</u>	(937,418)
Changes in contract liabilities	39.		<u>(1,580)</u>	<u>(1,580)</u>	(131,924)
<b>Underwriting profit/(loss)</b>		<b>(254,667)</b>	<b>(417,731)</b>	<b>(672,398)</b>	221,636
Investments incomes	40.	<b>183,476</b>	123,940	<b>307,416</b>	164,531
Profit/(loss) on disposal of Investment properties		<b>47,947</b>		<b>47,947</b>	(5,000)
Net interest income	41.	<b>405</b>		<b>405</b>	113,154
(Gain)/loss on disposal of PPE		460	-	<b>460</b>	-
Other operating incomes	42.	<b>15,991.88</b>	-	<b>15,992</b>	22,443
(Loss)/gain on investment contract	43.		(238,493)	<b>(238,493)</b>	303,787
Fair value gain/(loss) through Profit or loss	44.	<b>6,258,537</b>	1,220,509	<b>7,479,046</b>	429,344
Impairment charge	45.	<b>42,537</b>	(159,335)	<b>(116,798)</b>	(5,433)
Management and administrative expenses	46.	<u>(746,811)</u>	<u>(44,453)</u>	<u>(791,264)</u>	(1,250,613)
<b>Net operating profit</b>		<b>5,547,876</b>	<b>484,437</b>	<b>6,032,312</b>	(6,151)
Finance costs	47.	<u>(6,372)</u>		<u>(6,372)</u>	(183,342)
<b>Profit before income tax</b>		<b>5,541,504</b>	<b>484,437</b>	<b>6,025,940</b>	(189,493)
Income tax expense	48.1	<u>(754,844)</u>	(61,503)	<u>(816,347)</u>	(185,609)
<b>Profit/(loss) from continuing operations</b>		<b>4,786,660</b>	<b>422,933</b>	<b>5,209,593</b>	(375,102)
<b>Attributable to:</b>					
Equity shareholders		<b>4,786,660</b>	<b>422,933</b>	<b>5,209,593</b>	(375,102)
Non-controlling interests	27.	<u>-</u>	<u>-</u>	<u>-</u>	-
		<b>4,786,660</b>	<b>422,933</b>	<b>5,209,593</b>	(375,102)



# INDUSTRIAL AND GENERAL INSURANCE PLC

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	General Business	Life Business	2019	2018
<b>Other Comprehensive income/(loss):</b>				<b>5,209,595</b>	
<b>Items that may be reclassified subsequently to profit or loss:</b>					
Fairvalue gain on available for sale assets	21 & 22	(319,604)	(48,003)	(367,607)	423,163
Exchange differences on translating foreign operations	21 & 22	-	-	-	-
Income tax relating to item that may be reclassified subsequently to profit or loss		-	-	-	-
<b>Items that will not be reclassified subsequently to profit or loss:</b>					
Actuarial surplus/transfer from life fund	22 & 23	-	-	-	-
Fairvalue gain on property, plant and equipment	20 & 22	117,440	443,875	561,315	477,536
Income tax relating to item that will not be reclassified subsequently to profit or loss		(11,744)	(82,749)	(94,493)	(47,765)
Other comprehensive income/(loss) for the year, net of tax		(213,908)	313,123	99,215	852,934
<b>Total comprehensive income/(loss) for the year</b>		<b>4,572,752</b>	<b>736,056</b>	<b>5,308,808</b>	<b>477,832</b>
<b>Attributable to:</b>					
Equity shareholders		4,572,752	736,056	5,308,808	477,832
Non-controlling interests	27.	-	-	-	-
		<b>4,572,752</b>	<b>736,056</b>	<b>5,308,808</b>	<b>477,832</b>

## INDUSTRIAL AND GENERAL INSURANCE PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 4.2 SEGMENT INFORMATION - Company

#### REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019

	Fire N'000	General Accident N'000	Motor N'000	Marine & Aviation N'000	Agric N'000	Engineering N'000	Oil & Energy N'000	General Business N'000	Life Business N'000	2019 N'000
<b>4.3 Income</b>										
Direct premium	58,561	71,215	219,261	17,197	89,564	13,960	8,453	478,211	284,305	762,516
Inward reinsurance premium	-	-	-	-	-	-	-	-	-	-
<b>Gross premium written</b>	<b>58,561</b>	<b>71,215</b>	<b>219,261</b>	<b>17,197</b>	<b>89,564</b>	<b>13,960</b>	<b>8,453</b>	<b>478,211</b>	<b>284,305</b>	<b>762,516</b>
Changes in unearned premium	32,664	(7,212)	45,145	9,271	11,210	29,859	3,265	124,202	(100,074)	24,128
<b>Gross Premium Earned</b>	<b>91,225</b>	<b>64,003</b>	<b>264,406</b>	<b>26,468</b>	<b>100,774</b>	<b>43,819</b>	<b>11,718</b>	<b>602,413</b>	<b>184,231</b>	<b>786,644</b>
<b>Deduct:</b>										
Outward reinsurance premium	(22,072)	(251)	(5,042)	(7,699)	-	(7,421)		(42,485)	-	(42,485)
Changes in prepaid reinsurance	295	(149)	(29,815)	(14,463)	(11,860)	(1,096)	(1,521)	(58,609)	13,916	(44,693)
<b>Reinsurance cost</b>	<b>(21,777)</b>	<b>(400)</b>	<b>(34,857)</b>	<b>(22,162)</b>	<b>(11,860)</b>	<b>(8,517)</b>	<b>(1,521)</b>	<b>(101,094)</b>	<b>13,916</b>	<b>(87,178)</b>
<b>Net Premium Earned</b>	<b>69,448</b>	<b>63,603</b>	<b>229,549</b>	<b>4,306</b>	<b>88,914</b>	<b>35,302</b>	<b>10,197</b>	<b>501,319</b>	<b>198,147</b>	<b>699,466</b>
Commission received	6,810	63	-	2,156	-	2,023	-	11,052	1,654	12,706
Changes in unearned commission	(338)	(31)	1,032	226	-	993	8,322	10,204	-	10,204
<b>Total income</b>	<b>75,920</b>	<b>63,635</b>	<b>230,581</b>	<b>6,688</b>	<b>88,914</b>	<b>38,318</b>	<b>18,519</b>	<b>522,575</b>	<b>199,801</b>	<b>722,376</b>
<b>Expenses</b>										
<b>Gross claims paid</b>	<b>(389,756)</b>	<b>(124,176)</b>	<b>(48,605)</b>	<b>-</b>	<b>(18,920)</b>	<b>(2,117)</b>	<b>(9,870)</b>	<b>(593,444)</b>	<b>(308,554)</b>	<b>(901,998)</b>
Changes in outstanding claims provision	401,950	3,290	68,022	2,684	(22,140)	4,016	197,940	655,762	(20,558)	635,204
<b>Gross claims incurred</b>	<b>12,194</b>	<b>(120,886)</b>	<b>19,417</b>	<b>2,684</b>	<b>(41,060)</b>	<b>1,899</b>	<b>188,070</b>	<b>62,318</b>	<b>(329,112)</b>	<b>(266,794)</b>
Reinsurance claims recovery	-	69,720	368,371	4,017	-	526	-	442,634		442,634
Changes in reinsurance recoveries	(479,741)	7,219	3,507	3,379	1,334	77,990	91,653	(294,659)	105,380	(189,279)
<b>Net claims incurred/(recovered)</b>	<b>(467,547)</b>	<b>(43,947)</b>	<b>391,295</b>	<b>10,080</b>	<b>(39,726)</b>	<b>80,415</b>	<b>279,723</b>	<b>210,293</b>	<b>(223,732)</b>	<b>(13,439)</b>
Acquisition expenses	(11,482)	(14,136)	(24,770)	(3,439)	(10,776)	(2,776)	(1,558)	(68,937)	(99,318)	(168,255)
Changes in insurance contract liability	-	-	-	-	-	-	-	-	(1,580)	(1,580)
Changes in commission expenses	5,068	(2,196)	(7,678)	(2,785)	79	(4,214)	(469)	(12,195)	13,614	1,419
Maintenance expenses	(193,054)	(3,546)	(309,008)	(196,467)	(105,139)	(75,503)	(13,484)	(896,201)	(316,720)	(1,212,921)
<b>Total expenses</b>	<b>(667,015)</b>	<b>(63,825)</b>	<b>49,839</b>	<b>(192,611)</b>	<b>(155,562)</b>	<b>(2,078)</b>	<b>264,212</b>	<b>(767,040)</b>	<b>(627,736)</b>	<b>(1,394,776)</b>
<b>Underwriting results</b>	<b>(591,095)</b>	<b>(190)</b>	<b>280,420</b>	<b>(185,923)</b>	<b>(66,648)</b>	<b>36,240</b>	<b>282,731</b>	<b>(244,465)</b>	<b>(427,935)</b>	<b>(672,398)</b>
										<b>(672,398)</b>

**2018**  
**N'000**

1,383,080  
14,384

1,397,464  
344,912

**1,742,376**

60,128  
(233,520)

**(173,392)**

**1,568,984**  
69,554  
11,090

**1,649,628**

(392,440)  
213,945

**(178,495)**  
(65,740)  
(114,415)

**(358,650)**

(253,033)  
(131,924)  
(33,924)  
(650,461)

(1,427,992)

221,636  
**221,636**

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 5. Cash and cash equivalents

Cash and cash equivalents comprise of balances with less than three months maturity from the date of acquisition, including cash in hand, deposits held at call with other banks and other short-term highly liquid investments with original maturities less than three months.

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Cash in hand	8,634	5,860	134	-
Bank balances (Note 5.1)	757,826	505,131	178,464	145,604
	<u>766,460</u>	<u>510,991</u>	<u>178,598</u>	<u>145,604</u>
Short term deposits/placements with banks	1,683,391	1,135,644	357,581	170,311
Impairment of short term deposits/placements with banks	(355,789)	(169,545)	(355,789)	(169,545)
Short term deposits/placements with banks (Note 5.2)	<u>1,327,603</u>	<u>966,098</u>	<u>1,792</u>	<u>765</u>
	<u><b>2,094,063</b></u>	<u><b>1,477,089</b></u>	<u><b>180,390</b></u>	<u><b>146,369</b></u>

**5.1** Included In the above Group amount was N21.7 million (Dec 2018 : N21.7 million) representing cash reserve requirement with the central bank of Nigeria.

**5.2** The placement with banks have a short term maturity of 30-90 days and thus, the effect of discounting is immaterial.

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>5.3 Cash and cash equivalents as per cashflow</b>				
Cash in hand	8,634	5,860	134	-
Bank balances	757,826	505,131	178,464	145,604
Short term deposits/placements with banks	<u>1,327,603</u>	<u>966,098</u>	<u>1,792</u>	<u>765</u>
	<u><b>2,094,063</b></u>	<u><b>1,477,089</b></u>	<u><b>180,390</b></u>	<u><b>146,369</b></u>
Bank overdrafts (Note 31)	<u>(26,129)</u>	<u>(27,209)</u>	<u>(811,523)</u>	<u>(481,407)</u>
	<u><b>2,067,934</b></u>	<u><b>1,449,880</b></u>	<u><b>(631,133)</b></u>	<u><b>(335,038)</b></u>

### 5.4 Movement of Impairment of short term placement with banks

At 1 January	169,545	165,045	169,545	165,045
Addition during the year (Note 45)	186,243	4,500	186,243	4,500
At 31 December	<u><b>355,789</b></u>	<u><b>169,545</b></u>	<u><b>355,788</b></u>	<u><b>169,545</b></u>

### 6. Financial assets

#### 6.1 Fair value through Profit or Loss-FVTPL

##### Quoted Equities:

##### Movement in FVTPL

At 1 January	288,949	584,918	9,282	13,557
Additions in the year	87,505	7,232	-	-
Disposal during the year	-	-	-	-
	<u><b>376,454</b></u>	<u><b>592,150</b></u>	<u><b>9,282</b></u>	<u><b>13,557</b></u>
Fair value (loss)/gain (Note 44)	<u>(134,432)</u>	<u>(143,769)</u>	<u><b>1,021</b></u>	<u>(4,275)</u>
Translation Adjustment	-	(159,432)	-	-
<b>At 31 December</b>	<u><b>242,022</b></u>	<u><b>288,949</b></u>	<u><b>10,303</b></u>	<u><b>9,282</b></u>
Current	242,022	288,949	10,303	9,282
Non Current	-	-	-	-
	<u><b>242,022</b></u>	<u><b>288,949</b></u>	<u><b>10,303</b></u>	<u><b>9,282</b></u>

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Financial Assets at Fair Value through Profit or Loss of the group represents investment where there is a ready and liquid quoted market, which are acquired for the purpose of short-term trade, and where mark-to-market valuations are possible on every trading day. Assets under this category have been acquired for short term trading intent.

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>6.2 Available for sale-AFS</b>				
Unquoted equities (Note 6.2.1)	<b>975,385</b>	1,213,802	<b>511,852</b>	879,459
	<b>975,385</b>	1,213,802	<b>511,852</b>	879,459
<b>6.2.1 Movement in unquoted equities</b>				
At 1 January	<b>1,213,803</b>	859,018	<b>879,459</b>	456,289
Additions in the year	<b>153,123</b>	381,947		-
Disposal during the year	-	(368,640)	-	-
	<b>1,366,926</b>	872,325	<b>879,459</b>	456,289
Fair value loss (Note 21)	<b>(391,544)</b>	434,529	<b>(367,607)</b>	423,170
Translation Adjustment	<b>4</b>	(93,052)	-	-
<b>At 31 December</b>	<b>975,385</b>	1,213,802	<b>511,852</b>	879,459
	<b>975,385</b>	<b>1,213,803</b>	<b>511,852</b>	<b>879,465</b>
Current	<b>529,692</b>	354,784	<b>66,159</b>	423,163
Non Current	<b>445,693</b>	859,018	<b>445,693</b>	456,296
	<b>975,385</b>	1,213,802	<b>511,852</b>	879,459

**6.2.2.** The Group's accounting policy is to hold its investments in treasury bills as available-for-sale and measured at fair value. Treasury bills are debt instruments issued by the Government of Uganda for a term of six months and twelve months respectively.

	<b>Company</b>	
	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>
<b>6.2.3. Unquoted equities</b>		
British Int'l school	<b>62,878</b>	62,878
Moyofade Community Bank	<b>17,789</b>	64,301
WAICA RE	156,112	156,112
IGI Pension Fund Manager Ltd	<b>90,144</b>	90,144
Sonarwa (Rwanda)	<b>184,929</b>	506,025
	<b>511,852</b>	879,460

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 6.2.4 Analysis of unlisted available for sale financial assets:

The Group determines at each reporting date, whether there is any objective evidence that the investment in the associate and other unquoted securities are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount and its carrying value and recognises the amount in the income statement.

Upon loss of significant influence over the associate, the Group measures and recognises any remaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the remaining investment and proceeds from disposal is recognised in profit or loss.

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. Any subsequent reversal of an impairment loss is recognised in the profit and loss.

Unquoted equities are valued using models which incorporate both observable and non-observable market data. The non-observable inputs to the models include assumptions regarding the future financial performance of the investee, its risk profile and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates.

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>6.3 Held to Maturity-HTM</b>				
Government Securities	<b>509,431</b>	293,981	-	-
Corporate Securities	-	-	-	-
	<b>509,431</b>	293,981	-	-
<b>Amortized Cost</b>				
<u>Treasury Bills</u>				
At 1 January	<b>293,981</b>	294,491		
Reclass of WHT on opening Bills	<b>(1,739)</b>			
Additions	<b>504,280</b>			
Maturities	<b>(335,782)</b>			
Accrued interests	<b>49,091</b>			
Less: expected credit losses	<b>(400)</b>	(510)		
As at 31 December	<b>509,431</b>	<b>293,981</b>		
Below is the analysis of the analysis of the movement of expected credit losses of Treasury Bills	-			
As at 1 January	<b>510</b>	510		
Movement in the provision of expected credit losses	<b>(110)</b>			
As at 31 December	<b>400</b>	<b>510</b>		
Current	-	-	-	-
Non Current	<b>509,431</b>	293,981	-	-
	<b>509,431</b>	293,981	-	-

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

**6.3.1** The fair value of the held to maturity financial assets have been estimated by comparing current market interest rates for similar debt securities to the rates offered when the debt securities were first recognized together with appropriate market credit adjustments. For held to maturity financial assets that are traded in active market, their fair values are determined using unadjusted market quotes.

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>6.4 Loans and Receivables</b>				
Staff Loans (Note 6.4.1)	<b>274,364</b>	259,585	<b>238,110</b>	237,713
Policy loans (Note 6.4.2)	<b>326,409</b>	472,243	<b>320,076</b>	468,978
	<b>600,773</b>	731,828	<b>558,186</b>	706,691
Impairment of loans and receivables (Note 6.4.3)	<b>(234,870)</b>	(236,798)	<b>(231,379)</b>	(231,379)
	<b>365,903</b>	495,030	<b>326,807</b>	475,312
Current	<b>365,903</b>	495,030	<b>326,807</b>	475,312
Non Current	-	-	-	-
	<b>365,903</b>	495,030	<b>326,807</b>	475,312

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>6.4.1 Movement in staff loans</b>				
At 1 January	<b>259,585</b>	269,259	<b>237,713</b>	237,236
Additions in the year	<b>15,308</b>	12,377	<b>397</b>	3,368
Repayments	<b>(529)</b>	(17,697)	<b>-</b>	(2,891)
	<b>274,364</b>	263,939	<b>238,110</b>	237,713
Translation Adjustment	<b>-</b>	(4,354)	<b>-</b>	-
<b>At 31 December</b>	<b>274,364</b>	259,585	<b>238,110</b>	237,713
<b>6.4.2 Movement in policy loans</b>				
At 1 January	<b>474,961</b>	351,521	<b>468,978</b>	341,758
Additions in the year	<b>350</b>	205,983	<b>-</b>	205,983
Repayments	<b>(148,902)</b>	(82,543)	<b>(148,902)</b>	(78,763)
	<b>326,409</b>	474,961	<b>320,076</b>	468,978
Translation Adjustment	<b>0</b>	(2,718)	<b>-</b>	-
<b>At 31 December</b>	<b>326,409</b>	472,243	<b>320,076</b>	468,978
<b>6.4.3 Movement in impairment of loans and receivables</b>				
At 1 January	<b>236,798</b>	234,855	<b>231,379</b>	231,379
Charge for the year (Note 45)	<b>-</b>	4,080	<b>-</b>	-
Written back	<b>(1,928)</b>	(2,137)	<b>-</b>	-
Written off	<b>-</b>	-	<b>-</b>	-
Translation adjustment	<b>-</b>	-	<b>-</b>	-
<b>At 31 December</b>	<b>234,870</b>	236,798	<b>231,379</b>	231,379
<b>Total Financial assets</b>	<b>2,092,741</b>	2,291,762	<b>848,962</b>	1,364,053

### 6.4.4 Staff Loans

Staff are entitled to loans which are repayable through payroll deductions. The loans are given at a Zero % which is below the general market rate. The difference between the market interest rate and the rate at which these loans are advanced to staff to be amortised over the tenor of the loan could not be ascertained due to non availability of information. Thus, about 98% of the loans was fully impaired.

### 6.4.5 Policy Loans

The Group grants cash loans to policyholders in line with the policy provisions (terms and conditions). The maximum loan amount that could be granted to policyholders is 90% of the policy cash value. The cash value (worth of the policy as determined by the actuary) is the cash amount due to policyholder upon cancellation of the insurance contract as at the date of determination and it is used as collateral on policy cash loan granted.

The tenor of the loan is not beyond the policy duration and such policy must be in force and has acquired cash value before loan application can be considered. A pre-determined interest rate (compounded daily) is applied on the loan. The rate is currently 12% per annum and it is reviewed periodically.



# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The rate is determined after due consideration on the interest rate used by the actuary for premium benefit calculation, allowance for documentation and other expenses on the policy, margin for contingencies and profit loadings.

Loans to policyholders are not impaired as they are securitized by the surrender value of policies in force as at the reporting date. It is payable on demand and its carrying value approximates its fair value.

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	2018	<b>2019</b>	2018
	<b>N'000</b>	N'000	<b>N'000</b>	N'000
<b>7. Trade receivables</b>				
Premiums receivable from Co-insurance Companies	-	-	-	-
Premiums receivable from brokers and agents	<b>1,123,378</b>	816,141	-	7,047
	<b>1,123,378</b>	816,141	-	7,047
Impairment of trade receivables (Note 7.1)	<b>(398,186)</b>	(303,787)	-	(7,047)
	<b>725,192</b>	512,354	-	-
Current	<b>725,192</b>	512,354	-	-
Non Current	-	-	-	-
	<b>725,192</b>	512,354	-	-
<b>7.1 Movement in impairment of trade receivables</b>				
At 1 January	<b>303,787</b>	403,256	<b>7,047</b>	6,115
Additions during the year (Note 45)	<b>101,446</b>	933	-	933
Recoveries	-	-	-	-
Written off	<b>(7,047)</b>	-	<b>(7,047)</b>	-
Translation adjustment	-	(100,402)	-	(1)
<b>At 31 December</b>	<b>398,186</b>	303,787	-	7,047
<b>7.2 Movement in trade receivables</b>				
At 1 January	<b>816,141</b>	1,162,025	<b>7,047</b>	6,115
Gross premium written	<b>3,802,458</b>	4,356,979	<b>762,516</b>	1,397,464
Premium received/recovered	<b>(3,495,221)</b>	(4,702,863)	<b>(769,563)</b>	(1,396,532)
<b>At 31 December</b>	<b>1,123,378</b>	816,141	-	7,047
<b>8. Reinsurance assets</b>				
Prepaid Reinsurance (Note 8.1)	<b>556,663</b>	316,293	<b>26,891</b>	30,765
Estimated reinsurance recoveries on claims & IBNR (Note 8.2)	<b>2,740,135</b>	2,953,799	<b>2,698,588</b>	2,887,866
Receivables from re-insurers (Note 8.3)	<b>709,919</b>	483,972	<b>628,175</b>	283,715
	<b>4,006,717</b>	3,754,064	<b>3,353,654</b>	3,202,346
Impairment of reinsurance assets (Note 8.4)	<b>(149,064)</b>	(220,763)	<b>(149,064)</b>	(149,064)
	<b>3,857,653</b>	3,533,301	<b>3,204,590</b>	3,053,282
Current	<b>3,857,653</b>	3,533,301	<b>3,204,590</b>	3,053,282
Non Current	-	-	-	-
	<b>3,857,653</b>	3,533,301	<b>3,204,590</b>	3,053,282

**INDUSTRIAL AND GENERAL INSURANCE PLC**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>8.1 Prepaid reinsurance</b>				
Fire	36,701	28,122	9,759	9,325
General accident	182,078	76,647	172	63
Motor	271,201	205,340	-	4,919
Aviation	12,386	(10,274)	-	-
Marine	40,137	4,182	2,799	4,182
Agric	-	-	-	-
Engineering	1,757	8,103	1,757	8,103
Oil and Energy	-	269	-	269
	<b>544,260</b>	<b>312,389</b>	<b>14,487</b>	<b>26,861</b>
	<b>544,259</b>			
<b>8.1a Unexpired Reinsurance - UPR</b>				
Fire	-	-	-	-
General accident	-	-	-	-
Motor	-	-	-	-
Aviation	-	-	-	-
Marine	-	-	-	-
Agric	-	-	-	-
Engineering	-	-	-	-
Oil and Energy	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Life business</b>				
Group business	12,403	3,904	12,404	3,904
Individual business	-	-	-	-
	<b>12,403</b>	<b>3,904</b>	<b>12,404</b>	<b>3,904</b>
<b>8.1b Additional Unexpired Reinsurance- AURR</b>				
Fire	-	-	-	-
General accident	-	-	-	-
Motor	-	-	-	-
Aviation	-	-	-	-
Marine	-	-	-	-
Agric	-	-	-	-
Engineering	-	-	-	-
Oil and Energy	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Prepaid reinsurance</b>	<b>556,663</b>	<b>316,293</b>	<b>26,891</b>	<b>30,765</b>
<b>8.1.1 Movement in prepaid reinsurance</b>				
At 1 January	316,293	466,709	30,765	90,893
Increase/(decrease) (Note 35)	240,371	(140,582)	(3,874)	(60,128)
Impact of investment reclassified to available for sale	-	(9,834)	-	-
<b>At 31 December</b>	<b>556,664</b>	<b>316,293</b>	<b>26,891</b>	<b>30,765</b>

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>8.2 Estimated reinsurance recoveries on claims &amp; IBNR</b>				
Fire	64,480	407,736	64,480	407,736
General accident	7,219	3,568	7,219	3,568
Motor	14,450	33,972	14,450	-
Aviation	-	-	-	33,972
Marine	8,465	7,881	8,465	7,881
Agric	-	-	-	-
Engineering	419,753	341,651	394,856	341,651
Oil and Energy	640,488	705,804	640,488	647,004
	<b>1,154,855</b>	<b>1,500,612</b>	<b>1,129,958</b>	<b>1,441,812</b>
<b>Life business</b>				
Group business	-	-	-	-
Individual business	1,585,280	1,453,187	1,568,630	1,446,054
	<b>2,740,135</b>	<b>2,953,799</b>	<b>2,698,588</b>	<b>2,887,866</b>
	<b>2,740,134</b>			
<b>8.2.1 Movement on Estimated reinsurance recoveries on claims &amp; IBNR</b>				
At January 1	2,953,799	2,989,044	2,887,866	2,690,426
Increase or decrease during the year	(213,664)	(35,245)	(189,278)	197,440
<b>At 31 December</b>	<b>2,740,135</b>	<b>2,953,799</b>	<b>2,698,588</b>	<b>2,887,866</b>

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 8.2.2 AGE ANALYSIS OF OUTSTANDING CLAIMS RECOVERABLE AS AT 31ST DECEMBER 2019

OUTS. CLAIMS PER AMOUNT RANGE	Qty	0-90 days N'000	Qty	91-180 days N'000	Qty	181-270 days N'000	Qty	271-365 days N'000	Qty	365 days + N'000	Total N'000
0-250,000	11	209	1	132	3	-	5	112	447	71,946	72,399
250,001-500,000	4	319	3	463	3	348	3	-	452	7,709	8,838
500,001-1,500,000	1	-	-	2,352	3	1,239	3	867	710	205,935	210,393
1,500,001-2,500,000	-	-	-	2,294	-	-	-	-	4	865,755	868,049
2,500,001-5,000,000	3	-	4	4,318	3	-	1	3,187	471	443,861	451,365
5,000,000-ABOVE	1	25,200	-	11,772	5	6,209	-	11,237	193	1,028,333	1,082,752
Reinsurance IBNR											4,792
<b>GRAND TOTAL</b>	<b>20</b>	<b>25,728</b>	<b>8</b>	<b>21,332</b>	<b>17</b>	<b>7,795</b>	<b>12</b>	<b>15,403</b>	<b>2,277</b>	<b>2,623,538</b>	<b>2,698,588</b>
Discharge voucher signed and returned to policyholders	9	-	4	-	11	-	4	-	1397	-	1,425
Discharge Vouchers not yet signed											-
Claims reported but incomplete documentation	11	-	-	-	6	-	8	-	700	-	725
Claims reported but being adjusted											-
Claims repudiated											-
Awaiting adjusters final report											-
Litigation awarded											-
Awaiting Lead Insurer's instruction											-
Third party liability outstanding											-
Adjusters fee payable											-
Liquidity											-
<b>Total</b>	<b>20</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>17</b>	<b>-</b>	<b>12</b>	<b>-</b>	<b>2097</b>	<b>-</b>	<b>2150</b>

### 8.2.3 AGE ANALYSIS OF OUTSTANDING CLAIMS RECOVERABLE AS AT 31ST DECEMBER 2018

OUTS. CLAIMS PER AMOUNT RANGE	Qty	0-90 days N'000	Qty	91-180 days N'000	Qty	181-270 days N'000	Qty	271-365 days N'000	Qty	365 days + N'000	Total N'000
0-250,000	9	209	5	132	9	-	4	112	440	71,946	72,857
250,001-500,000	4	319	3	463	3	348	3	-	552	7,709	9,399
500,001-1,500,000	1	-	-	2,352	3	1,239	3	867	639	205,935	211,038
1,500,001-2,500,000	-	-	-	2,294	-	-	-	-	7	865,755	868,056
2,500,001-5,000,000	3	-	8	4,318	3	-	4	3,187	482	443,861	451,862
5,000,000-ABOVE	1	25,200	-	11,772	5	6,209	-	11,237	190	1,222,403	1,277,017
<b>GRAND TOTAL</b>	<b>18</b>	<b>25,728</b>	<b>16</b>	<b>21,332</b>	<b>23</b>	<b>7,795</b>	<b>14</b>	<b>15,403</b>	<b>2,310</b>	<b>2,817,608</b>	<b>2,890,229</b>
Discharge voucher signed and returned to policyholders	8	-	6	-	13	-	6	-	1410	-	1,443
Discharge Vouchers not yet signed											-
Claims reported but incomplete documentation	10	-	10	-	10	-	8	-	900	-	938
Claims reported but being adjusted											-
Claims repudiated											-
Awaiting adjusters final report											-
Litigation awarded											-
Awaiting Lead Insurer's instruction											-
Third party liability outstanding											-
Adjusters fee payable											-
Liquidity											-
<b>Total</b>	<b>18</b>	<b>-</b>	<b>16</b>	<b>-</b>	<b>23</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>2310</b>	<b>-</b>	<b>2381</b>

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>8.3 Receivables from Reinsurers/ Co-Insurers</b>				
<b>8.3.1 Movement in receivables from reinsurers/co-insurers</b>				
At 1 January	<b>483,972</b>	479,739	<b>283,715</b>	250,905
Movement during the year	<b>225,947</b>	4,233	<b>344,460</b>	32,810
<b>At 31 December</b>	<b>709,919</b>	483,972	<b>628,175</b>	283,715
<b>8.4 Movement in Impairment of reinsurance assets</b>				
At 1 January	<b>220,763</b>	248,517	<b>149,064</b>	149,064
Addition in the year (Note 45)	<b>(71,699)</b>	-	-	-
Recoveries	-	-	-	-
Written off	-	-	-	-
Translation adjustment	-	(27,754)	-	-
<b>At 31 December</b>	<b>149,064</b>	220,763	<b>149,064</b>	149,064

**8.4i** The Company assesses its reinsurance assets for impairment. If there is objective evidence that the reinsurance asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognizes that impairment loss in the income statement.

**8.4ii** The estimated reinsurance recoveries on claims and prepaid reinsurance represent reinsurance share of outstanding claims and unearned premium as stated in the actuarial report which has been captured as part of the gross liabilities in the accounts, hence not subject to impairment.

### 9. Deferred acquisition costs

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

Deferred acquisition cost is only recognised for the non-life business segment of the company. The movement of deferred acquisition cost is as follows:

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>9.1 Movement in deferred acquisition costs</b>				
At 1 January	<b>70,830</b>	151,176	<b>37,674</b>	78,224
Acquisition cost for the year	<b>444,887</b>	451,597	<b>168,255</b>	246,407
Translation adjustment	<b>-</b>	360	<b>-</b>	-
<b>Total acquisition cost for the year</b>	<b>515,717</b>	603,133	<b>205,929</b>	324,631
Amortization during the year (Note 38.1+ Note 38.2)	<b>(422,989)</b>	(532,303)	<b>(166,836)</b>	(286,957)
<b>At 31 December</b>	<b>92,728</b>	70,830	<b>39,093</b>	37,674
Current	<b>92,728</b>	70,830	<b>39,093</b>	37,674
Non Current	<b>-</b>	-	<b>-</b>	-
	<b>92,728</b>	70,830	<b>39,093</b>	37,674
<b>9.2 Deferred acquisition costs analysis</b>				
Fire	<b>8,807</b>	13,245	<b>4,919</b>	7,706
General accident	<b>40,888</b>	17,155	<b>7,756</b>	7,675
Motor	<b>43,138</b>	25,704	<b>10,685</b>	14,163
Aviation	<b>(15,838)</b>	6,596	<b>-</b>	-
Marine	<b>1,318</b>	3,164	<b>1,318</b>	3,164
Agric	<b>79</b>	-	<b>79</b>	-
Engineering	<b>473</b>	3,615	<b>473</b>	3,615
Oil and Energy	<b>249</b>	553	<b>249</b>	553
	<b>79,114</b>	70,032	<b>25,479</b>	36,876
<b>Life business</b>				
Individual Life	<b>-</b>	-	<b>-</b>	-
Group Life	<b>13,614</b>	798	<b>13,614</b>	798
	<b>92,728</b>	70,830	<b>39,093</b>	37,674

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>10. Loans and advances customers</b>				
Overdrafts	-	396,205	-	-
Term loans	<b>3,876</b>	3,803	-	-
Mortgage loans	<b>73,685</b>	9,929	-	-
Staff loans	-	-	-	-
	<b>77,561</b>	409,937	-	-
Impairment on loans and advances to customers (Note 10.1)	-	(85,276)	-	-
	<b>77,561</b>	<b>324,661</b>	-	-
Current	<b>62,049</b>	259,729	-	-
Non Current	<b>15,512</b>	64,932	-	-
	<b>77,561</b>	<b>324,661</b>	-	-
<b>10.1 Movements in impairment on loans and advances to customers:</b>				
At 1 January	<b>85,276</b>	37,892	-	-
Additions in the year (Note 45)	<b>1,763</b>	1,027	-	-
Reclassified	-	46,357	-	-
Eliminated through inter group consolidation	<b>(87,037)</b>	-	-	-
<b>At 31 December</b>	-	<b>85,276</b>	-	-

**10.2** Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- i) Those classified as held for trading and those that the Bank on initial recognition designates as at fair value through profit and loss;
- ii) Those that the Bank upon initial recognition designates as available-for-sale; or
- iii) Those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

**10.3** They arise when the Bank provides money, goods or services directly to a debtor with no intention of trading the receivable. Loans and receivables are reported in the statement of financial position as loans and advances to customers and placements with other banks and interest on these is reported in the profit or loss account as interest income.

**10.4** In case of an impairment loss, the impairment loss is reported as a deduction from the carrying value of loans and recognized in the profit and loss account as impairment losses on loans and advances'.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>11. Non current assets held for sale</b>				
At 1 January	<b>4,093,324</b>	4,660,826	-	-
Additions during the year (Note 11.2)	<b>3,324</b>	2,487	-	-
Disposal during the year	<b>(275,001)</b>	(384,097)	-	-
Transfer from property, plant and equipment (Note 17a)	-	-	-	-
Transfer from investment properties (Note 16)	<b>2,369,807</b>	180,730	-	-
Fair value gain on revaluation	<b>115,957</b>	35,221	-	-
Translation adjustment	-	(401,843)	-	-
<b>At 31 December</b>	<b><u>6,307,411</u></b>	<b><u>4,093,324</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Current	-	-	-	-
Non Current	<b><u>6,307,411</u></b>	<b><u>4,093,324</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
	<b><u>6,307,411</u></b>	<b><u>4,093,324</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

**11.1** As part of a comprehensive asset restructuring plan, the board has approved the sale of a number of properties in its subsidiary company at Uganda. This is a proactive move to ensure that the company is fully compliant when the Risk Based Supervision model that is adopted by the Insurance Regulatory Authority (IRA) in Uganda comes into effect. Some of the subsidiary's land and building has been put on sale, which are part of the subsidiary's investment properties until they are fully disposed of. The sale is expected to be executed within the next one year. Management is committed to their sale and no changes to the initial plan have been made. Management have already contacted agents to find buyers. The group reviews non-current assets held for sale. After a period of eighteen months, assets classed as held for sale are reclassified to its asset group if sale efforts are unsuccessful.

\*The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, all things being equal.

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>12. Other receivables and prepayments</b>				
Receivable from related parties (Note 13di)	<b>1,695,857</b>	3,230,656	<b>4,356,616</b>	4,393,186
Commission receivable on reinsurance ceded	<b>3,633</b>	-	<b>3,633</b>	-
Deposit for shares	<b>500,000</b>	500,000	<b>500,000</b>	500,000
Accrued income (Note 12.1a)	<b>187,906</b>	148,987	<b>104,592</b>	86,290
Withholding tax receivables	<b>52,778</b>	34,715	-	4
Other receivables (Note 12.1b)	<b>1,369,765</b>	1,209,874	<b>1,190,987</b>	966,929
Prepaid rents and rates	<b>62,881</b>	60,199	<b>462</b>	14,179
	<b><u>3,872,820</u></b>	<b><u>5,184,431</u></b>	<b><u>6,156,290</u></b>	<b><u>5,960,588</u></b>
Impairment on other receivables and prepayments (Note 12.1)	<b><u>(3,303,744)</u></b>	<b><u>(4,781,182)</u></b>	<b><u>(5,791,499)</u></b>	<b><u>(5,805,079)</u></b>
	<b><u>569,076</u></b>	<b><u>403,249</u></b>	<b><u>364,791</u></b>	<b><u>155,509</u></b>



# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	2019			2018		
	Amount	Provision for impairment	Net carrying amount	Amount	Provision for impairment	Net carrying amount
<b>Accrued income</b>						
Accrued income receivable from unquoted investments	47,900	(47,900)	-	47,900	(47,900)	47,852,100
Accrued income receivable from other investments	914	(914)	-	914	(914)	912,586
Accrued rental income receivable on real estate properties	55,778	-	55,778	37,477	-	37,477
	<b>104,592</b>	<b>(48,814)</b>	<b>55,778</b>	<b>86,291</b>	<b>(48,814)</b>	<b>48,802,163</b>

### 12.1ab Other receivables

This relates to receivables as analysed below:

	2019			2018		
	Amount	Provision for impairment	Net carrying amount	Amount	Provision for impairment	Net carrying amount
Accrued income						
<b>Other receivables</b>						
Other Debtors - Non Life	928,599	(928,599)	-	928,599	(928,599)	-
Global Trust Savings and Loans Limited	206,330	-	206,330	-	-	-
Commission float	28,700	-	28,700	-	-	-
Sundry Debtors - Life	329,829	-	329,829	38,330	-	38,330
Premium Deposit	27,269	-	27,269	-	-	-
Trade creditors	3,955	-	3,955	-	-	-
	<b>1,524,682</b>	<b>(928,599)</b>	<b>596,083</b>	<b>966,929</b>	<b>(928,599)</b>	<b>38,330</b>

Group		Company	
2019	2018	2019	2018
N'000	N'000	N'000	N'000

### 12.1c Movement in Impairment on other receivables and prepayments

At 1 January	<b>4,781,182</b>	4,825,144	<b>5,805,079</b>	5,805,079
(Write back)/additions during the year (Note 45)	<b>(439,751)</b>	10,710	<b>(13,580)</b>	-
Impact of elimination of impairment on related parties	(1,037,687)	-	-	-
Written off during the year	-	-	-	-
Reclassification	-	-	-	-
Translation adjustments	-	(54,672)	-	-
<b>At 31 December</b>	<b>3,303,744</b>	<b>4,781,182</b>	<b>5,791,499</b>	<b>5,805,079</b>

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 12.2 Analysis of impairment loss by assets

2019					
Group	Assets	Impairment			
	At 31 Dec N'000	At 1 Jan N'000	(Write back) N'000	At 31 Dec N'000	Net N'000
<b>Description of assets</b>					
Receivable from related parties	1,695,857	3,268,570	(1,477,440)	1,791,130	(95,273)
Commission receivable on reinsurance ceded	3,633				3,633
Deposit for shares	500,000	500,000	-	500,000	-
Accrued income	187,906	48,814	-	48,814	139,092
Withholding tax receivables	52,778	-	-	-	52,778
Other receivables	1,369,765	963,800	-	963,800	405,965
Prepaid rents and rates	62,881	-	-	-	62,881
	<u>3,872,820</u>	<u>4,781,184</u>	<u>(1,477,440)</u>	<u>3,303,744</u>	<u>569,076</u>
2018					
Description of assets	Assets	Impairment			
	At 31 Dec N'000	At 1 Jan N'000	(Write back) /additions N'000	At 31 Dec N'000	Net N'000
Receivable from related parties	3,230,656	3,268,570	-	3,268,570	(37,914)
Commission receivable on reinsurance ceded					
Deposit for shares	500,000	500,000	-	500,000	-
Accrued income	148,987	48,814	-	48,814	100,173
Withholding tax receivables					
Other receivables	1,304,788	1,007,760	(43,960)	963,800	340,988
Prepaid rents and rates					
	<u>5,184,431</u>	<u>4,825,144</u>	<u>(43,960)</u>	<u>4,781,184</u>	<u>403,247</u>
2019					
Company	Assets	Impairment			
	At 31 Dec N'000	At 1 Jan N'000	(Write back) /additions N'000	At 31 Dec N'000	Net N'000
Receivable from related parties	4,356,616	4,501,861	(13,580)	4,488,281	(131,665)
Deposit for shares	500,000	500,000	-	500,000	-
Accrued income	104,592	48,814		48,814	55,778
Other receivables	1,195,082	754,404		754,404	440,678
	<u>6,156,290</u>	<u>5,805,079</u>	<u>(13,580)</u>	<u>5,791,499</u>	<u>364,791</u>
2018					
Description of assets	Assets	Impairment			
	At 31 Dec N'000	At 1 Jan N'000	Additions N'000	At 31 Dec N'000	Net N'000
Receivable from related parties	4,393,186	4,501,861	-	4,501,861	(108,675)
Deposit for shares	500,000	500,000	-	500,000	-
Accrued income	86,290	48,814	-	48,814	37,476
Other receivables	981,112	754,404	-	754,404	226,708
	<u>5,960,588</u>	<u>5,805,079</u>	<u>-</u>	<u>5,805,079</u>	<u>155,509</u>

12.3 Basis for the deposit not know. However, the balance has been fully impaired.

12.4 Included in the balance reported by the Company above is N942 million said to be sundry receivable. However, the balance was fully impaired due to not substantiated by the Company. In addition to the balance reported by the Company is N167 million representing receivable from branches and due from COMESA National Bureau included in the Group balance.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 13. Related party disclosures

#### a) Transactions with related parties

The Company enters into transactions with its subsidiaries and associated companies and key management personnel in the normal course of business at arms length. Details of significant transactions carried out during the year with related parties are as follows:

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
<b>b) Sale of:</b>				
Property transferred to Intl Health Mgt Services Ltd in lieu of cash	-	-	-	-
Debt set-off with Intl Health Mgt Services Ltd	-	-	-	-
Pension contract with IGI Pension fund managers Ltd	-	250	-	250
Insurance and investment contracts to Industrial Trustees Ltd	-	-	-	-
Consultancy & Professional services to IGI Ghana Ltd	-	-	-	-
Insurance and investment contracts to Perfect Structures Ltd	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>250</u>	<u>-</u>	<u>250</u>

#### c) Purchase of

Estate Management Services from Chancellor's Property	-	-	-	-
Professional services from All Crown Registrars Ltd	-	-	-	-
Professional services from Perfect Structures Ltd	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

#### d) Balances with related parties

Receivables from and payable to related parties are as follows:

#### e) Receivables from related parties

Monarch Communications Ltd	-	1,469,030	<b>2,633,523</b>	2,633,523
Global trust Savings & Loans Ltd	<b>189,687</b>	189,687	<b>189,687</b>	189,687
IGI Pension Fund Managers Ltd	<b>92,983</b>	92,983	<b>92,983</b>	92,983
All crown Registrars Ltd	<b>56,407</b>	56,407	<b>56,407</b>	56,407
Intl Health Mgt Services Ltd	<b>243,408</b>	243,408	<b>243,408</b>	243,408
NIC Holdings Limited, Uganda	-	-	<b>1</b>	1
Global Trust Bank Ltd, Uganda	-	-	-	-
IGI Gamstar Ins Co. Ltd, Gambia	-	27,235	<b>27,235</b>	27,235
Sonarwa (Rwanda)	-	-	-	-
IGI Life Assurance Ghana Ltd	<b>41,852</b>	41,852	<b>41,852</b>	41,852
Industrial and General Insurance (Ghana) Company Ltd	-	-	-	-
Offshore Prod. Engineering	<b>29,233</b>	29,233	<b>29,233</b>	29,233
Industrial Energy Company	<b>251,206</b>	251,206	<b>251,206</b>	251,206
Apex Airline	<b>129,560</b>	129,560	<b>129,560</b>	129,560
Andrew Robins Ltd.	<b>74,062</b>	74,062	<b>74,062</b>	74,062
Shaw Environment & Infrastruct. Nig.	<b>243,436</b>	243,436	<b>243,436</b>	243,436
Sierra Leone Project	<b>32,058</b>	32,058	<b>32,058</b>	32,058
First Securities Discount House Ltd.	<b>119,266</b>	155,835	<b>119,266</b>	155,835
Others	<b>192,699</b>	194,664	<b>192,699</b>	192,700
	<u><b>1,695,857</b></u>	<u>3,230,656</u>	<u><b>4,356,616</b></u>	<u>4,393,186</u>

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	2018	<b>2019</b>	2018
	<b>N'000</b>	N'000	<b>N'000</b>	N'000
<b>ii) Payables to related parties</b>				
IGI Pension fund managers Ltd	<b>145,112</b>	145,112	<b>145,112</b>	145,112
Due to Directors	<b>49,138</b>	49,138	<b>49,138</b>	49,138
Industrial and General Insurance Plc	<b>(244,575)</b>	-	-	-
Global trust Savings & Loans Ltd	<b>570,675</b>	570,675	-	-
Others	-	16,906	-	-
	<b>520,350</b>	781,831	<b>194,250</b>	194,250

e) Outstanding balances at the reporting date are unsecured. Settlement will take place in cash. There was allowance for impairment on receivables with related parties at the transition date, comparative year and reporting date.

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	2018	<b>2019</b>	2018
	<b>N'000</b>	N'000	<b>N'000</b>	N'000
<b>14. Investment in subsidiaries</b>				
<b>Cost of investments:</b>				
At 1 January	-	-	<b>4,005,195</b>	4,005,195
Addition in the year	-	-	-	-
	-	-	<b>4,005,195</b>	4,005,195
<b>Impairment on investment in subsidiaries</b>				
<b>(Note 14.1)</b>	-	-	<b>(615,412)</b>	(671,276)
	-	-	<b>3,389,783</b>	3,333,919

### 14.1 Movements in impairment on investment in subsidiaries:

At 1 January	-	-	<b>671,276</b>	671,276
Write back during the year (Note 45)	-	-	<b>(55,865)</b>	-
Translation adjustment	<b>1</b>	-	<b>1</b>	-
<b>At 31 December</b>	-	-	<b>615,412</b>	671,276

**14.2** Each subsidiary is assessed at each reporting date for impairment when the carrying amount exceeds its recoverable amount using its statement of financial position. The recoverable amount is the higher of the subsidiary's fair value less cost at each reporting date. Losses for impairment in subsidiaries are recognised promptly when there is objective evidence that impairment of a subsidiary has occurred. Impairment allowances are calculated on individual subsidiary. Impairment losses are recorded as charges to the profit or loss account. The carrying amount of impaired subsidiary at the reporting date is reduced through the use of impairment allowance accounts. Losses which may arise from future events are not recognised.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 14.3 Subsidiaries disclosures

All shares in subsidiary undertakings are ordinary shares.

Name of subsidiaries	Country of incorporation	Held by (Units) in thousand	Holdings (%) 2017	Status
Monarch communications Ltd	Nigeria	568,600	56.86	Discontinued
Global trust Savings & Loans Ltd	Nigeria	1,086,030	98.73	Operational
All crown Registrars Ltd	Nigeria	134,845	80	Operational
Intl Health Mgt Services Ltd	Nigeria	408,048	84.47	Operational
NIC Holdings Limited, Uganda	Uganda	30,402	64.95	Operational
IGI Gamstar Ins Co. Ltd, Gambia	Gambia	918,000	60	Operational

**14.3.1 Monarch Communications Limited** was incorporated as a limited liability company on January 2nd, 1997. It commenced business on 1st June, 2005. The company was granted a telecommunication licence by the Nigerian Communication Commission (NCC) under section 12 of Act No 75 of 1992 to provide private Network Links (fixed telephony) in Nigeria.

**14.3.2 Global Trust Savings and Loans Limited** was incorporated as a private limited liability company on 12 January, 1995 and commenced business on 1st June of the same year. The company changed its name from Prime Investments Company Limited to Global Trust Savings & Loans Limited on 1st January 1998. Its shares are held by private individuals. The company engaged mainly in Mortgage trade, financing and other related financial services.

**14.3.3 All Crown Registrars Limited** was incorporated as a private limited liability company on 3rd October 1994 and commenced business the same year. The principal activities of the company is to carry out the business of share registration and act as Company Registrars.

**14.3.4 International Health Management Services Limited** was incorporated in Nigeria under the Company and Allied Matters Act. 2004 (CAMA) on April 9, 2001, and commenced business on 1st October, 2005. The registered office and principal place of business is at 2, Joseph Street, Marina, Lagos, Nigeria. The principal activities of the Company is the provision of healthcare maintenance, management, advisory, administrative and logistic support services. This is for an enhanced health-care delivery system in Nigeria as required under the National Health Insurance Scheme (NHIS) or any other health schemes set up by the Federal Government of Nigeria.

**14.3.5 National Insurance Corporation Limited (NIC) Holdings Limited** was incorporated in Uganda under the Ugandan Companies Act, National Insurance Corporation Act 1964 and is regulated by the Insurance Regulatory Authority (formerly Ugandan Insurance Commission) and domiciled in Uganda. The company is licensed to transact all classes of life and general insurance business as defined by the Insurance Act (Cap 213). As at 31 December 2014, IGI Plc owns 64.95% of NIC, Uganda through Corporate Holdings Limited, a special purpose vehicle created solely for the acquisition. The Corporation is a public limited company with 40% of shares in the Corporation listed on the Main Investment Market Segment (MIMS) of the Uganda Securities Exchange with effect from 25 March 2010.

**14.3.6 IGI Gamstar Insurance Company Limited** is principally engaged in the business of underwriting general insurance business in The Gambia in accordance with provisions of the Insurance Act 2003 and Insurance Regulations 2005. 60% of the 1,530,000 units of shares issued and fully paid are held by Industrial & General Insurance Plc a company incorporated in the Federal Republic of Nigeria.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### Note 14.3.7 Analysis of Carrying amount of Investment in Subsidiaries

Note 11: Analysis of carrying amount of investment in subsidiaries									
a) AS AT 31 DECEMBER, 2019	GROSS CARRYING AMOUNT				IMPAIRMENT				NET CARRYING AMOUNT
		Additions during the				Additions /writeback during the			
Name of subsidiaries	At 1 Jan	year	Disposal	At 31 Dec	At 1 Jan	year	Disposal	At 31 Dec	At 31 Dec
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Monarch communications Ltd	590,447	-	-	590,447	590,447	-	-	590,447	-
Global trust Savings & Loans Ltd	2,086,000	-	-	2,086,000	-	-	-	-	2,086,000
All crown Registrars Ltd	158,500	-	-	158,500	11,142	13,822	-	24,964	133,536
Intl Health Mgt Services Ltd	320,000	-	-	320,000	-	-	-	-	320,000
NIC Holdings Limited, Uganda	721,398	-	-	721,398	-	-	-	-	721,398
IGI Gamstar Ins Co. Ltd, Gambia	128,850	-	-	128,850	69,687	(69,687)	-	-	128,850
Total	4,005,195	-	-	4,005,195	671,276	(55,865)	-	615,411	3,389,784

b) AS AT 31 DECEMBER, 2018	GROSS CARRYING AMOUNT				IMPAIRMENT				NET CARRYING AMOUNT
		Additions during the year	Disposal	At 31 Dec		Additions /writeback during the year	Disposal	At 31 Dec	At 31 Dec
Name of subsidiaries	At 1 Jan				At 1 Jan				
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Monarch communications Ltd	590,447	-	-	590,447	590,447	-	-	590,447	-
Global trust Savings & Loans Ltd	2,086,000	-	-	2,086,000	-	-	-	-	2,086,000
All crown Registrars Ltd	158,500	-	-	158,500	11,142		-	11,142	147,358
Intl Health Mgt Services Ltd	320,000	-	-	320,000	-	-	-	-	320,000
NIC Holdings Limited, Uganda	721,398	-	-	721,398	-	-	-	-	721,398
IGI Gamstar Ins Co. Ltd, Gambia	128,850	-	-	128,850	69,687		-	69,687	59,163
Total	4,005,195	-	-	4,005,195	671,276	-	-	671,276	3,333,919

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

**14.4** A summary of the results and financial position of Group together with relevant disclosures relating to non-controlling interests is provided below in accordance with the requirements of IFRS 12:

	<b>Group</b>	<b>Subsidiaries</b>	<b>Group</b>	<b>Subsidiaries</b>
	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>Summary of results:</b>				
<b>Summary of financial position:</b>				
Total assets	54,636,174	15,312,480	46,844,660	15,104,523
Total liabilities	(43,163,073)	(15,154,318)	(40,063,828)	(14,329,793)
<b>Equity attributable to owners of the company</b>	<b>11,473,101</b>	<b>158,163</b>	<b>6,780,832</b>	<b>774,730</b>
Non-controlling interests	(184,902)	72,864	(122,255)	168,359
<b>Summary of statement of profit or loss and other comprehensive income:</b>				
Revenue	4,426,671	3,640,027	4,970,738	3,228,362
Other operating incomes	8,792,046	714,500	1,182,054	684,017
Expenses	(7,580,135)	(4,041,878)	(6,513,246)	(3,903,164)
<b>Loss for the year</b>	<b>5,638,582</b>	<b>312,649</b>	<b>(360,454)</b>	<b>9,215</b>
Loss attributable to owners of the company	5,706,601	497,006	(445,042)	(86,126)
Loss attributable to the non-controlling interests	(71,548)	(71,548)	(35,644)	(35,644)
<b>Loss for the year</b>	<b>5,635,053</b>	<b>425,458</b>	<b>(480,686)</b>	<b>(121,770)</b>
<b>Other comprehensive income/(loss) attributable to owners of the company</b>	<b>(841,236)</b>	<b>(940,471)</b>	<b>580,312</b>	<b>(272,633)</b>
Other comprehensive loss to the non-controlling interests	9,145	9,145	(132,716)	(132,716)
<b>Other comprehensive income for the year</b>	<b>(832,091)</b>	<b>(931,326)</b>	<b>447,596</b>	<b>(405,349)</b>
<b>Total comprehensive income attributable to owners of the company</b>	<b>4,865,364</b>	<b>(443,465)</b>	<b>135,270</b>	<b>(358,759)</b>
Total comprehensive income to the non-controlling interests	(71,548)	(71,548)	(35,644)	(35,644)
<b>Total comprehensive income for the year</b>	<b>4,793,816</b>	<b>(515,013)</b>	<b>99,626</b>	<b>(394,403)</b>
Dividends paid to non controlling interests	-	-	-	-
<b>Summary of cash flows:</b>				
Net cash out flow from operating activities	(1,116,788)	265,103	(467,355)	(152,734)
Net cash out flow from investing activities	1,657,548	1,098,920	1,680,548	1,204,108
Net cash (out)/in flow from financing activities	77,295	(449,868)	(781,606)	(551,554)
<b>Net cash out flow</b>	<b>1,734,842</b>	<b>649,052</b>	<b>898,942</b>	<b>652,554</b>

### 14.5 Change in the Group's ownership interest in a subsidiary

There was a changes in the Group's ownership interest in the Sonarwa only during the year. See Note 14.3.8.

### 14.6 Significant restrictions

There are no significant restrictions on the company's or subsidiary's ability to access or use the assets and settle the liabilities of the Group.

### 14.7 Financial support

The Group has not given any financial support to a consolidated structured entity.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>15. Intangible ssets</b>				
Computer Software (Note 15.1)	<b>21,797</b>	-	-	-
	<b>21,797</b>	-	-	-
Current	-	-	-	-
Non Current	<b>21,797</b>	-	-	-
	<b>21,797</b>	-	-	-
<b>15.1 Movement in Computer software</b>				
<b>Cost</b>				
At 1 January	<b>54,008</b>	54,008	<b>52,600</b>	52,600
Additions during the year	<b>25,296</b>	-	-	-
Recalssification	-	-	-	-
Translation adjustment	-	-	-	-
<b>At 31 December</b>	<b>79,304</b>	54,008	<b>52,600</b>	52,600
<b>Amortisation and impairment</b>				
At 1 January	<b>54,008</b>	54,008	<b>52,600</b>	52,600
Charged during the year	<b>3,499</b>	-	-	-
Translation adjustment	-	-	-	-
<b>At 31 December</b>	<b>57,507</b>	54,008	<b>52,600</b>	52,600
<b>Carrying amount</b>	<b>21,797</b>	-	-	-

**15.2** The Group intangible assets comprises of purchased computer software. The computer software are accounted for using cost model of IAS 38, that is, cost less accumulated amortization and accumulated impairment. The amortization is charged to the Income Statement in line with the Group's accounting policy. These assets were tested for impairment and no impairment is required in respect of the assets.

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>16. Investment properties</b>				
<b>At valuation:</b>				
At 1 January	<b>21,431,642</b>	23,239,950	<b>17,753,486</b>	17,379,867
Additions	<b>1,092</b>	-	-	-
Transfer from Subsidiary	-	-	-	-
Disposals	<b>(1,194,829)</b>	(60,000)	<b>(362,100)</b>	(60,000)
Transfer to assets held for sale (Note 11)	<b>(2,369,807)</b>	(180,730)	-	-
Transfer to property,plant and equipment (Note 17a)	<b>(542,562)</b>	(389,422)	-	-
Fair value gain	<b>7,666,279</b>	465,179	<b>7,478,025</b>	433,619
Translation adjustments	-	(1,643,335)	-	-
<b>At 31 December</b>	<b>24,991,815</b>	21,431,642	<b>24,869,411</b>	17,753,486



# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>16.1 Of the investment properties, the following relates:</b>				
Policyholder Fund	<b>15,382,316</b>	7,830,880	<b>11,312,206</b>	4,152,737
Shareholders fund	<b>3,017,742</b>	3,515,630	<b>3,541,179</b>	3,515,630
Deposi Administration	<b>5,817,410</b>	6,777,206	<b>6,826,458</b>	6,777,206
Others	<b>2,718,105</b>	3,307,923	<b>3,189,568</b>	3,307,923
<b>Total</b>	<b><u>26,935,573</u></b>	<u>21,431,639</u>	<b><u>24,869,411</u></b>	<u>17,753,496</u>

i) Investment properties represents the Group's investment in land and buildings held for the purpose of capital appreciation. It is the Group's policy not to depreciate these investment properties that did not generate any income or direct operating expenses during the year.

ii) During the year, the Company disposed of an Investment Property located along Oyemekun Road, Akure valued at N24.8 million, property at Fumta Jetty, 1st Avenue, Festac Town, Lagos valued at N300 Million and property at No. 1 Bendel Steel Structures Road, Enerehen, Effurun, Warri valued at N37,260,000.

iii) Rental income for the year on the Group was N310.5 million (31 Dec 2018: N233 million) while the Company was N 132.4 million (31 Dec 2018: N124.7 million) .

iv) Certain Land and Buildings were revalued in December 2019 by Messrs Ora Egbunike & Associates chartered surveyors and valuers (FRC/2012/NIESV/0000000244). The valuation was based on open market value between a willing buyer and seller produced a surplus balance of N7.478 billion(Dec 2018: N433.6 million) which has been credited to other comprehensive income. The basis of appraisal for valuation of the properties is the "Open market Concept". The Open market value is the best price at which an interest in property assets might reasonably be expected to be sold as at the date of valuation either by a private treaty, public auction or tender as may be appropriate.

### 16.2 summary of Investment Properties and Property, Plant & Equipment - Company

	<b>Land</b>	<b>Building</b>	<b>Total</b>	<b>Total</b>
	<b>N'000</b>	<b>N'000</b>	<b>2019</b>	<b>2018</b>
			<b>N'000</b>	<b>N'000</b>
Property, plant & equipment	4,997,100	1,338,000	6,335,100	5,773,785
Investment property -local	<u>23,162,737</u>	<u>1,299,783</u>	<u>24,462,520</u>	<u>17,350,429</u>
	<u>28,159,837</u>	<u>2,637,783</u>	<u>30,797,620</u>	<u>23,124,213</u>
Investment property - local	23,162,737	1,299,783	24,462,520	17,350,429
Investment property -foreign	-	-	406,891	403,057
Investment property -Total	<u>23,162,737</u>	<u>1,299,783</u>	<u>24,869,411</u>	<u>17,753,486</u>

## INDUSTRIAL AND GENERAL INSURANCE PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1v) Further analysis and details of the investment properties and Properties, Plan & Equipment, including their location are stated below. This includes the cost, carrying amount and the corresponding fair value adjustments recognised in the statement of profit or loss and other comprehensive income.

#### Investment Properties' Fair Value - 31 December, 2019

Property	Location	Market Value - at January 1			Addition		Disposal		Fair value Gain		Market Value - 31st December		
		Land	Building	Total	Land	Building	Land	Building	Land	Building	Land	Building	Total
		N	N	N	N	N	N	N	N	N	N	N	N
6 Okefolami Street, Anthony Village, Lagos	Lagos State	55,000,000	68,420,000	123,420,000.00							55,000,000	68,420,000	123,420,000
No 119 Broad, Street, Lagos Island, Lagos	Lagos State	220,000,000	440,000,000	660,000,000.00							220,000,000	440,000,000	660,000,000
Property at Tourism Zone, near Alpha Beach, Lekki, Lagos	Lagos State	3,000,000,000	-	3,000,000,000.00					6,146,900,000		9,146,900,000	-	9,146,900,000
4.2 Hectares of Land at Mayegun Tourism Scheme, Lekki	Lagos State	1,415,959,500	84,040,500	1,500,000,000.00					1,440,000,000		2,855,959,500	84,040,500	2,940,000,000
Onikoyi Road, Parkview Estate, Ikoyi, Lagos	Lagos State	434,000,000	-	434,000,000.00					76,000,000		510,000,000	-	510,000,000
NO. 44E, Gerrard Road, Ikoyi, Lagos	Lagos State	1,463,500,000	-	1,463,500,000.00					(363,500,000)		1,100,000,000	-	1,100,000,000
2B Oroke Drive, Ikoyi, Lagos	Lagos State	325,500,000	6,000,000	331,500,000.00					6,490		325,506,490	6,000,000	331,506,490
No. 3, GLOVER ROAD, Ikoyi, Lagos	Lagos State	539,243,646	-	539,243,646.00							539,243,646	-	539,243,646
Alasia, Sangotedo, Eti-Osa LGA, Lagos	Lagos State	13,250,000	-	13,250,000.00							13,250,000	-	13,250,000
Alagbon Metta Village, Ibeju Lekki, Ajah, Lagos	Lagos State	18,000,000	-	18,000,000.00							18,000,000	-	18,000,000
Building at Fumta Jetty, 1st Avenue, Festac Town	Lagos State		300,000,000	300,000,000.00				(300,000,000)			-	-	-
Abiola Road (formerly Apapa Road) Ijora Basdia, Ijora, Lagos	Lagos State	1,885,000,000	-	1,885,000,000.00					74,785,205		1,959,785,205	-	1,959,785,205
Property Along Oshodi -Apapa Expressway, Awodiora, Lagos	Lagos State	760,000,000	-	760,000,000.00							760,000,000	-	760,000,000
Property Along Oshodi -Apapa Expressway, Awodiora, Lagos	Lagos State	730,000,000	-	730,000,000.00							730,000,000	-	730,000,000
Property at off Trinity Avenue, Okota, Isolo Lagos	Lagos State	32,940,000	-	32,940,000.00							32,940,000	-	32,940,000
Plot 28, Block 34, Isheri Olofin, Lagos	Lagos State	3,960,000	-	3,960,000.00							3,960,000	-	3,960,000
Ikorodu Industrial Estate, Ikorodu, Lagos	Lagos State	215,000,000	-	215,000,000.00							215,000,000	-	215,000,000
Block V, Plot 11, within Nitel/Mtel Carrier Station, Ikorodu, Lagos	Lagos State	7,370,000	-	7,370,000.00							7,370,000	-	7,370,000
Block VI, Plot 2, Within Nitel/Mtel Carrier Station, Ikorodu	Lagos State	7,370,000	-	7,370,000.00							7,370,000	-	7,370,000
Block VII, Plot 17, Within Nitel/Mtel Carrier Station, Ikorodu	Lagos State	7,370,000	-	7,370,000.00							7,370,000	-	7,370,000

## INDUSTRIAL AND GENERAL INSURANCE PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1v) Further analysis and details of the investment properties and Properties, Plan & Equipment, including their location are stated below. This includes the cost, carrying amount and the corresponding fair value adjustments recognised in the statement of profit or loss and other comprehensive income.

#### Investment Properties' Fair Value - 31 December, 2019

Property	Location	Market Value - at January 1			Addition		Disposal		Fair value Gain		Market Value - 31st December		
		Land	Building	Total	Land	Building	Land	Building	Land	Building	Land	Building	Total
		N	N	N	N	N	N	N	N	N	N	N	N
Block X, Plot 5, Within Nitel/Mtel Carrier Station, Ikorodu	Lagos State	7,370,000	-	7,370,000.00							7,370,000	-	7,370,000
Block X, Plot 6 Within Nitel/Mtel Carrier Station Ikorodu	Lagos State	7,370,000	-	7,370,000.00							7,370,000	-	7,370,000
Block VII, Plot 12 Within Nitel/Mtel Carrier Station Ikorodu	Lagos State	7,370,000	-	7,370,000.00							7,370,000	-	7,370,000
Block XVI, Plot 9-14, within Nitel/Mtel Carrier Station Ikorodu	Lagos State	37,800,000	-	37,800,000.00							37,800,000	-	37,800,000
Oi Okuta Area, Igbogbo, Ikorodu, Lagos	Lagos State	450,000,000	-	450,000,000.00							450,000,000	-	450,000,000
43/45, Akinoye Street, Idimu, Lagos	Lagos State	6,600,000	-	6,600,000.00							6,600,000	-	6,600,000
No.595, Agege Motor Road, Lagos	Lagos State	39,000,000	960,000	39,960,000.00							39,000,000	960,000	39,960,000
Eputu/Werekun Village Ibeju Lekki Ajah, Lagos	Lagos State	25,000,000	-	25,000,000.00							25,000,000	4	25,000,004
		<b>11,713,973,146</b>	<b>899,420,500</b>	<b>12,613,393,646</b>	-	-	-	<b>(300,000,000)</b>	<b>7,374,191,695</b>	-	<b>19,088,164,841</b>	<b>599,420,504</b>	<b>19,687,585,345</b>
Building at No. 1 Bendel Steel Structures Road, Enerehen, Effurun, Warri	Delta State		37,260,000	37,260,000				(37,260,000)			-	-	-
			<b>37,260,000</b>	<b>37,260,000</b>	-	-	-	<b>(37,260,000)</b>	-	-	-	-	-
Building at Property along Oyemekun Road, Akure	Ondo State		24,840,000	24,840,000				(24,840,000)			-	-	-
			<b>24,840,000</b>	<b>24,840,000</b>	-	-	-	<b>(24,840,000)</b>	-	-	-	-	-
Plot 10, Block 15 Area 5 OPIC Estate, Agbara, Abeokuta	Ogun State	4,510,000	-	4,510,000							4,510,000	-	4,510,000
Block XXV111, PLOT 1 & 2 , Mainland Park, Abeokuta	Ogun State	5,500,000	-	5,500,000							5,500,000	-	5,500,000
Idi- Iroko-Ipokia Road, Owode, Idi roko, Ogun State	Ogun State	5,775,000	-	5,775,000							5,775,000	-	5,775,000
PLOT 3C, BLOCK 1V, IBARA, GRA, ABEOKUTA	Ogun State	48,780,000	-	48,780,000							48,780,000	-	48,780,000
Ibara/Oke-ilewo Junction, Ibara, Abeokuta, Ogun, State	Ogun State	65,000,000	-	65,000,000							65,000,000	-	65,000,000
		<b>129,565,000</b>	-	<b>129,565,000</b>	-	-	-	-	-	-	<b>129,565,000</b>	-	<b>129,565,000</b>
Plot 5 & 6 BLK 1, Ring Road, Ibadan	Oyo State	21,800,000	-	21,800,000							21,800,000	-	21,800,000

## INDUSTRIAL AND GENERAL INSURANCE PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1v) Further analysis and details of the investment properties and Properties, Plan & Equipment, including their location are stated below. This includes the cost, carrying amount and the corresponding fair value adjustments recognised in the statement of profit or loss and other comprehensive income.

#### Investment Properties' Fair Value - 31 December, 2019

Property	Location	Market Value - at January 1			Addition		Disposal		Fair value Gain		Market Value - 31st December		
		Land	Building	Total	Land	Building	Land	Building	Land	Building	Land	Building	Total
		N	N	N	N	N	N	N	N	N	N	N	N
No. 24, Awolowo Way, by J. Allen, Dugbe, Ibadan	Oyo State	157,500,000	-	157,500,000	-	-	-	-	-	-	157,500,000	-	157,500,000
		<b>179,300,000</b>	-	<b>179,300,000</b>	-	-	-	-	-	-	<b>179,300,000</b>	-	<b>179,300,000</b>
Rumuodamaya village -P/h along airport road (Gas Area, Off Airport road)	Rivers State	34,560,000	-	34,560,000	-	-	-	-	-	-	34,560,000	-	34,560,000
		<b>34,560,000</b>	-	<b>34,560,000</b>	-	-	-	-	-	-	<b>34,560,000</b>	-	<b>34,560,000</b>
Property at No. 202, Ibekwe Road ,Ikot-Abasi	Akwa Ibom	5,280,000	-	5,280,000	-	-	-	-	-	-	5,280,000	-	5,280,000
		<b>5,280,000</b>	-	<b>5,280,000</b>	-	-	-	-	-	-	<b>5,280,000</b>	-	<b>5,280,000</b>
Plot 498 Shiroro Road Tunga, Minna	Niger State	32,640,000	30,000,000	62,640,000	-	-	-	-	-	-	32,640,000	30,000,000	62,640,000
		<b>32,640,000</b>	<b>30,000,000</b>	<b>62,640,000</b>	-	-	-	-	-	-	<b>32,640,000</b>	<b>30,000,000</b>	<b>62,640,000</b>
PLOT N AC 10, ABUBAKAR KIGO ROAD, KADUNA	Kaduna State	10,450,000	-	10,450,000	-	-	-	-	-	-	10,450,000	-	10,450,000
Property at Plot 41/42 , Independence Way, Marata Estate	Kaduna State	15,000,000	82,200,000	97,200,000	-	-	-	-	-	-	15,000,000	82,200,000	97,200,000
		<b>25,450,000</b>	<b>82,200,000</b>	<b>107,650,000</b>	-	-	-	-	-	-	<b>25,450,000</b>	<b>82,200,000</b>	<b>107,650,000</b>
House 14, Road C, Karu Housing Estate. Karu, Abuja	FCT, Abuja	12,000,000	7,980,000	19,980,000	-	-	-	-	-	-	12,000,000	7,980,000	19,980,000
Plot 2186 IBB way, Wuse Zone 4, Abuja	FCT, Abuja	2,248,817,410	580,182,590	2,829,000,000	-	-	-	-	100,000,000	-	2,348,817,410	580,182,590	2,929,000,000
PLOT 3274, CADASTRAL ZONE A6, MAITAMA ABUJA	FCT, Abuja	693,600,000	-	693,600,000	-	-	-	-	-	-	693,600,000	-	693,600,000
Block SB3, Flat 14, NNPC Quarters, Garki Abuja	FCT, Abuja	51,840,000	-	51,840,000	-	-	-	-	-	-	51,840,000	-	51,840,000
Block SB5, Flat 14, NNPC Quarters, Garki Abuja	FCT, Abuja	51,840,000	-	51,840,000	-	-	-	-	-	-	51,840,000	-	51,840,000
Block SB2, Flat 16, NNPC Quarters, Garki Abuja	FCT, Abuja	51,840,000	-	51,840,000	-	-	-	-	-	-	51,840,000	-	51,840,000
Block SB4, Flat 16, NNPC Quarters, Garki Abuja	FCT, Abuja	51,840,000	-	51,840,000	-	-	-	-	-	-	51,840,000	-	51,840,000
Block SB9, Flat 16, NNPC Quarters, Garki Abuja	FCT, Abuja	51,840,000	-	51,840,000	-	-	-	-	-	-	51,840,000	-	51,840,000
Block SB10, Flat 16, NNPC Quarters, Garki Abuja	FCT, Abuja	51,840,000	-	51,840,000	-	-	-	-	-	-	51,840,000	-	51,840,000

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1v) Further analysis and details of the investment properties and Properties, Plan & Equipment, including their location are stated below. This includes the cost, carrying amount and the corresponding fair value adjustments recognised in the statement of profit or loss and other comprehensive income.

### Investment Properties' Fair Value - 31 December, 2019

Property	Location	Market Value - at January 1			Addition		Disposal		Fair value Gain		Market Value - 31st December		
		Land	Building	Total	Land	Building	Land	Building	Land	Building	Land	Building	Total
		N	N	N	N	N	N	N	N	N	N	N	N
Block 1, Flat 22, Lukulu Street, Wuse Abuja	FCT, Abuja	16,200,000	-	16,200,000							16,200,000	-	16,200,000
Block 3, Flat 4, Lukulu Street, Wuse, Abuja	FCT, Abuja	16,200,000	-	16,200,000							16,200,000	-	16,200,000
Block 9, Flat 9, Sassandra Street, Wuse Abuja	FCT, Abuja	19,400,000	-	19,400,000							19,400,000	-	19,400,000
Block 9, Flat 10, Sassandra Street, Wuse Abuja	FCT, Abuja	19,400,000	-	19,400,000							19,400,000	-	19,400,000
Block 6(3) Flat 22, Jos Street, Area 3, Garki Abuja	FCT, Abuja	23,760,000	-	23,760,000							23,760,000	-	23,760,000
Block 39 (3), Flat 7, Eleme Close, Area 2, Section 1, Garki Abuja	FCT, Abuja	23,760,000	-	23,760,000							23,760,000	-	23,760,000
Block E11, CBN I & J Estate 1, Garki Abuja	FCT, Abuja	37,800,000	-	37,800,000							37,800,000	-	37,800,000
Block 1, Flat 5, Gombe Close, Garki Abuja	FCT, Abuja	48,600,000	-	48,600,000							48,600,000	-	48,600,000
BLOCK A14, FLAT 3, GAMES VILLAGE, ABUJA	FCT, Abuja	97,200,000	-	97,200,000							97,200,000	-	97,200,000
Total FCT, Abuja		3,567,777,410	588,162,590	4,155,940,000	-	-	-	-	100,000,000	-	3,667,777,410	588,162,590	4,255,940,000
Total local investment property		15,688,545,556	1,661,883,090	17,350,428,646	-	-	-	(362,100,000)	7,474,191,695	-	23,162,737,251	1,299,783,094	24,462,520,345
Land at Plot 310 Ubumwe Village, Remera, Kigali City	Foreign	403,057,351		403,057,351	-		-		3,833,250		406,890,601	-	406,890,601
Total local & foreign investment property		16,091,602,907	1,661,883,090	17,753,485,997	-	-	-	(362,100,000)	7,478,024,945	-	23,569,627,852	1,299,783,094	24,869,410,946

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2v) Further analysis and details of the investment properties including their location are stated below. This includes the cost, carrying amount and the corresponding fair value adjustments recognised in the statement of profit or loss and other comprehensive income.

### Investment Properties' Fair Value - 31 December, 2018

		Market Value - at January 1			Addition		Disposal		Fair value Gain		Market Value - 31st December		
		Land	Building	Total	Land	Building	Land	Building	Land	Building	Land	Building	Total
		N	N	N	N	N	N	N	N	N	N	N	N
6 Okefolami Street, Anthony Village, Lagos	Lagos State	55,000,000	68,420,000	123,420,000.00							55,000,000	68,420,000	123,420,000
No 119 Broad, Street, Lagos Island, Lagos	Lagos State	144,000,000	440,000,000	584,000,000					76,000,000		220,000,000	440,000,000	660,000,000
Property at Tourism Zone, near Alpha Beach, Lekki, Lagos	Lagos State	3,000,000,000	-	3,000,000,000							3,000,000,000	-	3,000,000,000
4.2 Hectares of Land at Mayegun Tourism Scheme, Lekki	Lagos State	1,315,959,500	84,040,500	1,400,000,000					100,000,000		1,415,959,500	84,040,500	1,500,000,000
Onikoyi Road, Parkview Estate, Ikoyi, Lagos	Lagos State	434,000,000	-	434,000,000							434,000,000	-	434,000,000
NO. 44E, Gerrard Road, Ikoyi, Lagos	Lagos State	1,463,500,000	-	1,463,500,000							1,463,500,000	-	1,463,500,000
2B Oroke Drive, Ikoyi, Lagos	Lagos State	325,500,000	6,000,000	331,500,000							325,500,000	6,000,000	331,500,000
No. 3, GLOVER ROAD, Ikoyi, Lagos	Lagos State	539,243,646	-	539,243,646							539,243,646	-	539,243,646
Alasia, Sangotedo, Eti-Osa LGA, Lagos	Lagos State	13,250,000	-	13,250,000							13,250,000	-	13,250,000
Alagbon Metta Village, Ibeju Lekki, Ajah, Lagos	Lagos State	18,000,000	-	18,000,000							18,000,000	-	18,000,000
Building at Fumta Jetty, 1st Avenue, Festac Town	Lagos State		278,800,000	278,800,000						21,200,000		300,000,000	300,000,000
Property along Moshood Abiola Road (formerly Apapa Road) Ijora Basdia, Ijora, Lagos	Lagos State	1,885,000,000	-	1,885,000,000							1,885,000,000	-	1,885,000,000
Property Along Oshodi -Apapa Expressway, Awodiora, Lagos	Lagos State	760,000,000	-	760,000,000							760,000,000	-	760,000,000
Property Along Oshodi -Apapa Expressway, Awodiora, Lagos	Lagos State	730,000,000	-	730,000,000							730,000,000	-	730,000,000
Property at off Trinity Avenue, Okota, Isolo Lagos	Lagos State	32,940,000	-	32,940,000							32,940,000	-	32,940,000
Plot 28, Block 34, Isheri Olofin, Lagos	Lagos State	3,960,000	-	3,960,000							3,960,000	-	3,960,000
Ikorodu Industrial Estate, Ikorodu, Lagos	Lagos State	215,000,000	-	215,000,000							215,000,000	-	215,000,000
Block V, Plot 11, within Nitel/Mtel Carrier Station, Ikorodu, Lagos	Lagos State	7,370,000	-	7,370,000.00							7,370,000	-	7,370,000
Block VI, Plot 2, Within Nitel/Mtel Carrier Station, Ikorodu	Lagos State	7,370,000	-	7,370,000.00							7,370,000	-	7,370,000
Block VII, Plot 17, Within Nitel/Mtel Carrier Station, Ikorodu	Lagos State	7,370,000	-	7,370,000.00							7,370,000	-	7,370,000
Block X, Plot 5, Within Nitel/Mtel Carrier Station, Ikorodu	Lagos State	7,370,000	-	7,370,000.00							7,370,000	-	7,370,000

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2v) Further analysis and details of the investment properties including their location are stated below. This includes the cost, carrying amount and the corresponding fair value adjustments recognised in the statement of profit or loss and other comprehensive income.

### Investment Properties' Fair Value - 31 December, 2018

		Market Value - at January 1			Addition		Disposal		Fair value Gain		Market Value - 31st December		
		Land N	Building N	Total N	Land N	Building N	Land N	Building N	Land N	Building N	Land N	Building N	Total N
Block X, Plot 6 Within Nitel/Mtel Carrier Station Ikorodu	Lagos State	7,370,000	-	7,370,000.00							7,370,000	-	7,370,000
Block VII, Plot 12 Within Nitel/Mtel Carrier Station Ikorodu	Lagos State	7,370,000	-	7,370,000.00							7,370,000	-	7,370,000
Block XVI, Plot 9-14, within Nitel/Mtel Carrier Station Ikorodu	Lagos State	37,800,000	-	37,800,000.00							37,800,000	-	37,800,000
Oi Okuta Area, Igbogbo, Ikorodu, Lagos	Lagos State	450,000,000	-	450,000,000.00							450,000,000	-	450,000,000
43/45, Akinoye Street, Idimu, Lagos	Lagos State	6,600,000	-	6,600,000.00							6,600,000	-	6,600,000
No.595, Agege Motor Road, Lagos	Lagos State	39,000,000	960,000	39,960,000.00							39,000,000	960,000	39,960,000
Eputu/Werekun Village Ibeju Lekki Ajah, Lagos	Lagos State	25,000,000	-	25,000,000.00							25,000,000	-	25,000,000
		<b>11,537,973,146</b>	<b>878,220,500</b>	<b>12,416,193,646</b>	-	-	-	-	<b>176,000,000</b>	<b>21,200,000</b>	<b>11,713,973,146</b>	<b>899,420,500</b>	<b>12,613,393,646</b>
Building at No. 1 Bendel Steel Structures Road, Enerehen, Effurun, Warri	Delta State	-	37,260,000	37,260,000							-	37,260,000	37,260,000
		-	<b>37,260,000</b>	<b>37,260,000</b>							-	<b>37,260,000</b>	<b>37,260,000</b>
Building at Property along Oyemekun Road, Akure	Ondo State	-	24,840,000	24,840,000							-	24,840,000	24,840,000
		-	<b>24,840,000</b>	<b>24,840,000</b>							-	<b>24,840,000</b>	<b>24,840,000</b>
Plot 10, Block 15 Area 5 OPIC Estate, Agbara, Abeokuta	Ogun State	4,510,000	-	4,510,000							4,510,000	-	4,510,000
Block XXV111, PLOT 1 & 2 , Mainland Park, Abeokuta	Ogun State	5,500,000	-	5,500,000							5,500,000	-	5,500,000
Idi- Iroko-Ipokia Road, Owode, Idi roko, Ogun State	Ogun State	5,775,000	-	5,775,000							5,775,000	-	5,775,000
PLOT 3C, BLOCK 1V, IBARA, GRA, ABEOKUTA	Ogun State	48,780,000	-	48,780,000							48,780,000	-	48,780,000
Ibara/Oke-ilewo Junction, Ibara, Abeokuta, Ogun, State	Ogun State	65,000,000	-	65,000,000							65,000,000	-	65,000,000
		<b>129,565,000</b>	-	<b>129,565,000</b>	-	-	-	-	-	-	<b>129,565,000</b>	-	<b>129,565,000</b>
Plot 5 & 6 BLK 1, Ring Road, Ibadan	Oyo State	8,800,000	-	8,800,000					13,000,000		21,800,000	-	21,800,000
Building at No. 17A & B, Olateru Olagbegi Cres., Bodija Estate, Ibadan	Oyo State	60,000,000	-	60,000,000			(60,000,000)				-		0
No. 24, Awolowo Way, by J. Allen, Dugbe, Ibadan	Oyo State	127,500,000	-	127,500,000					30,000,000		157,500,000	-	157,500,000
		<b>196,300,000</b>	-	<b>196,300,000</b>	-	-	<b>(60,000,000)</b>	-	<b>43,000,000</b>	-	<b>179,300,000</b>	-	<b>179,300,000</b>
Rumuodamaya village -P/h along airport road (Gas Area, Off Airport road)	Rivers State	34,560,000	-	34,560,000							34,560,000	-	34,560,000
		<b>34,560,000</b>	-	<b>34,560,000</b>	-	-	-	-	-	-	<b>34,560,000</b>	-	<b>34,560,000</b>

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2v) Further analysis and details of the investment properties including their location are stated below. This includes the cost, carrying amount and the corresponding fair value adjustments recognised in the statement of profit or loss and other comprehensive income.

### Investment Properties' Fair Value - 31 December, 2018

		Market Value - at January 1			Addition		Disposal		Fair value Gain		Market Value - 31st December		
		Land	Building	Total	Land	Building	Land	Building	Land	Building	Land	Building	Total
		N	N	N	N	N	N	N	N	N	N	N	N
Property at No. 202, Ibekwe Road ,Ikot-Abasi	Akwa Ibom	5,280,000	-	5,280,000							5,280,000	-	5,280,000
		<b>5,280,000</b>	<b>-</b>	<b>5,280,000</b>							<b>5,280,000</b>	<b>-</b>	<b>5,280,000</b>
Plot 498 Shiroro Road Tunga, Minna	Niger State	32,640,000	30,000,000	62,640,000							32,640,000	30,000,000	62,640,000
		<b>32,640,000</b>	<b>30,000,000</b>	<b>62,640,000</b>							<b>32,640,000</b>	<b>30,000,000</b>	<b>62,640,000</b>
Plot N AC 10, Abubaker Kigo Road, Kaduna	Kaduna State	10,450,000	-	10,450,000							10,450,000	-	10,450,000
Property at Plot 41/42 , Independence Way, Marata Estate	Kaduna State	15,000,000	82,200,000	97,200,000							15,000,000	82,200,000	97,200,000
		<b>25,450,000</b>	<b>82,200,000</b>	<b>107,650,000</b>	-	-	-	-	-	-	<b>25,450,000</b>	<b>82,200,000</b>	<b>107,650,000</b>
House 14, Road C, Karu Housing Estate, Karu, Abuja	FCT, Abuja	12,000,000	7,980,000	19,980,000							12,000,000	7,980,000	19,980,000
Plot 2186 IBB way, Wuse Zone 4, Abuja	FCT, Abuja	2,148,817,410	580,182,590	2,729,000,000					100,000,000		2,248,817,410	580,182,590	2,829,000,000
PLOT 3274, CADASTRAL ZONE A6, MAITAMA ABUJA	FCT, Abuja	693,600,000	-	693,600,000							693,600,000	-	693,600,000
Block SB3, Flat 14, NNPC Quarters, Garki Abuja	FCT, Abuja	51,840,000	-	51,840,000							51,840,000	-	51,840,000
Block SB5, Flat 14, NNPC Quarters, Garki Abuja	FCT, Abuja	51,840,000	-	51,840,000							51,840,000	-	51,840,000
Block SB2, Flat 16, NNPC Quarters, Garki Abuja	FCT, Abuja	51,840,000	-	51,840,000							51,840,000	-	51,840,000
Block SB4, Flat 16, NNPC Quarters, Garki Abuja	FCT, Abuja	51,840,000	-	51,840,000							51,840,000	-	51,840,000
Block SB9, Flat 16, NNPC Quarters, Garki Abuja	FCT, Abuja	51,840,000	-	51,840,000							51,840,000	-	51,840,000
Block SB10, Flat 16, NNPC Quarters, Garki Abuja	FCT, Abuja	51,840,000	-	51,840,000							51,840,000	-	51,840,000
Block 1, Flat 22, Lukulu Street, Wuse Abuja	FCT, Abuja	16,200,000	-	16,200,000							16,200,000	-	16,200,000
Block 3, Flat 4, Lukulu Street, Wuse, Abuja	FCT, Abuja	16,200,000	-	16,200,000							16,200,000	-	16,200,000
Block 9, Flat 9, Sassandra Street, Wuse Abuja	FCT, Abuja	19,400,000	-	19,400,000							19,400,000	-	19,400,000
Block 9, Flat 10, Sassandra Street, Wuse Abuja	FCT, Abuja	19,400,000	-	19,400,000							19,400,000	-	19,400,000
Block 6(3) Flat 22, Jos Street, Area 3, Garki Abuja	FCT, Abuja	23,760,000	-	23,760,000							23,760,000	-	23,760,000
Block 39 (3), Flat 7, Eleme Close, Area 2, Section 1, Garki Abuja	FCT, Abuja	23,760,000	-	23,760,000							23,760,000	-	23,760,000
Block E11, CBN I & J Estate 1, Garki Abuja	FCT, Abuja	37,800,000	-	37,800,000							37,800,000	-	37,800,000
Block 1, Flat 5, Gombe Close, Garki Abuja	FCT, Abuja	48,600,000	-	48,600,000							48,600,000	-	48,600,000



## INDUSTRIAL AND GENERAL INSURANCE PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2v) Further analysis and details of the investment properties including their location are stated below. This includes the cost, carrying amount and the corresponding fair value adjustments recognised in the statement of profit or loss and other comprehensive income.

#### Investment Properties' Fair Value - 31 December, 2018

		Market Value - at January 1			Addition		Disposal		Fair value Gain		Market Value - 31st December		
		Land	Building	Total	Land	Building	Land	Building	Land	Building	Land	Building	Total
		N	N	N	N	N	N	N	N	N	N	N	N
BLOCK A14, FLAT 3, GAMES VILLAGE, ABUJA	FCT, Abuja	97,200,000	-	97,200,000							97,200,000	-	97,200,000
		<b>3,467,777,410</b>	<b>588,162,590</b>	<b>4,055,940,000</b>	-	-	-	-	<b>100,000,000</b>	-	<b>3,567,777,410</b>	<b>588,162,590</b>	<b>4,155,940,000</b>
Total local investment property		<b>15,429,545,556</b>	<b>1,640,683,090</b>	<b>17,070,228,646</b>	-	-	<b>(60,000,000)</b>	-	<b>319,000,000</b>	<b>21,200,000</b>	<b>15,688,545,556</b>	<b>1,661,883,090</b>	<b>17,350,428,646</b>
Land at Plot 310 Ubumwe Village, Remera, Kigali City	Foreign	309,638,829		309,638,829	-		-		93,418,522		403,057,351		403,057,351
Total local & foreign investment property		<b>15,739,184,385</b>	<b>1,640,683,090</b>	<b>17,379,867,475</b>	-	-	<b>(60,000,000)</b>	-	<b>412,418,522</b>	<b>21,200,000</b>	<b>16,091,602,907</b>	<b>1,661,883,090</b>	<b>17,753,485,997</b>

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

4) Further analysis and details of the properties, plant & equipment including their location are stated below. This includes the cost, carrying amount and the corresponding fair value adjustments recognised in the statement of profit or loss and other comprehensive income.

### Properties, Plant & Equipment Fair Value - 31 December, 2019

Reported, Plant & Equipment Fair Value - 31 December, 2019													
Property	Market Value - at January 1			Addition		Disposal		Fair value Gain		Market Value - 31st December			
	Land N	Building N	Total N	Land N	Building N	Land N	Building N	Land N	Building N	Land N	Building N	Total N	
Agura Village, near Ijede Town, Ikorodu, Lagos	Lagos State	10,933,000	-	10,933,000							10,933,000	-	10,933,000
Block 128, Plot 8, Lekki Scheme 1, Lekki, Lagos	Lagos State	43,000,000.00	-	43,000,000							43,000,000	-	43,000,000
No. 574, Lagos - Abeokuta ExpressWay, Abule Egba	Lagos State	58,400,000	28,000,000	86,400,000							58,400,000	28,000,000	86,400,000
PLOT 2, BLOCK 1, ONIRU CHIEFTANCY LAND, LEKKI	Lagos State	750,000,000	-	750,000,000							750,000,000	-	750,000,000
2 , Agoro Odiyan Street, Victoria Island	Lagos State	1,287,200,000	660,000,000	1,947,200,000					117,440,000		1,404,640,000	660,000,000	2,064,640,000
		2,149,533,000	688,000,000	2,837,533,000	-	-	-	-	117,440,000	-	2,266,973,000	688,000,000	2,954,973,000
LANLATE, IBARA NORTH EAST LGA, OYO STATE	Oyo State	6,000,000	-	6,000,000							6,000,000	-	6,000,000
9, LEBANON STREET, DUGBE, IBADAN	Oyo State	96,401,001	40,000,000	136,401,001					29,999,999		126,401,000	40,000,000	166,401,000
		102,401,001	40,000,000	142,401,001	-	-	-	-	29,999,999	-	132,401,000	40,000,000	172,401,000
OKE FIA AREA OF OSHOGBO, OSUN STATE	Ogun	11,000,000	-	11,000,000							11,000,000	-	11,000,000
		11,000,000	-	11,000,000	-	-	-	-	-	-	11,000,000	-	11,000,000
Property at Akwu-Oda Aba Road, Rumukrussi, Obio/AkporRUMUKRUSSI P/H	Rivers State	217,289,267		217,289,267					58,373,267		275,662,534	-	275,662,534
		217,289,267	-	217,289,267	-	-	-	-	58,373,267	-	275,662,534	-	275,662,534
No. 75/3C, YAKUBU GOWON WAY JOS	Plateau State	2,927,847	40,000,000	42,927,847					5,667,847		8,595,694	40,000,000	48,595,694
		2,927,847	40,000,000	42,927,847	-	-	-	-	5,667,847	-	8,595,694	40,000,000	48,595,694
No. 21/22 UNIVERSITY ROAD, PHASE 1, GBAGWALADA, ABUJA	FCT, Abuja	20,000,000	10,000,000	30,000,000							20,000,000	10,000,000	30,000,000
PLOT 758 CADESTRAL ZONE AO, CENTRAL BUSINESS DISTRICT	FCT, Abuja	1,932,633,681	560,000,000	2,492,633,681					349,833,681		2,282,467,362	560,000,000	2,842,467,362
Total FCT, Abuja		1,952,633,681	570,000,000	2,522,633,681	-	-	-	-	349,833,681	-	2,302,467,362	570,000,000	2,872,467,362
TOTAL LOCAL PPROPERTY, PLANT & EQUIPMENT		4,435,784,796	1,338,000,000	5,773,784,796	-	-	-	-	561,314,794	-	4,997,099,590	1,338,000,000	6,335,099,590

## INDUSTRIAL AND GENERAL INSURANCE PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

4v) Further analysis and details of the propertie, Plant & Equipment including their location are stated below. This includes the cost, carrying amount and the corresponding fair value adjustments recognised in the statement of profit or loss and other comprehensive income.

#### Properties, Plant & Equipment Fair Value - 31 December, 2018

		Market Value - at January 1			Addition		Disposal		Fair value Gain		Market Value - 31st December		
		Land	Building	Total	Land	Buildin	Land	Building	Land	Building	Land	Building	Total
		N	N	N	N	N	N	N	N	N	N	N	N
Agura Village, near Ijede Town, Ikorodu, Lagos	LAGOS STATE	10,933,000	-	10,933,000.00							10,933,000	-	10,933,000
Block 128, Plot 8, Lekki Scheme 1, Lekki, Lagos	LAGOS STATE	43,000,000.00	-	43,000,000.00							43,000,000	-	43,000,000
PLOT 722 AKIBO SAVAGE VI LAGOS	LAGOS STATE	367,200,000.00		367,200,000.00			(367,200,000)				-	-	-
No. 574, Lagos - Abeokuta ExpressWay, Abule Egba	LAGOS STATE	58,400,000	28,000,000	86,400,000							58,400,000	28,000,000	86,400,000
PLOT 2, BLOCK 1, ONIRU CHIEFTANCY LAND, LEKKI	LAGOS STATE	750,000,000	-	750,000,000							750,000,000	-	750,000,000
2 , Agoro Odiyan Street, Victoria Island	LAGOS STATE	1,169,760,000	660,000,000	1,829,760,000					117,440,000		1,287,200,000	660,000,000	1,947,200,000
		<b>2,399,293,000</b>	<b>688,000,000</b>	<b>3,087,293,000</b>	-	-	<b>(367,200,000)</b>	-	<b>117,440,000</b>	-	<b>2,149,533,000</b>	<b>688,000,000</b>	<b>2,837,533,000</b>
LANLATE, IBARA NORTH EAST LGA, OYO STATE	Oyo State	6,000,000	-	6,000,000							6,000,000	-	6,000,000
		<b>6,000,000</b>	-	<b>6,000,000</b>	-	-	-	-	-	-	<b>6,000,000</b>	-	<b>6,000,000</b>
9, LEBANON STREET, DUGBE, IBADAN	Oyo State	50,179,999	40,000,000	90,179,999					46,221,001		96,401,000	40,000,000	136,401,000
		<b>50,179,999</b>	<b>40,000,000</b>	<b>90,179,999</b>	-	-	-	-	<b>46,221,001</b>	-	<b>96,401,000</b>	<b>40,000,000</b>	<b>136,401,000</b>
OKE FIA AREA OF OSHOGBO, OSUN STATE	Ogun	11,000,000	-	11,000,000							11,000,000	-	11,000,000
		<b>11,000,000</b>	-	<b>11,000,000</b>	-	-	-	-	-	-	<b>11,000,000</b>	-	<b>11,000,000</b>
Property at Akwu-Oda Aba Road, Rumukrussi, Obio/AkporRUMUKRUSSI P/H	Rivers State	158,916,000		158,916,000					58,373,267		217,289,267	-	217,289,267
		<b>158,916,000</b>	-	<b>158,916,000</b>	-	-	-	-	<b>58,373,267</b>	-	<b>217,289,267</b>	-	<b>217,289,267</b>
No. 75/3C, YAKUBU GOWON WAY JOS	Plateau State	2,927,847	34,332,153	37,260,000					5,667,847		8,595,694	34,332,153	42,927,847
		<b>2,927,847</b>	<b>34,332,153</b>	<b>37,260,000</b>	-	-	-	-	<b>5,667,847</b>	-	<b>8,595,694</b>	<b>34,332,153</b>	<b>42,927,847</b>
No. 21/22 UNIVERSITY ROAD, PHASE 1, GBAGWALADA, ABUJA	FCT, Abuja	20,000,000	10,000,000	30,000,000							20,000,000	10,000,000	30,000,000
PLOT 758 CADESTRAL ZONE AO, CENTRAL BUSINESS DISTRICT	FCT, Abuja	1,682,800,000	560,000,000	2,242,800,000					249,833,681		1,932,633,681	560,000,000	2,492,633,681
		<b>1,702,800,000</b>	<b>570,000,000</b>	<b>2,272,800,000</b>	-	-	-	-	<b>249,833,681</b>	-	<b>1,952,633,681</b>	<b>570,000,000</b>	<b>2,522,633,681</b>
Total Property, Plant & Equipment		<b>4,331,116,846</b>	<b>1,332,332,153</b>	<b>5,663,448,999</b>	-	-	<b>(367,200,000)</b>	-	<b>477,535,796</b>	-	<b>4,441,452,642</b>	<b>1,332,332,153</b>	<b>5,773,784,795</b>

## INDUSTRIAL AND GENERAL INSURANCE PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

16.3. The Status of perfection for the investment properties are as follows:

Description of properties	Location	Status of perfection	Company	
			2019	2018
1 Building at 4 H NIG.Maiyegun Property, Lekki	Lagos	Perfected title with acquired SPV	9,146,900,000	3,000,000,000
2 Marata Estate, Kaduna	FCT	Perfected	97,200,000	97,200,000
3 Land at Plot 310 Ubumwe Village, Remera, Kigali City	Foreign	Perfected	406,890,601	403,057,351
4 Land at Ikorodu Industrial Estate, Ikorodu	Lagos	Perfected	215,000,000	215,000,000
5 Land at Property Along Oshodi -Apapa (Mile 2 Apapa) Exp.,	Lagos	Perfected	730,000,000	730,000,000
6 Land at Onikoyi Road Parkview Estate, ikoyi Lagos	Lagos	Perfected	510,000,000	510,000,000
7 UTC Building at 119 Broad Street, Lagos	Lagos	Perfected	660,000,000	584,000,000
8			11,765,990,601	5,539,257,351
9				
10 Building at Fumta Jetty, 1st Avenue, Festac Town, Lagos	Lagos	Disposed post balance sheet	-	300,000,000
11 Building at No. 17A & B, Olateru Olagbegi Cres., Bodija Estate, Ibadan	Ibadan	Disposed post balance sheet	-	-
12 Building at No. 1 Bendel Steel Structures Road, Enerehen, Effurun, Warri	Delta	Disposed post balance sheet	-	37,260,000
13 Building at No 2, Joseph Str. Lagos Island, Lagos		Disposed post balance sheet	-	-
14 Building at Plot 88 UPI;1/02/07/01/88 Urugwiro Village		Disposed post balance sheet	-	-
15 Building at Property along Oyemekun Road, Akure	Akure	Disposed post balance sheet	-	24,840,000
16 Land at No. 44E Gerard Road, Ikoyi, Lagos	Lagos	Disposed post balance sheet	1,100,000,000	1,463,510,000
			1,100,000,000	1,825,610,000
<b>Total Admissible</b>			12,865,990,601	7,364,867,351
17 Land at Plot 28, Bk. 34, Isheri Olofin, Lagos	Lagos	Duly excuted deed of assignment with right to realize or transfer the property	3,960,000	3,960,000
18 Land at Plot 10, Block 15 Area 5 Opic Estate Agbara Abeokuta	Lagos	Duly excuted deed of assignment with right to realize or transfer the property	4,510,000	4,510,000
19 Land at Property at No. 202, Ibekwe Road, Ikot-Abassi, Akwa Ibom	Rivers	Duly excuted deed of assignment with right to realize or transfer the property	5,280,000	5,280,000
20 Land at Block XXV111, Plot 1 & 2 , Mainland Park Estate, Ogun State	Ogun	Duly excuted deed of assignment with right to realize or transfer the property	5,500,000	5,500,000
21 Building at Idi-Iroko-pokia Road, Owode, Idi roko, Ogun State	Ogun	Duly excuted deed of assignment with right to realize or transfer the property	5,775,000	5,775,000
22 Land at 43/45 Akinoye street,Idimu, Lagos	Lagos	Duly excuted deed of assignment with right to realize or transfer the property	6,600,000	6,600,000
23 Land at Plot N. A. C. 10 Abubakar, kigo Road, Kaduna	Kaduna	Duly excuted deed of assignment with right to realize or transfer the property	10,450,000	10,450,000
24 Building at Block 1, Flat 22, Lukulu Street, Wuse Abuja	Abuja	Duly excuted deed of assignment with right to realize or transfer the property	16,200,000	16,200,000
25 Building at Block 3, Flat 4, Lukulu Street, Wuse, Abuja	Abuja	Duly excuted deed of assignment with right to realize or transfer the property	16,200,000	16,200,000
26 Building at Block 9, Flat 9, Sassandra Street, Wuse Abuja	Abuja	Duly excuted deed of assignment with right to realize or transfer the property	19,400,000	19,400,000
27 Building at Block 9, Flat 10, Sassandra Street, Wuse Abuja	Abuja	Duly excuted deed of assignment with right to realize or transfer the property	19,400,000	19,400,000
28 Building at House 14 Road C Karu Housing Estate. Karu, Abuja	Rivers	Duly excuted deed of assignment with right to realize or transfer the property	19,980,000	19,980,000
29 Land at Plot 5 & 6 BLK 1, Ring Road, Ibadan	Kaduna	Duly excuted deed of assignment with right to realize or transfer the property	21,800,000	21,800,000
30 Building at Block 6(3) Flat 22, Jos Street, Area 3, Garki Abuja	Abuja	Duly excuted deed of assignment with right to realize or transfer the property	23,760,000	23,760,000
31 Building at Block 39 (3), Flat 7, Eleme Close, Area 2, Section 1, Garki Abuja	Abuja	Duly excuted deed of assignment with right to realize or transfer the property	23,760,000	23,760,000
32 Land at Property at Off Trinity Avenue, Okota, Isolo Lagos	Lagos	Duly excuted deed of assignment with right to realize or transfer the property	32,940,000	32,940,000
33 Land at Property at Gas Area, Off Airport Rd, Rumuodomaya Port Harcourt	Rivers	Duly excuted deed of assignment with right to realize or transfer the property	34,560,000	34,560,000
34 Land at Block XVI, Plot 9-14, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Duly excuted deed of assignment with right to realize or transfer the property	37,800,000	37,800,000
35 Building at 595 Agege Motor Road, Lagos	Lagos	Duly excuted deed of assignment with right to realize or transfer the property	39,960,000	39,960,000
36 Building at Block 1, Flat 5, Gombe Close, Garki Abuja	Abuja	Duly excuted deed of assignment with right to realize or transfer the property	48,600,000	48,600,000
<b>Sub-total</b>			396,435,000	396,435,000

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Description of properties	Location	Status of perfection		
			2019	2018
37 Land at Plot 3C Blk IV Ibara, GRA, Abeokuta	Ogun	Duly excuted deed of assignment with right to realize or transfer the property	48,780,400	48,780,400
38 Building at Block SB3, Flat 14, NNPC Quarters, Garki Abuja	Abuja	Duly excuted deed of assignment with right to realize or transfer the property	51,840,000	51,840,000
39 Building at Block SB5, Flat 14, NNPC Quarters, Garki Abuja	Abuja	Duly excuted deed of assignment with right to realize or transfer the property	51,840,000	51,840,000
40 Building at Block SB2, Flat 16, NNPC Quarters, Garki Abuja	Abuja	Duly excuted deed of assignment with right to realize or transfer the property	51,840,000	51,840,000
41 Building at Block SB4, Flat 16, NNPC Quarters, Garki Abuja	Abuja	Duly excuted deed of assignment with right to realize or transfer the property	51,840,000	51,840,000
42 Building at Block SB9, Flat 16, NNPC Quarters, Garki Abuja	Abuja	Duly excuted deed of assignment with right to realize or transfer the property	51,840,000	51,840,000
43 Building at Block SB10, Flat 16, NNPC Quarters, Garki Abuja	Abuja	Duly excuted deed of assignment with right to realize or transfer the property	51,840,000	51,840,000
44 Building at Plot 498 Shiroro Road Tunga, Minna	Abuja	Duly excuted deed of assignment with right to realize or transfer the property	62,640,000	62,640,000
45 Building at No. 24, Awolowo Way, by J. Allen, Dugbe, Ibadan)	Ibadan	Duly excuted deed of assignment with right to realize or transfer the property	157,500,000	157,500,000
46 Land at Block VII Plot 17, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Duly excuted deed of assignment with right to realize or transfer the property	7,370,000	7,370,000
47 Land at Block V, Plot 11, within Nitel/Mtel Carrier Station, Ikorodu, Lagos	Lagos	Not perfected	7,370,000	7,370,000
48 Land at Block X, Plot 5, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Not perfected	7,370,000	7,370,000
49 Land at Block X, Plot 6, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Not perfected	7,370,000	7,370,000
50 Land at Block VI Plot 2, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Not perfected	7,370,000	7,370,000
51 Land at Block VIII Plot 12, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Not perfected	7,370,000	7,370,000
52 Land at Alasia Sangotedo in Lekki	Lagos	Not perfected	13,250,000	13,250,000
53 Land at Ajah Village Land	Lagos	Not perfected	18,000,000	18,000,000
54 Land at LASG ALASIA LEKKI-EPE PROPERTY	Lagos	Not perfected	25,000,000	25,000,000
55 Building at Block E11, CBN I & J Estate 1, Garki Abuja	Abuja	Not perfected	37,800,000	37,800,000
56 Building at Ibara/Oke-Ilewo Junction, Ibara, Abeokuta, Ogun State	Ogun	Not perfected	65,000,000	65,000,000
57 Building at Block A14, Flat 3 Games Village, Abuja	Abuja	Duly excuted deed of assignment with right to realize or transfer the property	97,200,000	97,200,000
58 Building at No 6 Okunfolami Str. Anthony village Lagos	Lagos	Not perfected	123,420,000	123,420,000
59 Building at No. 2B, Oroke Drive, Ikoyi, Lagos	Lagos	Not perfected	331,506,490	331,500,000
60 Land at Alejo Family (Purchase of Igbogbo Ikorodu land)	Lagos	Not perfected	450,000,000	450,000,000
61 Land at No. 3, GLOVER ROAD, Ikoyi, Lagos	Lagos	Duly excuted deed of assignment with right to realize or transfer the property	539,243,109	539,243,109
62 Building at Plot 3274, Cadastral Zone A6, Maitama, Abuja	Abuja	Not perfected	693,600,000	693,600,000
63 Land at Monarch Comm. Awodiora Landed Property	Lagos	Duly excuted deed of assignment with right to realize or transfer the property	760,000,000	760,000,000
64 Land at Property of 4.2 Hectares At Tourism Zone Goshen Estate, Lekki, Lagos	Lagos	Duly excuted deed of assignment with right to realize or transfer the property	2,940,000,000	1,500,000,000
65 Land at Property along Moshood Abiola Road ( Formerly Apapa Road) Ijora Badia, Ijora, L: Lagos	Lagos	Duly excuted deed of assignment with right to realize or transfer the property	1,959,785,205	1,885,000,000
66 Building at Plot 2186 IBB Way, Wuse Zone 4, Abuja	Abuja	Duly excuted deed of assignment with right to realize or transfer the property	2,929,000,000	2,829,000,000
<b>Sub-total</b>			<b>11,606,985,204</b>	<b>9,992,193,509</b>
<b>Total Inadmissible</b>			<b>12,003,420,204</b>	<b>10,388,628,509</b>
			<b>24,869,410,805</b>	<b>17,753,495,860</b>

The increase in the list is of inadmissible properties for solvency capital from N10.389 billion in 2018 to N12.003 billion in 2019 arose from the increased compliance drive by the National Insurance Commission of Nigeria which has required that all properties without fully perfected titles be inadmissible in the solvency capital calculation. The non-perfection of titles of these properties does not however imply impairment from an accounting standard viewpoint as the company holds duly executed deeds of assignments of the respective properties that substantiate ownership and these are considered adequate to enable the company to exercise the right to realize or transfer the affected properties.

The inadmissibility of the non-fully perfected titles for solvency capital arose solely from a regulatory interpretation by the National Insurance Commission of Nigeria who also is committed to admitting the same for solvency calculation when perfection is achieved.

## INDUSTRIAL AND GENERAL INSURANCE PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 17. Property plant and equipment-Group

	Land N'000	Buildings N'000	Leasehold improvement N'000	Motor Vehicles N'000	Furniture and fittings N'000	Office equipment N'000	Computer equipment N'000	Right of use assets N'000	Total N'000
<b>Cost and/or Valuation</b>									
<b>At 1 January 2018</b>	<b>4,896,855</b>	<b>1,863,740</b>	<b>148,452</b>	<b>1,254,186</b>	<b>572,625</b>	<b>602,632</b>	<b>513,800</b>	<b>79,438</b>	<b>9,931,728</b>
Additions	-	-	-	-	4,231	339	6,902	-	11,472
Revaluation surplus	58,373	438,162	-	-	-	-	-	-	496,535
Disposal	-	(777,200)	-	(48,438)	-	-	-	-	(825,638)
Transferred from investment properties (N	-	389,422	-	-	-	-	-	-	389,422
Translation adjustment	-	(110,902)	-	33,218	(35,052)	(13,338)	(14,966)	-	(141,040)
<b>As 31 December 2018</b>	<b>4,955,228</b>	<b>1,803,222</b>	<b>148,452</b>	<b>1,238,966</b>	<b>541,804</b>	<b>589,633</b>	<b>505,736</b>	<b>79,438</b>	<b>9,862,479</b>
<b>At 1 January 2019</b>	<b>4,955,228</b>	<b>1,803,222</b>	<b>148,452</b>	<b>1,238,966</b>	<b>541,804</b>	<b>589,633</b>	<b>505,736</b>	<b>79,438</b>	<b>9,862,479</b>
Additions	-	1,626	-	21,684	3,915	1,379	10,206	42,805	81,615
Revaluation surplus	58,373	536,449	-	-	-	-	-	-	594,822
Disposal	-	-	-	(24,649)	-	-	(3,804)	-	(28,453)
Reclass from investment property	-	542,562	-	-	-	-	-	-	542,562
<b>As 31 December 2019</b>	<b>5,013,601</b>	<b>2,883,859</b>	<b>148,452</b>	<b>1,236,001</b>	<b>545,719</b>	<b>591,012</b>	<b>512,138</b>	<b>122,243</b>	<b>11,053,025</b>
<b>Depreciation and impairment</b>									
<b>At 1 January 2018</b>	<b>-</b>	<b>418,949</b>	<b>148,452</b>	<b>1,223,532</b>	<b>544,634</b>	<b>590,462</b>	<b>503,847</b>	<b>-</b>	<b>3,429,876</b>
Charged for the year	-	60,240	-	31,620	8,141	6,954	7,934	-	114,889
Disposal	-	(74,699)	-	-	-	-	(1)	-	(74,700)
Revaluation adjustment	-	(3,992)	-	(34,039)	(32,810)	(18,226)	(16,787)	-	(105,854)
Translation adjustment	-	-	-	-	-	-	-	-	-
<b>As 31 December 2018</b>	<b>-</b>	<b>400,498</b>	<b>148,452</b>	<b>1,221,113</b>	<b>519,965</b>	<b>579,190</b>	<b>494,993</b>	<b>-</b>	<b>3,364,211</b>

## INDUSTRIAL AND GENERAL INSURANCE PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 17. Property plant and equipment-Group

	Land N'000	Buildings N'000	Leasehold improvement N'000	Motor Vehicles N'000	Furniture and fittings N'000	Office equipment N'000	Computer equipment N'000	Right of use assets N'000	Total N'000
<b>At 1 January 2019</b>	-	400,498	148,452	1,221,113	519,965	579,190	494,993	42,914	3,407,125
Charged for the year	-	97,573	-	9,869	2,610	9,554	5,665	27,277	152,548
Disposal	-	-	-	(23,710)	-	1	(798)	-	(24,507)
Revaluation adjustment	-	-	-	-	-	-	-	-	-
Reclassification (Note17. v.)	-	-	-	-	-	-	-	-	-
<b>As 31 December 2019</b>	-	498,071	148,452	1,207,272	522,575	588,745	499,860	70,191	3,535,166
<b>Carrying amount:</b>									
31 December 2018	1,084,723	5,273,229	-	17,853	21,839	10,443	10,743	-	6,418,830
<b>31 December 2019</b>	<b>5,013,601</b>	<b>2,385,788</b>	<b>-</b>	<b>28,729</b>	<b>23,144</b>	<b>2,267</b>	<b>12,278</b>	<b>52,052</b>	<b>7,517,859</b>

i) Included in the depreciation charged for the year was N141,603,000 (December 2018 :N114,889,583) in the management /administrative expenses and a charge of Nil (December 2018 : Nil) to underwriting expenses in the statement of profit or loss and other comprehensive income for the Group.

ii) There is an Asset Debenture Security (Landed property at Plott 7A and 7B, block 6, Lekki Peninsula scheme, Eti Osa, Lagos state covering 26,510sq meters with professional value at N800 million by Ora Egbunike & Associate (Estate Surveyors & Valuers) for the overdraft secured from Global Trust Savings & Loans limited by the Holding Company while legal mortgage charge over landed and property on plot 13B Kmapala road (Included as part of investment properties) while overdraft from Guranty Trust Bank was secured by Lien on 2,068,172 units of New Vision shares (presented as FVTPL) by NIC Holdings.

iii) No impairment of property, plant and equipment during the year

#### iv) Fair Values of Land and Building

On a determined basis, the Group engages the services of external, independent and qualified valuers to determine the fair value of the Group's Land and Buildings. At December 2019, the fair values of the Land and Buildings have been determined by Messrs. Ora Egbunike & Associates Chartered Surveyors and Valuers (FRC/2012/NIESV/0000000244). The valuation was based on open market value between a willing buyer and seller produced a surplus balance of N594.822 million (Dec 2018: N209.739 million) which has been credited to other comprehensive income. The basis of appraisal for valuation of the properties is the "Open market Concept". The Open market value is the best price at which an interest in property assets might reasonably be expected to be sold as at the date of valuation either by a private treaty, public auction or tender as may be appropriate. The revaluation surplus net of applicable deferred income taxes was credited to Other Comprehensive Income and is shown in "Asset Revaluation Reserve" in Shareholders' Equity.

## INDUSTRIAL AND GENERAL INSURANCE PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 17. Property plant and equipment-Company

	Land N'000	Buildings N'000	Leasehold improvement N'000	Motor Vehicles N'000	Furniture and fittings N'000	Office equipment N'000	Computer equipment N'000	Total N'000
<b>Cost and/or Valuation</b>								
<b>At 1 January 2018</b>	<b>1,009,849</b>	<b>4,653,600</b>	<b>148,452</b>	<b>1,034,469</b>	<b>403,149</b>	<b>535,054</b>	<b>399,040</b>	<b>8,183,613</b>
Additions	-	-	-	-	200	-	201	401
Revaluation surplus	58,373	419,163	-	-	-	-	-	477,536
Disposal	-	(367,200)	-	-	-	-	-	(367,200)
<b>As 31 December 2018</b>	<b>1,068,222</b>	<b>4,705,563</b>	<b>148,452</b>	<b>1,034,469</b>	<b>403,349</b>	<b>535,054</b>	<b>399,241</b>	<b>8,294,350</b>
<b>At 1 January 2019</b>	<b>1,068,222</b>	<b>4,705,563</b>	<b>148,452</b>	<b>1,034,469</b>	<b>403,349</b>	<b>535,054</b>	<b>399,241</b>	<b>8,294,350</b>
Additions	-	-	-	-	-	-	330	330
Disposal	-	-	-	-	-	-	-	-
Revaluation surplus	561,315	-	-	-	-	-	-	561,315
Reclassified	-	-	-	-	-	-	-	-
<b>As 31 December, 2019</b>	<b>1,629,537</b>	<b>4,705,563</b>	<b>148,452</b>	<b>1,034,469</b>	<b>403,349</b>	<b>535,054</b>	<b>399,571</b>	<b>8,855,995</b>
<b>Depreciation and impairment</b>								
<b>At 1 January 2018</b>	<b>-</b>	<b>411,488</b>	<b>148,452</b>	<b>1,034,465</b>	<b>399,139</b>	<b>528,060</b>	<b>398,336</b>	<b>2,919,940</b>
Charged for the year	-	46,839	-	-	1,969	4,038	431	53,277
Disposal	-	(74,712)	-	1	-	-	-	(74,711)
<b>As 31 December 2018</b>	<b>-</b>	<b>383,615</b>	<b>148,452</b>	<b>1,034,466</b>	<b>401,108</b>	<b>532,098</b>	<b>398,767</b>	<b>2,898,506</b>
<b>At 1 January 2019</b>	<b>-</b>	<b>383,615</b>	<b>148,452</b>	<b>1,034,466</b>	<b>401,108</b>	<b>532,098</b>	<b>398,767</b>	<b>2,898,506</b>
Charged for the year	-	26,760	-	-	1,536	2,184	333	30,813
Disposal	-	-	-	-	-	-	-	-
Revaluation adjustment	-	-	-	-	-	-	-	-
Reclassified	-	3	-	-	-	-	-	3
<b>As 31 December 2019</b>	<b>-</b>	<b>410,378</b>	<b>148,452</b>	<b>1,034,466</b>	<b>402,644</b>	<b>534,282</b>	<b>399,100</b>	<b>2,929,322</b>
<b>Carrying amount:</b>								
31 December 2018	1,068,222	4,321,948	-	3	2,241	2,956	474	5,395,844
<b>31 December 2019</b>	<b>1,629,537</b>	<b>4,295,185</b>	<b>-</b>	<b>3</b>	<b>705</b>	<b>772</b>	<b>471</b>	<b>5,926,673</b>

i. Included in the depreciation charged for the year was N4,053,299 (December 2018 : N53,277,291) in the management /administrative expenses and a charge of Nil(December 2018 : Nil) to underwriting expenses in the statement of profit or loss and other comprehensive income for the Company.



ii. There is an Asset Debiture Security (Landed property at Plot 7A and 7B, block 6, Lekki Peninsula scheme, Eti Osa, Lagos State covering 26,510sq meters with professional value at N800 million by Ora Egbunike & Associate (Estate Surveyors & Valuers) for the overdraft secured from Global Trust Savings & Loans Limited.

iii. No impairment of property, plant and equipment during the year.

**iv. Fair Values of Land and Building**

On a determined basis, the Company engages the services of external, independent and qualified valuers to determine the fair value of the Group's Land and Buildings. As at December 2019, the fair values of the Land and Buildings have been determined by Messrs. Ora Egbunike & Associates Chartered Surveyors and Valuers (FRC/2012/NIESV/0000000244). The valuation was based on open market value between a willing buyer and seller produced a surplus balance of N7.48 billion (Dec 2018 : N 433.62 million) which has been credited to other comprehensive income. The basis of appraisal for valuation of the properties is the "Open market Concept". The Open market value is the best price at which an interest in property assets might reasonably be expected to be sold as at the date of valuation either by a private treaty, public auction or tender as may be appropriate. The revaluation surplus net of applicable deferred income taxes was credited to Other Comprehensive Income and is shown in "Asset Revaluation Reserve" in Shareholders' Equity.

**v. Impact of last year adjustment to separate land from building based on the current Valuation report**

Prior to 2019, the company's valuation of real estate did not separate land from building. Effective 2019 financial statements, the company separated land from building in the property valuation report. The effect of the valuation on the 2019 financial statements was that correction was made to the 2018 prior year figure. The sum of N3,367,563,000 was reclassified from building to land

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 17.b Analysis of revaluation surplus

Description of properties	At 1 January N'000	Addition N'000	Transfers from asset revaluation reserve N'000	Adjustment N'000	Fair value gain N'000	At 31 December N'000
<b>31 December 2019</b>						
9, Lebanon Street, Ibadan	136,401	-	-	-	30,000	166,401
Plot 75/3c Yakubu Gowon Way Jos	42,928	-	-	-	5,668	48,596
Plot 722 Akibo Savage VI Lagos	-	-	-	-	-	-
'Plot 758 Cadestral Zone AO, CBD Abuja(Annex)	2,492,645	-	-	-	349,834	2,842,478
Commercial Land @ Rumukrussi P/H	217,289	-	-	-	58,373	275,663
Land Along Lekki Expressway (Plot 8 Lekki Pennisula Scheme I Blk 128)	43,000	-	-	-	-	43,000
'Lekki Pennisula, Lagos (plot 2 Block 1 Oniru Chieftancy Land)	750,000	-	-	-	-	750,000
Payment On Lanlate Land And N1m Premium	6,000	-	-	-	-	6,000
Payment On Land At Ikorodu	10,933	-	-	-	-	10,933
Purchase Of Land At Oshogbo	11,000	-	-	-	-	11,000
Property at Abeokuta ExpressWay, Abule Egba	86,400	-	-	-	-	86,400
Kamax Global Services, 21/22 University Road, Gbagwalada, Abuja	30,000	-	-	-	-	30,000
2 Agoro Odiyan Street, Off Adeola Odeku Street, V.I	1,947,189	-	-	-	117,440	2,064,629
	5,773,785	-	-	-	561,315	6,335,100
Depreciation and impairment	(383,618)	(26,760)	-	-	-	(410,378)
	<b>5,390,167</b>	<b>(26,760)</b>	-	-	<b>561,315</b>	<b>5,924,721</b>

### 17.b Analysis of revaluation surplus

Description of properties	At 1 January N'000	Addition N'000	Transfers from subsidiaries N'000	Disposal N'000	Fair value gain N'000	At 31 December N'000
<b>31 December 2018</b>						
9, Lebanon Street, Ibadan	90,180	-	-	-	46,221	136,401
Plot 75/3c Yakubu Gowon Way Jos	37,260	-	-	-	5,668	42,928
Plot 722 Akibo Savage VI Lagos	367,200	-	-	(367,200)	-	-
'Plot 758 Cadestral Zone AO, CBD Abuja(Annex)	2,242,800	-	-	-	249,835	2,492,635
Commercial Land @ Rumukrussi P/H	158,916	-	-	-	58,373	217,289
Land Along Lekki Expressway (Plot 8 Lekki Pennisula Scheme I Blk 128)	43,000	-	-	-	-	43,000
'Lekki Pennisula, Lagos (plot 2 Block 1 Oniru Chieftancy Land)	750,000	-	-	-	-	750,000
Payment On Lanlate Land And N1m Premium	6,000	-	-	-	-	6,000
Payment On Land At Ikorodu	10,933	-	-	-	-	10,933
Purchase Of Land At Oshogbo	11,000	-	-	-	-	11,000
Property at Abeokuta ExpressWay, Abule Egba	86,400	-	-	-	-	86,400
Kamax Global Services, 21/22 University Road, Gbagwalada, Abuja	30,000	-	-	-	-	30,000
2 Agoro Odiyan Street, Off Adeola Odeku Street, V.I	1,829,760	-	-	-	117,440	1,947,200
	5,663,449	-	-	(367,200)	477,537	5,773,786
Depreciation and impairment	(411,488)	(46,839)	-	74,712	-	(383,615)
	<b>5,251,961</b>	<b>(46,839)</b>	-	<b>(292,488)</b>	<b>477,537</b>	<b>5,390,171</b>

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

i) Included in the depreciation charged for the year was N70,715,831 (December 2018 :N53,277,291) in the management/administrative expenses and a charge of Nil(December 2018 : Nil) to underwriting expenses in the statement of profit or loss and other comprehensive income for the Company.

ii) There is an Asset Debenture Security (Landed property at Plot 7A and 7B, block 6, Lekki Peninsula scheme, Eti Osa, Lagos state covering 26,510sq meters with professional value at N800 million by Ora Egbunike & Associate (Estate Surveyors & Valuers) for the overdraft secured from Global Trust Savings & Loans Limited.

iii) No impairment of property, plant and equipment during the year.

### iv) Fair Values of Land and Building

On a determined basis, the Company engages the services of external, independent and qualified valuers to determine the fair value of the Group's Land and Buildings. At December 2019, the fair values of the Land and Buildings have been determined by Messrs. Ora Egbunike & Associates Chartered Surveyors and Valuers (FRC/2012/NIESV/0000000244). The valuation was based on open market value between a willing buyer and seller produced a surplus balance of N561.315 million (Dec 2018: N190.640 million) which has been credited to other comprehensive income. The basis of appraisal for valuation of the properties is the "Open market Concept". The Open market value is the best price at which an interest in property assets might reasonably be expected to be sold as at the date of valuation either by a private treaty, public auction or tender as may be appropriate. The revaluation surplus net of applicable deferred income taxes was credited to Other Comprehensive Income and is shown in "Asset Revaluation Reserve" in Shareholders' Equity.

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>18. Statutory deposits</b>				
At 1 January	<b>554,608</b>	575,014	<b>500,000</b>	500,000
Reclassification of WHT on opening bills	<b>(504)</b>	-	-	-
Additions during the year	<b>74,652</b>	52,854	-	-
Withdrawals during the year	<b>(80,553)</b>	(54,080)	-	-
Interest earned	<b>7,129</b>	1,809	-	-
Impairment provision on statutory deposit	<b>(65)</b>	(55)	-	-
Translation adjustment	-	(20,933)	-	-
<b>At 31 December</b>	<b>555,267</b>	554,608	<b>500,000</b>	500,000
Current	<b>7,129</b>	1,809	-	-
Non Current	<b>548,138</b>	552,799	<b>500,000</b>	500,000
	<b>555,267</b>	554,608	<b>500,000</b>	500,000

**18.1** This represents the amount deposited with the Central Bank of Nigeria as at 31 December 2019 (2018: N500,000,000), in accordance with Section 9(1) and Section 10(3) of Insurance Act 2003. Interest income earned on this deposit is included in Investment income. While remaining balances came from the foreign subsidiary NIC Holdings Ltd Uganda.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>19. Share capital</b>				
<b>19.1 Authorised:</b>				
24,000,000,000 ordinary shares of 50 kobo per share	<b>12,000,000</b>	12,000,000	<b>12,000,000</b>	12,000,000
<b>19.2 Issued and fully paid:</b>				
14,231,237,284 ordinary shares of 50 kobo per share				
<b>Movement in issued and fully paid</b>				
At 1 January	<b>7,115,619</b>	7,115,619	<b>7,115,619</b>	7,115,619
<b>At 31 December</b>	<b>7,115,619</b>	7,115,619	<b>7,115,619</b>	7,115,619
<b>19.3 Share premium</b>				
Number (units) of shares issued	<b>14,231,237</b>	14,231,237	<b>14,231,237</b>	14,231,237
Issue price	-	-	-	-
Issue proceeds (in Naira)	<b>8,530,781</b>	8,530,781	<b>8,530,781</b>	<b>8,530,781</b>
Nominal value	-	-	-	-
Issue expenses	-	-	-	-
<b>At 31 December</b>	<b>8,530,781</b>	8,530,781	<b>8,530,781</b>	8,530,781
<b>19.3a</b> Premiums from the issue of shares are reported in share premium.				
<b>20. Assets revaluation reserve</b>				
At 1 January	<b>5,684,590</b>	5,489,812	<b>5,392,050</b>	5,159,421
Gain on valuation of property, plant and equipment	<b>594,822</b>	410,995	<b>561,315</b>	477,536
Deferred tax effect	<b>(22,654)</b>	(47,754)	<b>(94,473)</b>	(47,754)
Reversal of revaluation	-	66,047	-	66,048
Transfer to retained earnings (Note 23)	-	(263,200)	-	(263,200)
Revaluation adjustment	-	-	-	-
Translation adjustment	-	28,690	<b>(1)</b>	<b>(1)</b>
<b>At 31 December</b>	<b>6,256,758</b>	5,684,590	<b>5,858,891</b>	5,392,050

**20.1** Additions and decreases in assets revaluation arises as a result of revaluation and disposal of assets.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>21. Fair value reserve</b>				
At 1 January	<b>608,791</b>	174,262	<b>489,839</b>	66,676
(Loss)/gain on available for sale (Note 6.2)	<b>(391,540)</b>	434,529	<b>(367,607)</b>	423,163
Deferred tax effect	<b>(80,439)</b>	(4,871)	-	-
Translation adjustment	-	4,871	<b>(1)</b>	-
<b>At 31 December</b>	<b>136,812</b>	608,791	<b>122,231</b>	489,839

i) Equity fair value reserve shows the effects from the fair value measurement of equity instruments to be presented in other comprehensive income on initial recognition after deduction of deferred taxes. No gains or losses are recognised in the consolidated profit or loss and other comprehensive income.

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>22. Contingency reserve</b>				
At 1 January	<b>3,184,596</b>	3,697,482	<b>2,884,130</b>	2,845,224
Transfer from retained earnings (Note 23)	<b>1,033,415</b>	192,700	<b>967,953</b>	38,906
Share of surplus/transfer from life fund	-	-	-	-
Translation adjustment	-	(705,586)	<b>(1)</b>	-
<b>At 31 December</b>	<b>4,218,011</b>	3,184,596	<b>3,852,082</b>	2,884,130

i) As required by insurance regulations, a contingency reserve is maintained for both the non-life insurance and life assurance contracts underwritten by the group. The appropriation to contingency reserve for non-life underwriting contracts is calculated in accordance with section 21 (2) and 22 (1) of the insurance Act 2003. The reserve is calculated at the higher of 3% of gross premium and 20% of net profits of the business for the year. The appropriation to contingency reserve for life underwriting contracts is calculated at the higher of 1% of the gross premium and 10% of net profits of the business for the year. The appropriation are charged to the life fund.

ii) Except for Uganda, the contingency reserve is set up under Section 47 (2) (c.) of the Insurance Statute of 1996. The reserve is provided for at the greater of 2% of the gross premium income and 15% of the net profit each year effective from 1996 and is required to accumulate until it reached the greater of either minimum paid up capital or 50% of the net premiums written. The contingency reserve for life insurance business is set up under Section 47(3) (b) of the Insurance Statute of 1996 and provides contingency reserve at 1% of the premiums written.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>23. Loss sustained</b>				
At 1 January	(17,982,107)	(17,359,191)	(18,406,310)	(18,271,687)
Gain/(loss) for the year	5,706,601	(445,042)	5,209,595	(358,916)
Dividend paid / declared	-	36,432	-	-
Transfer to capital reserve (Note 24)	-	(2,679)	-	-
Consolidation elimination adjustment	-	-	-	-
Transfer to contingency reserve (Note 22)	(1,033,415)	(192,700)	(967,953)	(38,907)
Transfer from assets revaluation reserve (Note 20)	-	-	-	263,200
Impact of investment reclassified to available for sale	-	(241,306)	-	-
Translation adjustment	0	222,379	1	(0)
<b>At 31 December</b>	<b>(13,308,921)</b>	<b>(17,982,107)</b>	<b>(14,164,667)</b>	<b>(18,406,310)</b>
	<b>(13,308,921)</b>		<b>(14,164,670)</b>	
<b>24. Capital reserve</b>				
At 1 January	134,236	131,557	-	-
Transfer from retained earnings (Note 23)	-	2,679	-	-
Transfer from statutory (regulatory) reserve (Note 26)	-	-	-	-
Translation adjustment	-	-	-	-
<b>At 31 December</b>	<b>134,236</b>	<b>134,236</b>	<b>-</b>	<b>-</b>

**24.1** The capital base reserve is set up as a requirement under the Insurance Statute 1996, under which every insurer should transfer from its profits each year, before any dividend is declared and after tax provision, at 5% of profits to be paid up capital of the insurer to facilitate capital growth.

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>25. Foreign exchange reserve</b>				
At 1 January	(556,027)	(340,811)	-	-
Movement during the year (Note 57.3 )	(1,051,873)	-	-	-
Translation adjustment	-	(215,216)	-	-
<b>At 31 December</b>	<b>(1,607,900)</b>	<b>(556,027)</b>	<b>-</b>	<b>-</b>
	<b>(1,607,900)</b>			
<b>26. Statutory (regulatory) reserve</b>				
At 1 January	182,607	162,473	-	-
Transfer from retained earnings (Note 23)	-	-	-	-
Transfer to capital reserve (Note 24)	-	-	-	-
Translation adjustment	-	20,134	-	-
<b>At 31 December</b>	<b>182,607</b>	<b>182,607</b>	<b>-</b>	<b>-</b>

# INDUSTRIAL AND GENERAL INSURANCE PLC

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	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>27. Non controlling interest</b>				
The non-controlling interest in the subsidiaries is hereby presented below:				
At 1 January	(122,255)	39,008	-	-
Loss for the year	(71,548)	(35,644)	-	-
Share of revaluation gain in retained earnings	-	-	-	-
Share of dividend paid / declared	-	-	-	-
Share of ordinary share capital	-	-	-	-
Share of share premium	-	-	-	-
Share of assets revaluation reserve	12,746	(6,710)	-	-
Share of reversal of revaluation	-	-	-	-
Share of fairvalue reserve	319	8,762	-	-
Share of contingency reserve	-	5,391	-	-
Share of capital reserve	-	1,446	-	-
Share of foreign exchange reserve	-	(132,139)	-	-
Share of statutory (regulatory) reserve	(244)	259	-	-
Share of surplus/transfer from life fund	-	-	-	-
Deferred tax effect	(3,920)	(2,629)	-	-
Translation adjustment	-	1	-	-
<b>At 31 December</b>	<b>(184,902)</b>	<b>(122,255)</b>	<b>-</b>	<b>-</b>
<b>28. Insurance contract liabilities</b>				
Reserve for Reported claims by policy holders - Outstanding Claims (28.1.2)	5,809,090	6,043,813	3,247,354	5,895,404
Reserve for Reported claims by policy holders - Outstanding Claims (HMO)	24,335	47,362	2,486,052	-
Provision for Claims incurred but not reported (IBNR) - (28.1.1)	47,926	162,248	47,926	162,249
Provision for Claims incurred but not reported (IBNR) - (28.1.1)	192,617	539,625	148,817	507,703
Outstanding Claims Provision (Note 28.1)	6,073,968	6,793,048	5,930,149	6,565,356
Unearned Premium (Note 28.2i)	1,703,134	1,011,621	166,576	291,262
Additional Unexpired Risk Reserve (AURR)	484	-	484	-
Reserve for life fund (Note 39) - Unexpired risk/Insurance fund	2,501,518	2,325,801	2,191,418	2,189,839
Unexpired Life Insurance Contract fund (Note 28.2ii)	151,270	51,196	151,270	51,196
Outstanding Claims - Part Payment	-	-	-	-
<b>Total Insurance Contract Liabilities</b>	<b>10,430,374</b>	<b>10,181,666</b>	<b>8,439,897</b>	<b>9,097,653</b>
Current	4,693,668	4,581,750	3,797,954	4,093,944
Non Current	5,736,706	5,599,916	4,641,943	5,003,709
	<b>10,430,374</b>	<b>10,181,666</b>	<b>8,439,897</b>	<b>9,097,653</b>

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	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>28.1 Outstanding Claims</b>				
<b>i.a) Incured but not reported (IBNR)</b>				
<b>General business:</b>				
Fire	42,856	44,949	35,995	33,497
General accident	61,366	65,466	48,393	55,387
Motor	28,860	64,307	10,566	57,633
Aviation and marine	31,886	32,615	26,215	28,898
Agric	-	-	-	-
Engineering	12,800	34,828	12,800	34,828
Oil and Energy	14,848	297,460	14,848	297,460
Health Management Services (HMO)	-	-	-	-
<b>General business total:</b>	<b>192,616</b>	<b>539,625</b>	<b>148,817</b>	<b>507,703</b>
<b>i.b) Reported claims</b>				
<b>i) General business:</b>				
Fire	84,420	521,172	84,420	488,869
General accident	178,375	221,531	178,375	174,671
Motor	78,329	130,309	78,329	99,284
Aviation and marine	305,028	322,306	305,028	305,028
Agric	22,140	-	22,140	-
Engineering	489,857	471,845	489,857	471,845
Oil and Energy	1,327,903	1,243,231	1,327,903	1,243,231
	<b>2,486,052</b>	<b>2,910,394</b>	<b>2,486,052</b>	<b>2,782,928</b>
Total Claims reserve - Non life	<b>2,678,668</b>	<b>3,450,019</b>	<b>2,634,869</b>	<b>3,290,631</b>
Health Management Services (HMO)	<b>24,335</b>	47,362	-	-
Total Claims reserve - Non life & HMO	<b>2,703,003</b>	<b>3,497,381</b>	<b>2,634,869</b>	<b>3,290,631</b>
<b>ii) Life business</b>				
i.a) Incured but not reported (IBNR)	192,617	539,625	47,926	507,703
i.b) Reported claims	5,809,090	6,043,813	3,247,354	5,895,404
Total Claims reserve - Life	<b>6,001,707</b>	<b>6,583,438</b>	<b>3,295,280</b>	<b>6,403,107</b>
<b>Total</b>	<b>8,704,710</b>	<b>10,080,819</b>	<b>5,930,149</b>	<b>9,693,738</b>
<b>28.1a The movement in the provision for outstanding claims</b>				
<b>At 1 January</b>	<b>10,080,819</b>	7,308,128	<b>9,693,738</b>	6,789,712
Movement during the year	<b>(1,376,109)</b>	2,772,691	<b>(3,763,589)</b>	2,904,026
<b>At 31 December</b>	<b>8,704,710</b>	<b>10,080,819</b>	<b>5,930,149</b>	<b>9,693,738</b>



# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>28.2 Unearned premium and unexpired risk</b>				
<b>i) General business:</b>				
Fire	95,057	120,809	24,559	57,222
General accident	250,197	92,990	38,289	42,730
Motor	407,909	417,907	92,726	137,429
Aviation and marine	549,454	266,128	7,067	16,339
Agric	-	-	-	-
Engineering	2,447	36,546	2,447	32,305
Oil and Energy	1,972	5,237	1,972	5,237
Health Management Services (HMO)	396,582	72,004	-	-
	<b>1,703,618</b>	<b>1,011,621</b>	<b>167,060</b>	<b>291,262</b>
<b>ii) Life business</b>				
Group business	-	-	-	-
Individual business	151,270	51,196	151,270	51,196
	<b>151,270</b>	<b>51,196</b>	<b>151,270</b>	<b>51,196</b>
<b>Total</b>	<b>1,854,888</b>	<b>1,062,817</b>	<b>318,330</b>	<b>342,458</b>
<b>28.2a Movement in the unexpired risks account during the year was as follows:</b>				
At 1 January	1,062,817	1,621,687	342,458	630,749
Additions during the year	1,416,284	54,889	-	56,621
Amortised during the year	(624,213)	(613,759)	(24,128)	(344,912)
Translation adjustment	-	-	-	-
<b>At 31 December</b>	<b>1,854,888</b>	<b>1,062,817</b>	<b>318,330</b>	<b>342,458</b>
<b>28.2b Movement in Life Insurance Fund</b>				
At 1 January	2,325,801	2,192,287	2,189,839	2,057,915
Movement during the year (Note 39)	175,717	133,514	1,579	131,924
<b>At 31 December</b>	<b>2,501,518</b>	<b>2,325,801</b>	<b>2,191,418</b>	<b>2,189,839</b>

### 28.3 Actuarial valuation of life fund

The latest available actuarial valuation of the life business funds was as at 31 December 2019. The actuarial value of the net liability of the fund was xxxx (31 Dec 2018 : N2,403,282,000) which has been provided for. The valuation of the Company's life business fund as at 31 December 2018 was carried out by HR Nigeria Limited, FRC/2012/NAS/00000000738 a recognized actuarial valuation firm. The valuation was done based on the following principles:

On Individual life business, for all Endowment, Term Assurance and Mortgage Protection policies, the gross premium method of valuation was adopted. Reserves were calculated via a monthly cashflow projection approach, taking into account future office premiums, expenses and benefit payments. Future cashflows were discounted back to the valuation date at the valuation rate of interest. The reserve for the deposit based policies has been taken as the amount standing to the credit of the policy holders at the valuation date. Where policies still have active life cover, this has been valued using a monthly cashflow projection approach as described above for other risk business.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 28.4 Age analysis of Outstanding claims:

31 December 2019											
	0-90 days		91-180 days		181-270 days		271-365 days		365+ days		Total
Amount Range	Qty	N'000	Qty	N'000	Qty	N'000	Qty	N'000	Qty	N'000	N'000
0 - 250,000	11	616	1	1,277	3	1,744	5	9,836	447	55,131	68,605
250,001 - 500,000	4	1,224	3	2,148	3	3,405	3	9,757	452	173,551	190,085
500,001 - 1,000,000	1	2,977		4,031	3	5,007	3	17,699	710	644,459	674,172
1,000,001 - 2,500,000		-	-	-		-		7,429	4	370,267	377,696
2,500,001 - 5,000,000	3	-	-	9,801	3	2,924	1	15,501	471	346,095	374,321
5,000,001 - Above	1	12,531	4	-	5	-		64,801	193	3,971,194	4,048,527
<b>Grand Total</b>	<b>20</b>	<b>17,348</b>	<b>8</b>	<b>17,257</b>	<b>17</b>	<b>13,080</b>	<b>12</b>	<b>125,022</b>	<b>2,277</b>	<b>5,560,698</b>	<b>5,733,406</b>
Discharge voucher signed and returned to policyholders	9		4		11		4		1577		1,605
Discharge Vouchers not yet signed											-
Claims reported but incomplete documentation	11				6		8		700		725
Claims reported but being adjusted											-
Claims repudiated											-
Awaiting adjusters final report											-
Litigation awarded											-
Litigation awarded instruction											-
Third party liability outstanding											-
Adjusters fee payable											-
<b>Total</b>	<b>20</b>		<b>4</b>		<b>17</b>		<b>12</b>		<b>2277</b>		<b>2330</b>

31 December 2018											
	0-90 days		91-180 days		181-270 days		271-365 days		365+ days		Total
Amount Range	Qty	N'000	Qty	N'000	Qty	N'000	Qty	N'000	Qty	N'000	N'000
0 - 100,000	9	360	3	643	5	1,248	5	1,865	437	1,913	6,029
100,001 - 250,000	1	1,193	3	5,607	3	2,951	3	10,991	452	41,285	62,027
250,001 - 500,000	1	3,609		2,179	3	3,256	3	3,894	710	27,764	40,702
500,001 - 1,000,000		9,061	-	11,636		12,284		24,400	4	208,093	265,475
1,000,001 - 2,500,000	3	2,912	-	19,142	3	37,078	1	28,848	301	518,748	606,728
2,500,001 - 5,000,000	1	18,818	5	11,398	3	16,645		13,103	193	344,278	404,242
5,000,001 - Above		135,883		8,318		43,875		139,432		4,182,692	4,510,200
<b>Grand Total</b>	<b>15</b>	<b>171,836</b>	<b>11</b>	<b>58,923</b>	<b>17</b>	<b>117,338</b>	<b>12</b>	<b>222,533</b>	<b>2,097</b>	<b>5,324,774</b>	<b>5,895,404</b>
Discharge voucher signed and returned to policyholders	7		6		13		4		1567		1,597
Discharge Vouchers not yet signed											-
Claims reported but incomplete documentation	8						8		530		546
Claims reported but being adjusted											-
Claims repudiated											-
Awaiting adjusters final report			5		4						9
Litigation awarded											-
Awaiting Lead Insurer's instruction											-
Third party liability outstanding											-
Adjusters fee payable											-
<b>Total</b>	<b>15</b>		<b>11</b>		<b>17</b>		<b>12</b>		<b>2097</b>		<b>2152</b>

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An unexpired premium was included for Group business policies. An allowance was made for IBNR (Incurred But Not Reported) claims in Group Life to take care of the delay in reporting claims. For Individual policies, the valuation age has been taken as Age Last Birthday at the valuation date. The period to maturity has been taken as the full term of the policy less the expired term. Full credit has been taken for premiums due between the valuation date and the end of the premium term. The valuation of the liabilities was made on the assumption that premiums have been credited to the accounts as they fall due, according to the frequency of the particular payment.

There were no policies subject to substandard terms in force at the valuation date. The Mortality Table used in the valuation is the UK's Mortality of Assured Lives Table (A6770). The rate of interest used in the valuation is 14.21%.

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>29. Investment contract liabilities</b>				
<b>29.1 Deposit administration</b>				
At 1 January	<b>9,819,966</b>	10,468,655	<b>8,626,085</b>	8,766,506
<b>Additions during the year:</b>				
Receipts on deposit administration on Group life	-	-	<b>31</b>	39
Receipts on Investment premium on Individual life	<b>593,280</b>	849,277	<b>540,630</b>	787,623
<b>Withdrawals during the year:</b>				
Withdrawals - deposit administration on Group and individual life	-	-	-	-
Withdrawals - Investment premium on Individual life	<b>(1,337,477)</b>	(682,230)	<b>(423,374)</b>	(624,295)
Net deposit administration for the year	<b>(744,197)</b>	167,047	<b>117,287</b>	163,367
<b>Guaranteed interest:</b>				
Deposit administration on Group and individual life (Note 43)	-	-	-	-
Investment premium on Individual life (Note 43)	<b>429,111</b>	615,672	<b>375,590</b>	615,672
<b>Fee income:</b>				
Deposit administration on Group and individual life (Note 43)	-	-	-	-
Investment premium on Individual life (Note 43)	-	(887,741)	-	(883,368)
Actuarial surplus/(deficit) during the year (Note 43)	<b>(2,522)</b>	12,470	<b>(2,522)</b>	(36,091)
Translation adjustment	-	(556,136)	-	(0)
<b>At 31 December</b>	<b>9,502,358</b>	9,819,966	<b>9,116,440</b>	8,626,085
<b>29.2 Managed funds</b>	<b>57,248</b>	50,636	-	-
<b>Total Investment Contract Liabilities</b>	<b>9,559,606</b>	9,870,602	<b>9,116,440</b>	8,626,085
Current	-	3,340,962	-	3,510,776
Non Current	<b>9,559,606</b>	6,529,640	<b>9,116,440</b>	5,115,309
	<b>9,559,606</b>	9,870,602	<b>9,116,440</b>	8,626,085

i) Managed Funds above relate to funds managed by a subsidiary in Uganda on behalf its clients. They attract a minimum guaranteed Interest of 5% per annum and has been included in the financial statements.

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	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>30. Trade payables</b>				
Due to Reinsurance	<b>1,614,927</b>	575,446	<b>904,519</b>	271,380
Commissions and other payables to brokers	<b>306,362</b>	133,694	<b>135,894</b>	-
Due to Co-insurance	<b>547,679</b>	527,597	<b>547,680</b>	584,298
	<b><u>2,468,968</u></b>	<u>1,236,737</u>	<b><u>1,588,093</u></b>	<u>855,678</u>
<b>31. Loans and borrowings</b>				
Bank overdraft (Note 31.2)	<b>26,129</b>	27,209	<b>811,523</b>	481,407
Term loan (Note 31.3)	<b>1,201,547</b>	1,049,215	<b>208,918</b>	5,499
Debenture loan (Note 31.4)	<b>107,336</b>	107,336	-	-
<b>Total</b>	<b><u>1,335,012</u></b>	<u>1,183,760</u>	<b><u>1,020,441</u></b>	<u>486,906</u>
<b>31.1 Movement in Loans &amp; borrowings</b>				
At 1 January	<b>1,183,760</b>	1,779,587	<b>486,906</b>	350,274
Addition during the year	<b>139,786</b>	134,018	<b>532,257</b>	124,204
Repayments during the year	<b>(1,574)</b>	(779,634)	<b>(5,094)</b>	(170,914)
Interest on loan during the year (Note 47)	<b>13,040</b>	49,789	<b>6,372</b>	183,342
Translation adjustment	-	-	-	-
<b>At 31 December</b>	<b><u>1,335,012</u></b>	<u>1,183,760</u>	<b><u>1,020,441</u></b>	<u>486,906</u>
Current	<b>26,129</b>	27,209	<b>811,523</b>	481,407
Non Current	<b>1,308,883</b>	1,156,551	<b>208,918</b>	5,499
	<b><u>1,335,012</u></b>	<u>1,183,760</u>	<b><u>1,020,441</u></b>	<u>486,906</u>

### 31.2 Bank Overdraft:

The Group has overdraft facilities with Global Trust Savings & Loans limited to supplement working capital & finance operational expenses for a tenor of 12 months with 26% interest rate per annum. The facility is renewable.

Also, overdraft facilities with Guaranty Trust bank for N30.1 million.

### 31.3 Term Loans

Term Loans were obtained from Access Bank Plc by the Parent Company , Guaranty Trust Bank Uganda & Bank of Africa Uganda by National Insurance Company Limited,Uganda, Skye bank (Now Polaris Bank) by Global Trust Savings and Loans and International Health Management Services Ltd with xxxx p.a respectively.

### 31.4 Debenture loan

The Group has Debenture liability through Monarch Communications Limited.

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	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>32. Other payables and accruals</b>				
Payable to related parties (Note 13ii)	<b>520,350</b>	781,831	<b>194,250</b>	194,250
Accrued Expenses (Note 32.2)	<b>2,132,434</b>	1,692,795	<b>1,752,099</b>	1,531,232
Rent received in advance	<b>184,046</b>	176,764	<b>175,367</b>	163,468
Information Technology Levy	<b>20,686</b>	20,686	<b>20,686</b>	20,686
Deposits and other customers' accounts (Note 32.3)	<b>950,758</b>	788,820	-	-
Withholding Tax	<b>169,647</b>	196,203	<b>169,647</b>	172,422
Pension Contributions	<b>783,456</b>	712,108	<b>765,845</b>	701,356
National Housing Fund	<b>77,792</b>	73,811	<b>76,960</b>	73,359
Pay As You Earn	<b>104,625</b>	91,319	<b>93,121</b>	80,488
Health Management Services	<b>32,798</b>	23,333	<b>32,798</b>	23,333
NAICOM supervisory levy	<b>61,274</b>	53,731	<b>61,274</b>	53,731
Other statutory deductions	<b>498,761</b>	413,507	<b>59,733</b>	51,549
Sundry Sum Insured	-	-	-	-
Audit fees	<b>36,472</b>	44,933	<b>21,694</b>	33,924
Deferred acquisition revenue	<b>5,195</b>	15,399	<b>5,195</b>	15,399
Lease liability (Note 32.1)	<b>43,283</b>	-	-	-
Dividend payable (Note 32.4)	<b>57,010</b>	65,403	-	-
Provision for litigations (Note 32.7)	<b>255,716</b>	-	<b>255,716</b>	-
Sundry creditors (Note 32.8)	<b>2,193,000</b>	2,023,673	<b>632,295</b>	936,153
	<b>8,127,303</b>	7,174,316	<b>4,316,680</b>	4,051,350
Current	<b>8,127,303</b>	7,174,316	<b>4,316,680</b>	4,051,350
Non Current	-	-	-	-
	<b>8,127,303</b>	7,174,316	<b>4,316,680</b>	4,051,350

### 32.1 Lease liability

The analysis of lease liability included in other payables is as follows:

At 1 January	-	-	-	-
Current lease liabilities within one year	89,122	-	-	-
Non current lease liability (more than 1 year but less than 5 years)	6,677	-	-	-
Repayment principal during the year	(46,265)	-	-	-
Payments of interest during the year	(6,251)	-	-	-
At 31 December	<b>43,283</b>	-	-	-

The Group entered into various lease agreements for its branches and outlets. Payment for these leases are usually made in advance.. Most of the leases are for two years, while some are for more than two years but less than five years.

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	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>32.2 Accrued expenses detailed analysis:</b>				
Accrued expenses	<b>446,688</b>	105,242	66,353	105,242
Accrued rent	-	23,484	-	23,484
Sundry accruals	<b>1,329</b>	1,329	1,329	1,329
Final entitlements account	<b>8,703</b>	8,703	8,703	8,703
Salary and other deductions	<b>15,469</b>	9,899	15,469	9,899
Staff revolving loan	<b>80</b>	4,040	80	4,040
Outstanding salary and wages	<b>1,660,535</b>	1,378,535	1,660,535	1,378,535
Sundry accruals	<b>(370)</b>	-	(370)	-
	<b><u>2,132,434</u></b>	<b><u>1,531,232</u></b>	<b><u>1,752,099</u></b>	<b><u>1,531,232</u></b>
<b>32.3 Deposits and other customers' accounts detailed analysis:</b>				
Savings accounts	-	<b>29,877</b>	-	-
Current accounts	-	<b>586,715</b>	-	-
Fixed deposits	-	<b>169,836</b>	-	-
Interest payables	-	<b>2,392</b>	-	-
	<b><u>-</u></b>	<b><u>788,820</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>32.4 Dividend payable</b>				
At 1 January	<b>65,403</b>	199,167	-	-
Amount declared during the year	<b>8</b>	-	-	-
Payments during the year	<b>(8,401)</b>	(86,201)	-	-
Translation adjustment	-	(47,563)	-	-
<b>At 31 December</b>	<b><u>57,010</u></b>	<b><u>65,403</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>32.6 Sundry creditors detailed analysis:</b>				
Other Creditor - Non Life	1,860,707	2,092,131	359,559	940,121
Oando Plc	(28)	(28)	(28)	(28)
Other payable-suspense	1,811	1,098	-	-
Other Deduction	10,048	10,496	7,574	10,496
Special Salary Deductions	1,070	-	1,070	-
Salary Payable Account	4,422	-	-	-
Commission Payable Local	-	-	-	-
Premium Deposit	-	-	-	-
Sundry Creditors	(14,194)	(80,024)	(65,045)	(14,437)
Sundry Creditors - Life	329,164	-	329,164	-
	<b><u>2,193,000</u></b>	<b><u>2,023,673</u></b>	<b><u>632,294</u></b>	<b><u>936,152</u></b>

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>33. Deposit for shares</b>				
Movement in the deposit for shares during the year was as follows:				
At 1 January	<b>1,221,804</b>	1,144,256	-	-
Additions during the year	<b>109,931</b>	-	-	-
Consolidation adjustments	-	-	-	-
Translation adjustments	-	77,548	-	-
At 31 December	<b><u>1,331,735</u></b>	<b><u>1,221,804</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

### 32.7 Contingent liability on Pending Litigations

S/N	Title of Case	Judge/Law Firm	Brief Summary of Facts	Contingent liability
1.	SUIT NO. LD/5513/LMW/17 IGI VS PORT TERMINAL MULTISERVICES LTD.	B.A-LAW LLP and BOLA AJIBOLA CHAMBERS	IGI acquired the reversionary interest in the property at Awodiora land. Upon acquisition, it tried through Dele Afolabi to enforce the Supreme Court Judgment over the property which was in favor of St. Matthew Daniel's family against the 2nd Def/Applicant for possession of the land. At the time of the purchase of the land, there was a pending litigation between Eric Udusegbe and Dele Afolabi. IGI, after being made a party, applied that the matter be dismissed on the ground that the issue of title has been settled by the Supreme Court in 1973 and the application was granted. IGI has an application to enforce the judgment as the Head Lessor. Parties are still exchanging pleadings.	N200 million.
General provisions				N55.716 million.
Total provisions				N255.716 million.

### 32.8 Proceeds of property on pending pitigations

Included in N632,294,000 above is N400 million deposited by Charles Borromeo Catholic Church in 2016 in respect of purchase of the company's property at Plot 2, Block 1, Oniru Chieftancy Family Estate, Victorial Island, Lagos. The disposal had been under litigation since the deposit was made in 2016. Post balance sheet, court judgment was obtained in favour of the buyer in 2020. Post balance sheet in 2022, the deposit amount of N400,000,000.00 have been applied to dispose the property off the books.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

31 December 2019				
	Direct premium N'000	Inward reinsurance premium N'000	Increase/ (decrease) in unearned premium N'000	Gross premium income N'000
<b>34. Gross premium income analysed as follows:</b>				
<b>i) Group</b>				
Fire	188,028	-	38,286	226,314
General accident	464,040	-	(45,270)	418,770
Motor	814,817	-	118,668	933,485
Aviation and marine	722,937	-	(48,270)	674,667
Agric	29,317	-	11,210	40,527
Engineering	13,277	-	29,859	43,136
Oil and Energy	8,453	-	3,265	11,718
Bond	683	-	-	683
Health	60,247	-	-	60,247
Health Management Services (HMO)	1,060,651	-	616,539	1,677,190
	<b>3,362,450</b>	<b>-</b>	<b>724,287</b>	<b>4,086,737</b>
<b>Life business</b>				
Individual life	193,036	-	-	193,036
Group life	246,972	-	(100,074)	146,898
	<b>3,802,458</b>	<b>-</b>	<b>624,213</b>	<b>4,426,671</b>
31 December 2018				
	Direct premium N'000	Inward reinsurance premium N'000	Increase/ (decrease) in unearned premium N'000	Gross premium income N'000
<b>Gross premium income analysed as follows:</b>				
<b>ii) Group</b>				
Fire	260,365	9,061	(9,392)	260,034
General accident	478,058	-	(12,744)	465,314
Motor	1,117,950	-	57,269	1,175,219
Aviation and marine	634,253	1,632	75,167	711,052
Agric	13,979	-	-	13,979
Engineering	79,332	3,691	137,825	220,848
Oil and energy	437,174	-	28,766	465,940
Health Management Services (HMO)	1,016,437	-	323,810	1,340,247
	<b>4,037,548</b>	<b>14,384</b>	<b>600,701</b>	<b>4,652,633</b>
<b>Life business</b>				
Individual life	165,192	-	-	165,192
Group life	139,855	-	13,058	152,913
	<b>4,342,595</b>	<b>14,384</b>	<b>613,759</b>	<b>4,970,738</b>



# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

31 December 2019				
	Direct premium N'000	Inward reinsurance premium N'000	Increase/ (decrease) in unearned premium N'000	Gross premium income N'000
<b>34. Gross premium income analysed as follows:</b>				
<b>i) Company</b>				
Fire	58,561	-	32,664	91,225
General accident	71,215	-	(7,212)	64,003
Motor	219,261	-	45,145	264,406
Aviation and marine	17,197	-	9,271	26,468
Agric	89,564	-	11,210	100,774
Engineering	13,960	-	29,859	43,819
Oil and Energy	8,453	-	3,265	11,718
	<u>478,211</u>	<u>-</u>	<u>124,202</u>	<u>602,413</u>
Individual life	37,333	-	-	37,333
Group life	<u>246,972</u>	<u>-</u>	<u>(100,074)</u>	<u>146,898</u>
	<u><u>762,516</u></u>	<u><u>-</u></u>	<u><u>24,128</u></u>	<u><u>786,644</u></u>

31 December 2018				
	Direct premium N'000	Inward reinsurance premium N'000	Increase/ (decrease) in unearned premium N'000	Gross premium income N'000
<b>Gross premium income analysed as follows:</b>				
<b>ii) Company</b>				
Fire	82,130	9,061	(2,142)	89,049
General accident	173,311	-	23,526	196,837
Motor	336,310	-	119,857	456,167
Aviation and marine	109,975	1,632	24,022	135,629
Agric	13,979	-	-	13,979
Engineering	79,332	3,691	137,825	220,848
Oil and Energy	437,174	-	28,766	465,940
	<u>1,232,211</u>	<u>14,384</u>	<u>331,854</u>	<u>1,578,449</u>
Individual life	11,014	-	-	11,014
Group life	<u>139,855</u>	<u>-</u>	<u>13,058</u>	<u>152,913</u>
	<u><u>1,383,080</u></u>	<u><u>14,384</u></u>	<u><u>344,912</u></u>	<u><u>1,742,376</u></u>

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>35. Reinsurance costs</b>				
Reinsurance cost is analysed as follows:				
Reinsurance paid	<b>1,219,371</b>	815,735	<b>83,303</b>	233,520
Changes in prepaid reinsurance (Note 8.1.1)	<b>(240,371)</b>	140,582	<b>3,874</b>	(60,128)
	<b>979,000</b>	956,317	<b>87,177</b>	173,392
<b>35.1 Reinsurance cost by product</b>				
Fire	<b>1,247,435</b>	122,738	<b>21,777</b>	34,535
General accident	<b>128,507</b>	119,773	<b>400</b>	5,200
Motor	<b>43,125</b>	50,426	<b>34,857</b>	112,965
Aviation and marine	<b>662,810</b>	497,654	<b>22,162</b>	27,353
Agric	<b>9,437</b>	-	<b>11,860</b>	18,127
Engineering	<b>8,517</b>	19,737	<b>8,517</b>	(73,201)
Oil and Energy	<b>1,521</b>	46,105	<b>1,521</b>	46,105
Health Management Services (HMO)	<b>2,476</b>	<b>85,007</b>	<b>-</b>	-
	<b>2,103,828</b>	941,440	<b>101,094</b>	171,084
Individual life	<b>(1,110,912)</b>	12,569	<b>-</b>	-
Group life	<b>(13,916)</b>	2,308	<b>(13,916)</b>	2,308
	<b>979,000</b>	956,317	<b>87,178</b>	173,392

**35.1** The Company has a reinsurance agreement with African Reinsurance Corporation, WAICA Reinsurance Corporation Plc and Continental Reinsurance Plc to reinsure the risks associated with fire and consequential loss, General accident, Marine cargo, motor, aviation and special risks etc. according to agreed quota share, surplus treaty or excess of loss treaty. This agreement is being modified on yearly basis.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>36. Fees and commission income</b>				
Fire	<b>46,272</b>	81,465	<b>6,810</b>	8,876
General accident	<b>59,957</b>	77,797	<b>63</b>	-
Motor	<b>141</b>	119	<b>-</b>	-
Aviation and marine	<b>111,589</b>	82,106	<b>2,156</b>	6,376
Agric	<b>-</b>	-	<b>-</b>	-
Engineering	<b>2,023</b>	7,175	<b>2,023</b>	7,175
Oil and Energy	<b>-</b>	46,337	<b>-</b>	46,337
	<b>219,982</b>	<b>294,999</b>	<b>11,052</b>	<b>68,764</b>
<b>36.1 Deferred acquisition revenue</b>				
Fire	226	4,105	226	4,105
General accident	(31)	(12)	(31)	(12)
Motor	1,032	(263)	1,032	(263)
Aviation and marine	993	5,287	993	5,287
Agric	-	-	-	-
Engineering	(338)	2,820	(338)	2,820
Oil and Energy	8,322	(847)	8,322	(847)
	<b>10,204</b>	<b>11,090</b>	<b>10,204</b>	<b>11,090</b>
Individual life	3,162	2,594	-	-
Group life	1,654	790	1,654	790
	<b>235,000</b>	<b>309,471</b>	<b>22,910</b>	<b>80,644</b>
<b>37. Claims expenses</b>				
<b>37.1 Claims expenses (Gross)</b>				
Fire	<b>459,772</b>	32,101	<b>389,756</b>	19,534
General accident	<b>200,601</b>	80,209	<b>124,176</b>	18,954
Motor	<b>186,513</b>	205,695	<b>48,605</b>	41,525
Aviation and marine	<b>5,283</b>	78,188	<b>-</b>	35,825
Agric	<b>18,920</b>	-	<b>18,920</b>	-
Engineering	<b>2,117</b>	1,876	<b>2,117</b>	1,876
Oil and Energy	<b>9,870</b>	16,252	<b>9,870</b>	16,252
Health Management Services (HMO)	<b>537,318</b>	350,824	<b>-</b>	-
	<b>1,420,394</b>	<b>765,145</b>	<b>593,444</b>	<b>133,966</b>
Individual life	<b>43,380</b>	77,605	<b>43,380</b>	74,835
Group life	<b>347,295</b>	246,335	<b>265,174</b>	194,053
	<b>1,811,069</b>	<b>1,089,085</b>	<b>901,998</b>	<b>402,854</b>

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>37.1b Changes in claims reserve</b>				
Fire	(398,510)	98,237	(401,950)	36,639
General accident	(58,181)	45,066	(3,290)	(18,232)
Motor	(57,399)	26,741	(68,022)	38,221
Aviation and marine	(27,720)	(7,746)	(2,684)	136,246
Agric	22,140		22,140	-
Engineering	(4,016)	(774)	(4,016)	(774)
Oil and Energy	(197,940)	(300,493)	(197,940)	(299,341)
Health Management Services(HMO)	-	-	-	-
	<b>(721,626)</b>	<b>(138,969)</b>	<b>(655,762)</b>	<b>(107,241)</b>
Individual life	(19,219)	152,083	-	146,967
Group life	<b>21,766</b>	<b>(264,084)</b>	<b>20,558</b>	<b>(264,085)</b>
	<b>(719,079)</b>	<b>(250,970)</b>	<b>(635,204)</b>	<b>(224,359)</b>
	<b>1,091,990</b>	<b>838,115</b>	<b>266,794</b>	<b>178,495</b>
<b>37.2 Reinsurance Claims recoveries</b>				
Fire	(469,276)	73,636	(479,741)	8,754
General accident	75,464	49,947	76,939	962
Motor	396,962	9,896	371,878	(5,635)
Aviation and marine	10,486	(6,161)	7,397	(3,602)
Agric	1,334	-	1,334	-
Engineering	78,516	(727)	78,516	(727)
Oil and Energy	91,653	(96,881)	91,653	(96,881)
	<b>185,139</b>	<b>29,710</b>	<b>147,976</b>	<b>(97,129)</b>
Individual life	-	-	-	-
Group life	<b>101,597</b>	<b>(83,026)</b>	<b>105,380</b>	<b>(83,026)</b>
	<b>286,736</b>	<b>(53,316)</b>	<b>253,356</b>	<b>(180,155)</b>
<b>37.2.1 Reinsurance Claims recoveries</b>				
Receipt from reinsurance on claims paid	279,246	(22,304)	98,175	(410,405)
Changes in estimated reinsurance recoveries on claims (Note 8.1.2)	(218,457)	(35,245)	(189,279)	197,440
Changes in reinsurers/co-insurers receivables (Note 8.3.1)	225,947	4,233	344,460	32,810
	<b>286,736</b>	<b>(53,316)</b>	<b>253,356</b>	<b>(180,155)</b>

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	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>37.3 Net claims incurred analysis</b>				
Claims Paid during the year	<b>1,811,069</b>	1,340,057	<b>901,998</b>	402,854
Changes in Outstanding Claims reserve	<b>(719,079)</b>	(250,972)	<b>(635,205)</b>	(224,359)
<b>Gross Claims incurred</b>	<b>1,091,990</b>	1,089,085	<b>266,793</b>	178,495
Reinsurance Recoveries (Note 37.2.1)	<b>(286,736)</b>	53,316	<b>(253,356)</b>	180,155
<b>Net claims incurred</b>	<b>805,254</b>	1,142,401	<b>13,437</b>	358,650
<b>38. Underwriting expenses</b>				
<b>38.1 Acquisition expenses</b>				
<b>38.1.1 Commissions paid</b>				
Fire	<b>45,710</b>	50,416	<b>11,482</b>	9,221
General accident	<b>101,831</b>	80,479	<b>14,136</b>	24,824
Motor	<b>86,069</b>	89,493	<b>24,770</b>	25,926
Aviation and marine	<b>72,192</b>	52,642	<b>3,439</b>	15,985
Agric	<b>10,776</b>	271	<b>10,776</b>	271
Engineering	<b>2,655</b>	10,899	<b>2,776</b>	10,899
Oil and Energy	<b>1,925</b>	55,201	<b>1,558</b>	55,201
Health Management Services (HMO)	<b>60</b>	104	<b>-</b>	-
	<b>321,218</b>	339,505	<b>68,937</b>	142,327
Individual life	<b>105,147</b>	112,568	<b>80,797</b>	91,636
Group life	<b>18,521</b>	12,445	<b>18,521</b>	12,445
	<b>444,886</b>	464,518	<b>168,255</b>	246,408
<b>38.1.2 Movement in deferred acquisition costs</b>				
Fire	<b>(2,121)</b>	(949)	<b>(5,068)</b>	2,884
General accident	<b>(5,272)</b>	9,773	<b>2,196</b>	3,791
Motor	<b>(6,928)</b>	3,125	<b>7,678</b>	7,981
Aviation and marine	<b>1,434</b>	37,707	<b>2,785</b>	7,764
Agric	<b>(79)</b>	-	<b>(79)</b>	-
Engineering	<b>4,214</b>	9,419	<b>4,214</b>	9,419
Oil and Energy	<b>469</b>	2,085	<b>469</b>	2,085
	<b>(8,283)</b>	61,160	<b>12,195</b>	33,924
Individual life	<b>-</b>	-	<b>-</b>	-
Group life	<b>(13,614)</b>	6,625	<b>(13,614)</b>	6,625
	<b>(21,897)</b>	67,785	<b>(1,419)</b>	40,549
<b>Total acquisition expenses</b>	<b>422,989</b>	532,303	<b>166,836</b>	286,957

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>38.2 Maintenance expenses</b>				
Fire	93,437	105,167	193,054	131,305
General accident	12,052	13,565	3,546	19,770
Motor	48,465	54,549	309,008	76,138
Aviation and marine	1,038,169	1,168,500	196,467	103,995
Agric	-	-	105,139	68,918
Engineering	69,038	77,705	75,503	75,040
Oil and Energy	115,634	130,150	13,484	175,294
Health Management Services (HMO)	736,224	828,648	-	-
	<b>2,113,019</b>	<b>2,378,284</b>	<b>896,201</b>	<b>650,461</b>
Individual life	-	-	316,720	-
Group life	-	-	-	-
<b>Total maintenance expenses</b>	<b>2,113,019</b>	<b>2,378,284</b>	<b>1,212,921</b>	<b>650,461</b>
			<b>1,212,921</b>	
<b>Total underwriting expenses</b>	<b>2,536,008</b>	<b>2,910,587</b>	<b>1,379,757</b>	<b>937,418</b>
<b>39. Changes in contract liabilities</b>				
Changes in life fund (Note 28)	(175,717)	(133,514)	(1,580)	(131,924)
<b>40. Investments incomes</b>				
Rent income from investment properties	378,819	223,116	132,427	24,774
Interest on short term deposits/placement	103,995	103,693	68,654	77,102
Interest on treasury bills and bonds	49,942	33,702	-	-
Income on other investments (Note 40.1(a))	105,502	8,375	97,793	157
Dividend Incomes	30,791	40,130	8,543	62,498
	<b>669,049</b>	<b>409,016</b>	<b>307,417</b>	<b>164,531</b>
<b>40.1 (a) Analysis of other investments incomes:</b>				
Dividend income from unquoted investments - Moyfade Community Bank			58,031	
Interest on Policy Loan			39,762	
			<b>97,793</b>	
<b>40.1 (b) Analysis of investments incomes:</b>				
Investment attributable:				
Policyholders' fund	477,032	291,628	219,188	117,311
Shareholders' fund	192,017	117,388	88,229	47,220
	<b>669,049</b>	<b>409,016</b>	<b>307,417</b>	<b>164,531</b>

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>41. Net interest income</b>				
<b>41.1 Interest income</b>				
Interest on loans and advances to customers - banking operations	<b>40,227</b>	71,342	-	-
Interest on policy loans	-	113,154	-	113,154
Other interest income (Note 41.3)	<b>405</b>	-	<b>405</b>	-
	<b>40,632</b>	184,496	<b>405</b>	113,154
<b>41.2 Interest expenses</b>				
Interest expenses on deposits - banking operations	<b>(27,784)</b>	(49,711)	-	-
	<b>12,848</b>	134,785	<b>405</b>	113,154
<b>41.3</b> Other interest income represents interest earned on other financial assets carried at amortised cost.( Note 6.3)				
<b>42. Other operating incomes</b>				
Profit on disposal of property, plant and equipment	-	-	-	-
Exchange gain (Note 42.1a)	<b>53,897</b>	18,842	<b>13,577</b>	18,331
Income on salvage	<b>2,062</b>	750	<b>2,062</b>	750
Income on staff bus	<b>353</b>	3,205	<b>353</b>	3,205
Gain on disposal of equity investment	-	9,940	-	-
Fees and commission incomes	<b>4,327</b>	6,532	-	-
Administrative charges on customers account - Note 42.1b	-	-	-	-
Administrative charges on policies and registrar services	<b>622</b>	653	-	157
Bad debt recovered	-	6,697	-	-
Others (Note 42.1)	<b>55,065</b>	43,553		-
	<b>116,326</b>	90,172	<b>15,992</b>	22,443

### 42.1a Others

Exchange of N13,577,000.00 was in respect domiciliary account balances that were convert to Naira at the ruling rate as at 31 December, 2019.

### 42.1b Administrative charges on customers account

Administrative charges on customers account relate to administrative charges on investment contract policies. Amount stated in the policy are deducted in first thres years of the policy and the balance invested to earn gauaranteed interest for policy holders. Investment contract policies earn surrender and maturity values.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>42.1c Others</b>				
Other income	49,638	38,195		
Other misc. income	5,427	5,358		
Administration Charges On Policy	-	-		
Sale of scraps	-	-		
	<b>55,065</b>	<b>43,553</b>	<b>-</b>	<b>-</b>
<b>43. Gain/(loss) on investment contract</b>				
Income on investment contract (Note 29.1)	-	887,741	-	883,368
Other income	14,192	-	14,191	-
Other misc. income	120,370	-	120,369	-
Administration Charges On Policy	15	-	15	-
Changes in investment contracts (Note 29.1)	2,522	(12,470)	2,522	36,091
Guaranteed interest paid (Note 29.1)	(429,111)	(615,672)	(375,590)	(615,672)
	<b>(292,012)</b>	<b>259,599</b>	<b>(238,493)</b>	<b>303,787</b>
<b>44. Fair value gain/(loss) through profit or loss</b>				
Quoted stocks	(134,432)	(39,685)	1,021	(4,275)
Investment properties	7,782,236	465,125	7,478,025	433,619
	<b>7,647,804</b>	<b>425,440</b>	<b>7,479,046</b>	<b>429,344</b>
<b>44.1</b> This represents any difference arising between the carrying amount and the fair value of the asset as at the date of reporting.				
<b>45. Impairment charge</b>				
Impairment of trade receivables (Note 7.1)	101,446	933	-	933
Impairment of other receivables & prepayments (Note 12.1)	(439,751)	10,710	(13,580)	-
Impairment of re-insurance asset receivables (Note 8.4)	71,699	-	-	-
impairment of loans and advances to customer (Note 10.1)	1,763	1,027	-	-
impairment of loans and receivables (Note 6.4.3)	-	4,080	-	-
impairment of short term investments (Note 5.4)	186,243	4,500	186,243	4,500
impairment of long term investments (investment in subsidiaries (Note 14.1))	-	-	(55,865)	-
Impairment of cash and bank balances not substantiated	-	-	-	-
	<b>(78,600)</b>	<b>21,250</b>	<b>116,798</b>	<b>5,433</b>



# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>46. Management and administrative expenses</b>				
Employees costs (Note 46.1)	<b>1,506,212</b>	1,377,477	<b>716,739</b>	1,067,920
Directors fees and emoluments	<b>82,568</b>	25,838	-	483
Depreciation of property, plant & equipment (Note 17)	<b>101,701</b>	114,890	<b>30,813</b>	53,277
Audit fee	<b>10,150</b>	26,951	<b>10,000</b>	10,000
Amortisation of intangible assets (Note xx)	3,499	-	-	-
Rent and rates	<b>24,880</b>	33,518	<b>15,213</b>	4,262
Repairs and maintenances	<b>3,852</b>	16,197	-	7,937
Subscriptions	<b>410</b>	12,262	<b>290</b>	7,277
Training and development	-	25	-	-
Insurances	<b>713</b>	(1,174)	-	(2,260)
Legal and professional fees	<b>121,051</b>	28,939	<b>13,493</b>	13,521
Loss on disposal of property, plant and equipment	-	-	-	-
Transport and travelling	<b>752</b>	23,266	-	6,463
Postages, telephone and telex	<b>1,534</b>	4,372	-	2,189
Taxes and non deductible duties/ fines	<b>4,476</b>	1,122	<b>4,476</b>	498
Bank charges and commissions	<b>2,725</b>	48	-	-
Power and electricity	<b>3,730</b>	28,436	-	22,436
Advert, publicity and business promotions	<b>234,813</b>	30,512	<b>115</b>	19,258
Safety security and quality control	<b>100</b>	7,129	<b>100</b>	5,401
Other operating expenses (Note 46.2)	<b>135,450</b>	49,757	<b>25</b>	31,951
	<b>2,238,616</b>	1,779,565	<b>791,264</b>	1,250,613
<b>46.1 Employees costs</b>				
Salaries, wages and allowances	<b>1,459,174</b>	1,170,882	<b>699,325</b>	949,120
Contributions to pension fund scheme	<b>22,890</b>	69,117	-	30,515
Training, recruitment and canteen expenses	-	9,827	-	9,577
Medical expenses	<b>1,046</b>	19,583	<b>1,046</b>	18,617
Contract Manpower	-	1,870	-	1,607
ITF Levy	-	-	<b>8,184</b>	-
NSITF Levy	-	-	<b>8,184</b>	-
Final Entitlements	-	-	-	-
Other personnel expenses	<b>23,102</b>	106,198	-	58,484
	<b>1,506,212</b>	1,377,477	<b>716,739</b>	1,067,920

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>46.2 Other operating expenses</b>				
Sports & Recreation	-	-	-	-
Printing	-	4,540	-	-
Stationeries	29	6,902	-	308
Hotel Accommodation Exp	-	320	-	157
Vehicle Tracker Expenses	-	1,798	-	-
Office Expenses	434	13,747	-	707
AGM EXPENSES	-	144	-	13,241
Audit Expenses	-	3,886	-	-
Donations	-	-	-	3,886
Entertainment Expenses	6	12	-	-
Official Entertainment	-	-	-	12
Other Expenses	134,981	4,769	25	-
Individual life Insurance	-	100	-	-
Stamp Duties	-	-	-	100
Office Expenses	-	13,540	-	-
AGM Expenses	-	-	-	13,540
	<b>135,450</b>	<b>49,757</b>	<b>25</b>	<b>31,951</b>
<b>47. Finance costs</b>				
Interest expenses	6,789	5,787	6,372	139,340
Interest on lease liabilities	6,251	-	-	-
	<b>13,040</b>	<b>5,787</b>	<b>6,372</b>	<b>139,340</b>
Individual life	-	44,002	-	44,002
Group life	-	-	-	-
	<b>13,040</b>	<b>49,789</b>	<b>6,372</b>	<b>183,342</b>
<b>48. Taxation</b>				
<b>48.1 Income tax expense</b>				
Income tax	68,154	220,879	36,783	144,585
Education tax	-	-	-	-
Information technology levy	61,503	-	61,503	-
Under/(over) provision of prior years	-	-	-	-
Capital gain tax	5,721	-	5,721	-
	<b>135,378</b>	<b>220,879</b>	<b>104,007</b>	<b>144,585</b>
Deferred taxation expense/(credit) (Note 48.4)	712,340	26,930	712,340	41,024
Over provision for deferred tax (Note 48.4)	(235,584)	-	-	-
	<b>612,134</b>	<b>247,809</b>	<b>816,347</b>	<b>185,609</b>

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>48.2 Income tax payable</b>				
Analysis of movements in the current tax balance during the year:				
At 1 January	1,893,722	1,937,097	1,539,140	1,482,920
Income tax charged for the year	68,154	220,879	36,783	144,585
Education tax	-	-	-	-
Information technology levy	61,503	-	61,503	-
Under/(over) provision of prior years	-	-	-	-
Capital gains tax	5,721	-	5,721	-
Payments during the year	-	(91,374)	-	(88,364)
Withholding tax credit notes	-	(5,520)	-	-
Translation Adjustment	-	(167,360)	1	(1)
<b>At 31 December</b>	<b>2,029,100</b>	<b>1,893,722</b>	<b>1,643,148</b>	<b>1,539,140</b>
<b>48.3 Reconciliation of effective tax rate</b>				
<b>Loss for the year after tax</b>	<b>5,635,053</b>	<b>(480,686)</b>	<b>5,209,595</b>	<b>(358,916)</b>
<b>Total tax expenses made up of:</b>				
Income	68,154	220,879	36,783	144,585
Education	-	-	-	-
Information technology levy	61,503	-	61,503	-
Deferred	476,756	26,930	712,340	41,024
Others	5,721	-	5,721	-
	<b>612,134</b>	<b>247,809</b>	<b>816,347</b>	<b>185,609</b>
<b>Loss for the year before tax</b>	<b>6,247,187</b>	<b>(232,877)</b>	<b>6,025,942</b>	<b>(173,307)</b>
<b>Effective tax rate</b>	<b>10</b>	<b>(106)</b>	<b>14</b>	<b>(107)</b>

i) As a result of the loss position as above, the income tax payable has been computed for the "parent" company based on the minimum tax rates as specified in Section 14 (8) (b) and Section 14 (9) (c) of Companies Income Tax Act (CITA) of 2007.

### ii) Factors affecting the tax charge in future years

Factors that may affect the Group's future tax charge include the impact of corporate restructurings, the resolution of open issues, future planning opportunities, corporate acquisitions and disposals, the use of brought forward tax losses and changes in tax legislation and tax rates.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>48.4 Deferred taxation</b>				
<b>48.4.1 Deferred tax liabilities</b>				
At 1 January	1,568,211	1,876,395	1,077,223	988,445
Deferred taxation expense (Note 48.1)	712,340	26,930	712,340	41,024
Under/(over) provision for deferred tax (Note 48.1)	(235,584)	-	-	-
Other comprehensive income	103,093	52,625	94,473	47,754
Credit to deposit administration plan	-	(171,846)	-	-
Credit to equity	-	15,023	-	-
Reclassification from deferred tax asset (Note 48.4.2)	-	-	20	-
Translation Adjustment	(95)	(230,916)	-	-
<b>At 31 December</b>	<b>2,147,965</b>	<b>1,568,211</b>	<b>1,884,056</b>	<b>1,077,223</b>

### 48.4.2 Deferred tax assets

At 1 January	-	28,245	-	-
Deferred taxation expense/(credit) (Note 48.1)	-	-	-	-
Over provision for deferred tax (Note 48.1)	-	-	-	-
Reclassification from deferred tax liab (Note 48.4.1)	-	-	-	-
Credit to equity	-	-	-	-
Translation adjustment	-	(28,245)	-	-
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**48.4.3** Deferred income tax is calculated on all temporary differences under the liability method using a principal tax rate of 30% (2018: 30%). At 31 December 2019, included in the Group deferred tax was an asset of N44,066,341,181 (31 Dec 2018 : N44,066,341,181) not recognised.

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>49. Operating loss</b>				
<b>Operating loss has been arrived after charging:</b>				
Depreciation of property, plant and equipment	101,701	114,890	30,813	53,277
Impairment losses	(78,600)	21,250	116,798	5,433
Staff costs	1,506,212	1,377,477	716,739	1,067,920
Loss on disposal of property, plant and equipment	-	-	-	-
Audit fees	10,150	26,951	10,000	10,000
<b>49.2. Profit/(loss) on disposal of Investment properties</b>				
Fairvalue	1,469,830	60,000	362,100	60,000
<b>Carrying amount of disposals</b>	<b>1,469,830</b>	<b>60,000</b>	<b>362,100</b>	<b>60,000</b>
Proceeds from sales	1,573,895	90,587	410,047	55,000
<b>Profit/(loss) on disposal</b>	<b>104,065</b>	<b>30,587</b>	<b>47,947</b>	<b>(5,000)</b>
<b>49.3. Profit/(loss) on disposal of properties, plant &amp; equipment</b>				
<b>Carrying amount of disposals</b>	<b>(3,529)</b>	<b>(769,701)</b>	<b>-</b>	<b>-</b>
Proceeds from sales	-	649,469	460	16,168
<b>Profit/(loss) on disposal</b>	<b>(3,529)</b>	<b>120,232</b>	<b>460</b>	<b>16,168</b>

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 50. Profit/(loss) per share

Basic profit/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the company by the weighted average number of ordinary shares in issue.

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Profit/(loss) attributable to the equity holders	<b>4,865,364</b>	135,270	<b>5,308,830</b>	494,029
Weighted average number of ordinary shares in issue	<b>14,231,238</b>	14,231,238	<b>14,231,238</b>	14,231,238
Basic profit/(loss) per share (kobo)	<b>34.19</b>	0.95	<b>37.30</b>	3.47
<b>51. Note to the cashflow statement</b>				
<b>Profit/(loss) for the year before tax</b>	<b>6,247,187</b>	(232,877)	<b>6,025,942</b>	(173,307)
<b>Adjustment for:</b>				
Depreciation of property, plant & equipment	<b>101,701</b>	114,890	<b>30,813</b>	53,277
Fair value changes on quoted stocks investment	<b>(134,432)</b>	39,685	<b>(1,021)</b>	4,275
Fair value changes on investment properties	<b>(7,782,236)</b>	465,125	<b>(7,478,025)</b>	433,619
Other incomes	<b>(116,326)</b>	(90,172)	<b>(15,992)</b>	(22,443)
(Profit)/loss on disposal of property, plant and equipment	-	-	-	-
(Profit)/loss on disposal of Investment properties	(104,065)	(30,587)	-	5,000
Impairment charged of financial assets	<b>(2,415,759)</b>	(66,447)	<b>(580,670)</b>	(729,016)
Interest income	<b>(12,848)</b>	(134,785)	<b>(405)</b>	(113,154)
Dividend income	-	-	-	-
Interest expenses	<b>6,251</b>	49,789	-	183,342
Tax paid	-	91,374	-	88,364
	<b>(4,210,527)</b>	205,995	<b>(2,019,358)</b>	(270,043)
<b>Changes in:</b>				
Loans and receivables	<b>131,055</b>	(110,483)	<b>148,505</b>	(127,697)
Trade receivables	<b>(307,237)</b>	346,784	<b>7,047</b>	(932)
Reinsurance assets	<b>(252,653)</b>	363,561	<b>(151,308)</b>	224,759
Deferred acquisition costs	<b>(21,898)</b>	83,070	<b>(1,419)</b>	40,550
Other receivables and prepayments	<b>1,311,611</b>	470,684	<b>(195,702)</b>	78,548
Insurance contract liabilities	<b>248,708</b>	(1,382,787)	<b>(657,756)</b>	(672,404)
Investment contract liabilities	<b>(310,996)</b>	(669,390)	<b>490,355</b>	(140,420)
Trade payables	<b>1,232,231</b>	(130,466)	<b>732,415</b>	168,681
Other payables and accruals	<b>952,987</b>	389,364	<b>265,330</b>	384,338
Deposit for shares	<b>109,931</b>	(33,689)	-	-
	<b>3,093,740</b>	(673,352)	<b>637,467</b>	(44,577)
<b>Net cash used in operating activities</b>	<b>(1,116,788)</b>	(467,357)	<b>(1,381,891)</b>	(314,620)

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 52. Contingencies and Commitments

#### a) Legal proceedings and regulation

The Company operates in the insurance industry and is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigation) will have a material effect on its result and financial position. The Company is also subject to insurance solvency regulations of NAICOM. There are no contingencies associated with the Company's compliance or lack of compliance with such regulations.

Currently, there are pending litigations against the company in which the plaintiffs are claiming a total sum of **Nxxxx (Dec 2018 : N2,373,000)**. No provision has been made in these financial statements for the pending litigations because the directors are of the opinion that based on independent legal advice, the liability will not likely materialise.

#### b) Capital commitments and operating leases

The Company has no capital commitments at the reporting date.

### 53. Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year in accordance with the International Financial Reporting Standards (IFRS).

### 54. Contravention of Laws and Regulations

During the year, no contravention of the provision of insurance Act and National Insurance Commission of Nigeria (NAICON) guidelines was brought to our attention.

### 55. Events after reporting date

The company has no events after the financial position date that will materially affect the financial position shown in the financial statements at 31st December, 2019.

The following non-adjusting events occurred subsequent to the reporting date of these financial statements;

#### 55.2 Key changes to the Board and Management of Industrial and General Insurance Company Plc.

The following were the key changes in the Executive Management team:

Bayo Folayan	- Acting Managing Director (appointed w.e.f 03/07/17; resigned w.e.f 01/02/19).
Rachel Voke Emenike (Mrs.), LLB, BL, MBA, ACII	- Managing Director/CEO (appointed w.e.f 01/02/19).
Shade Ajayi	- Acting Executive Director, Technical (appointed w.e.f 03/07/17; resigned w.e.f 31/01/19).

# **INDUSTRIAL AND GENERAL INSURANCE PLC**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

### **56. Going Concern**

The business of IGI will continue into the foreseeable future as it continues to tap into the opportunities available in the insurance industry, overcome threats, utilize its strengths and improve on its weaknesses.

The insurance penetration is still low in Nigeria and there are abundant opportunities in the various classes of insurance business which IGI will exploit to enhance its premium generation and collection, increase market share and profitability while still pursuing cost control measures. Enforcement of the local content insurance act, compulsory insurances like motor insurance, public building insurance, carbotage law as well as the micro insurance would provide great opportunities to enhance revenue generation.

In the past, impairments have had significant effect on our profitability. These impairments are mostly that of receivables and investment assets. With the implementation of the “no premium no cover” policy, there is no need again for impairment of receivables as all premiums are now collectable within a short period of time. Some investments have also been impaired in the past and we see opportunities of recoveries in some of the impaired assets like the investment in Global Trust Bank, Uganda where we have been assured by the Bank of Uganda that the liquidation process will soon be completed since almost all liabilities have been settled with a significant balance still left for IGI as the principal shareholder.

The Board of IGI has approved the restructuring of our assets towards improving liquidity through sale of properties and shares in some subsidiaries. We have received offers from investors who are interested in purchasing shares in some of these subsidiaries including IGI Pension Fund Managers Limited, Global Trust Savings and Loans Limited and International Health Management Services Limited.

The Company is also embarking on raising capital through sale of its unissued share capital of 40.07% and has appointed both Greenwich Trust Limited and Zenith Capital Limited as financial advisers while some investors have expressed interests prior to conducting due diligence exercise.

The liquidity generated through the asset restructuring and capital raise will be applied to grow and manage the business profitably through aggressive marketing, service delivery, efficient internal control and investment activities to the satisfaction of all stakeholders. We believe that the above action plan will help reverse the current loss position to profitability in the near future. The going concern status of the business of IGI is therefore assured.

In its bid to reposition itself the company, the company commenced an Enterprise Transformation Program which encompasses a new corporate culture, restructuring of work flow, commencement of new products, and review of operational process, the ETP also includes a new corporate strategy and engagement of new personnel. Furthermore, the company had also commenced an aggressive rationalization program that prepares it for a competitive stance in the market place. The new strategy of the organization, which is hinged on risk management and investment offers the company to provide products that it can in the very competitive market place in Nigeria.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 57. Discontinued operations

Based on the individual reasons stated below on the affected individual subsidiaries, the company has decided to divest in power, Global Trust Bank Limited (the Bank) - Uganda, IGI Life Assurance Ghana Ltd and Industrial and General Insurance (Ghana) Company Limited. The subsidiaries were classified as discontinued operations. The subsidiaries represents part of the Group's Life, non-life banking operation segments, with their classification as discontinued operations, these segment going forward will no longer be presented in the segment notes.

These affected subsidiaries were not previously classified as discontinued operations in the consolidated statement of financial position. The Comparative consolidated statement of financial position has been restated to show the discontinued operations.

Analysis of the results of the entities classified as discontinued operations are as stated below in line with the requirements of IFRS 5.

At 31 December 2019, the discontinued operation group was stated at carrying amount, which was deemed to be lower of the fair value.

	<b>Company</b>	
	<b>2019</b>	<b>2018</b>
	<b>N'000</b>	<b>N'000</b>
<b>57.1 Classified as discontinued operations</b>		
Investment in Global Trust Bank Limited (the Bank) - Uganda (Note 57.1.1)	-	5,730,662
Investment in IGI Life Assurance Ghana Limited (Note 57.1.2)	-	101,840
Investment in Industrial and General Insurance (Ghana) Company Ltd (Note 57.1.2)	-	138,479
	<hr/>	<hr/>
	-	5,970,981
Impairment of doubtful -long term inv.	-	(5,970,980)
	<hr/>	<hr/>
	-	1
	<hr/>	<hr/>

**57.1.1 Global Trust Bank Limited (the Bank)** is a limited liability company and is incorporated and domiciled in Uganda. The address of its registered office is as follows: Plot 2A Kampala Road P. O. Box 72747 Kampala, Uganda. The Bank provides retail and corporate banking services.

#### Closure of Global Trust Bank Uganda Limited

Global Trust Bank, Uganda (GTB, Uganda), was closed down and its licence revoked by the Bank of Uganda (BOU) on Friday, 25th July, 2014 due to losses recorded over the years as a result of impairment made on non-performing loans which affected the capital of the bank.

Since its commencement of operation in 2008, IGI had invested N5.004billion and a total impairment provision of N3.55billion had been made in our books up till 31 December 2013. An additional investment of N700.923million was also made in 2014 leaving a balance of N2.18billion that has been fully impaired in the 2014 audited financial statements.

Though liquidation processes are on-going, IGI has taken up the matter with the relevant authorities in Uganda and it is optimistic of making some recoveries from the investment. Proceeds from the liquidation is being expected from the Bank of Uganda (BOU) in the coming years.



## **INDUSTRIAL AND GENERAL INSURANCE PLC**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

The liquidation process is on-going but adequate impairment has been carried out in the Group Financial Statements. In December 2014, the Group discontinued its operations in Global Trust Bank Uganda which is the only operation presented as discontinued operation in the consolidated statement of profit or loss and other comprehensive income.

#### **57.1.2 Notice of withdrawal of investment in Ghana**

Industrial and General Insurance Plc., own 60% Shareholdings in Industrial and General Insurance Company (Ghana) Limited & IGI Life Assurance Company Limited. The Parent served the Regulator, National Insurance Commission, Ghana with the notice of its intended divestment from the two subsidiaries and its desire to source for probable core investor for both businesses.

The Regulator, National Insurance Commission, Ghana served the two companies enforcement action notice dated 17 May 2012 and a protection order on the assets of both companies was granted on November 29, 2012.

Industrial and General Insurance Plc., (the parent company), has made full provision for impairment of its investment in both Companies as at 31 December 2014.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 57.2a Assets and liabilities of discontinued operations

Assets and liabilities of discontinued operations comprise the assets and liabilities of Global Trust Bank Limited (the Bank) - Uganda, IGI Life Assurance Ghana Limited and Industrial and General Insurance (Ghana) Company Limited as at 31 December 2019.

	31 December 2019			
	Global Trust Bank Limited, Uganda N'000	IGI Life Assurance Ghana Ltd N'000	Industrial and General Insurance (Ghana) N'000	Total N'000
<b>Carrying value of:</b>				
<b>Assets</b>				
Cash and cash equivalents	719,783	-	-	719,783
<b>Financial Assets:</b>				
- At fair value through profit or loss	1,376,036	-	-	1,376,036
- Available for sale	-	-	-	-
- Held to maturity	-	-	-	-
- Loans and receivables	-	-	-	-
Trade receivables	-	-	-	-
Reinsurance assets	-	-	-	-
Deferred acquisition costs	-	-	-	-
Loans and advances to customers	2,822,192	-	-	2,822,192
Other receivables and prepayments	221,531	-	-	221,531
Investment in subsidiaries	-	-	-	-
Intangible assets	56,319	-	-	56,319
Deferred tax assets	146,377	-	-	146,377
Investment properties	-	-	-	-
Property plant and equipment	390,772	-	-	390,772
Statutory deposits	-	-	-	-
	5,733,010	-	-	5,733,010
Non-current assets held for sale	-	-	-	-
<b>Total assets classified as discontinued operations</b>	<b>5,733,010</b>	<b>-</b>	<b>-</b>	<b>5,733,010</b>
<b>Liabilities</b>				
Insurance contract liabilities	-	-	-	-
Investment contract liabilities	-	-	-	-
Placement from other banks	554,254	-	-	554,254
Loans and borrowings	8,097	-	-	8,097
Other payables and accruals	4,055,490	-	-	4,055,490
Income tax payable	29,780	-	-	29,780
Deferred tax liabilities	-	-	-	-
Reserves	549,754	-	-	549,754
<b>Total liabilities classified as discontinued operations</b>	<b>5,197,375</b>	<b>-</b>	<b>-</b>	<b>5,197,375</b>
<b>Net assets directly associated with discontinued operations group</b>	<b>535,635</b>	<b>-</b>	<b>-</b>	<b>535,635</b>

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 57.2b Assets and liabilities of discontinued operations

Assets and liabilities of discontinued operations comprise the assets and liabilities of Global Trust Bank Limited (the Bank) - Uganda, IGI Life Assurance Ghana Limited and Industrial and General Insurance (Ghana) Company Limited at 31 December 2019.

	31 December 2019			
	Global Trust Bank Limited, Uganda N'000	IGI Life Assurance Ghana Ltd N'000	Industrial and General Insurance (Ghana) N'000	Total N'000
<b>Carrying value of:</b>				
<b>Assets</b>				
Cash and cash equivalents	719,783	-	-	719,783
<b>Financial Assets:</b>				
- At fair value through profit or loss	1,376,036	-	-	1,376,036
- Available for sale	-	-	-	-
- Held to maturity	-	-	-	-
- Loans and receivables	-	-	-	-
Trade receivables	-	-	-	-
Reinsurance assets	-	-	-	-
Deferred acquisition costs	-	-	-	-
Loans and advances to customers	2,822,192	-	-	2,822,192
Other receivables and prepayments	221,531	-	-	221,531
Investment in subsidiaries	-	-	-	-
Intangible ssets	56,319	-	-	56,319
Deferred tax assets	146,377	-	-	146,377
Investment properties	-	-	-	-
Property plant and equipment	390,772	-	-	390,772
Statutory deposits	-	-	-	-
	5,733,010	-	-	5,733,010
Non-current assets held for sale	-	-	-	-
<b>Total assets classified as discontinued operations</b>	<b>5,733,010</b>	<b>-</b>	<b>-</b>	<b>5,733,010</b>
<b>Liabilities</b>				
Insurance contract liabilities	-	-	-	-
Investment contract liabilities	-	-	-	-
Placement from other banks	554,254	-	-	554,254
Loans and borrowings	8,097	-	-	8,097
Other payables and accruals	4,055,490	-	-	4,055,490
Income tax payable	29,780	-	-	29,780
Deferred tax liabilities	-	-	-	-
Reserves	549,754	-	-	549,754
<b>Total liabilities classified as discontinued operations</b>	<b>5,197,375</b>	<b>-</b>	<b>-</b>	<b>5,197,375</b>
<b>Net assets directly associated with discontinued operations group</b>	<b>535,635</b>	<b>-</b>	<b>-</b>	<b>535,635</b>

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

	N'000
<b>57.3 Movement in Exchange Translation reserve is shown below:</b>	
6.2.1 Movement in unquoted equities	(4)
7.1 Movement in impairment of trade receivables	(88,958)
11. Non current assets held for sale	373,965
Movement in	(12,294)
15.1 Computer software	6
15.1 Movement in Computer software	(587)
16. Investment properties	1,943,758
17. Property plant and equipment	(264,755)
18. Statutory deposits	21,551
20. Assets revaluation reserve	144,360
21. Fair value reserve	4
22. Contingency reserve	(38,006)
23. Loss sustained	(251,609)
26. Statutory(regulatory) reserve	18,930
Non controlling interest	10,460
29.1 Deposit administration	(432,969)
32.4 Dividend payable	(10,054)
33. Deposit for shares	83,529
48.2 Income tax payable	(456,775)
<b>Subsidiaries</b>	-
NIC Holdings Limited Uganda (Net of inter-group elimination)	13,734
IGI Gamstar Insurance Limited,Gambia	(2,413)
	<b>1,051,873</b>

### 58. Remuneration of key management personnel

- 1,051,873

The remuneration of the directors, who are the key management personnel of the company, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

#### 58.1 Chairman's and Directors' emoluments, pensions and compensations for loss off office

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
<b>58.1a Directors Costs:</b>				
Directors fees	82,568	25,838	-	4,490
Salaries and allowances	-	-	-	-
	<b>82,568</b>	<b>25,838</b>	<b>-</b>	<b>4,490</b>
<b>58.1b Emoluments:</b>				
Chairman	-	11,569	8,312	11,659
Other Directors	-	66,741	30,352	43,730
Other emolument of executive directors	-	-	-	-
Emolument of highest paid Director	-	10,569	8,312	11,659

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

		<b>Group</b>		<b>Company</b>	
		<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
		<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>58.1c The number of Directors excluding the Chairman whose emoluments were within the following ranges were:</b>					
<b>N</b>	<b>N</b>				
Nil	- 100,000	<b>4</b>	-	<b>4</b>	4
100,001	- 200,000	-	-	-	-
200,001	- 300,000	-	-	-	-
Above	- 300,000	-	-	-	-
		<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>
<b>58.1d Number of Directors who have waived their rights to receive emoluments</b>					
		-	-	-	-
		<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>
<b>58.2 Employee costs:</b>					
The aggregate employee remuneration is as follows:					
Salaries and wages		<b>1,483,322</b>	1,298,533	<b>716,739</b>	1,027,828
Staff training		-	9,827	-	9,577
Contributions to pension fund scheme		<b>22,890</b>	69,117	-	30,515
		<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>
		<b>1,506,212</b>	1,377,477	<b>716,739</b>	1,067,920

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

		<b>Group</b>		<b>Company</b>	
		<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
		<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>58.2a Employees remunerated at a higher rates</b>					
The number of employees excluding Directors in respect of emoluments excluding provident fund contributions and allowances:					
<b>N</b>	<b>N</b>				
-	- 250,000	<b>130,456</b>	15,871	<b>130,456</b>	12,641
250,001	- 300,000	<b>37,680</b>	5,462	<b>37,680</b>	2,462
300,001	- 350,000	<b>3,608</b>	1,269	<b>3,608</b>	967
350,001	- 400,000	<b>22,126</b>	17,214	<b>22,126</b>	11,593
400,001	- 450,000	<b>14,894</b>	1,298	<b>14,894</b>	865
450,001	- 500,000	<b>39,984</b>	6,432	<b>39,984</b>	4,158
500,001	- 550,000	<b>18,242</b>	4,115	<b>18,242</b>	1,535
550,001	- 600,000	<b>13,825</b>	3,596	<b>13,825</b>	1,796
600,001	- 650,000	<b>52,039</b>	1,235	<b>52,039</b>	-
650,001	- 700,000	<b>16,179</b>	1,334	<b>16,179</b>	651
700,001	and above	<b>191,182</b>	477,896	<b>191,182</b>	413,392
		<b>540,215</b>	<b>535,722</b>	<b>540,215</b>	<b>450,060</b>

**58.2b** The average number of persons employed in the financial year are as follows:

Managerial	<b>47</b>	49	<b>12</b>	17
Senior staff	<b>110</b>	132	<b>41</b>	61
Junior staff	<b>212</b>	198	<b>97</b>	98
	<b>369</b>	<b>379</b>	<b>150</b>	<b>176</b>

# INDUSTRIAL AND GENERAL INSURANCE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 58.2c Employee size

	IGI		IHMS		NIC, UGANDA		GTSL		GAMSTAR		ALL CROWN		GROUP	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Managerial	12	17	20	17	12	12	3	3	10	10	1	1	47	49
Senior staff	41	61	30	33	36	34	3	4	3	2	2	2	110	132
Junior staff	97	98	42	32	64	60	9	8	26	25	0	0	212	198
<b>Total no. of staff</b>	<b>150</b>	<b>176</b>	<b>92</b>	<b>82</b>	<b>112</b>	<b>106</b>	<b>15</b>	<b>15</b>	<b>39</b>	<b>37</b>	<b>3</b>	<b>3</b>	<b>369</b>	<b>379</b>

## INDUSTRIAL AND GENERAL INSURANCE PLC

### Other National Disclosures



## INDUSTRIAL AND GENERAL INSURANCE PLC

### CONSOLIDATED STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 DECEMBER 2019

	Group				Company			
	2019 N'000	%	2018 N'000	%	2019 N'000	%	2018 N'000	%
Net premium income	3,447,671		4,014,421		699,467		1,568,984	
Fees and commission income	235,000		309,471		22,910		80,644	
Total underwriting expenses	<u>(3,516,979)</u>		<u>(3,935,532)</u>		<u>(1,394,775)</u>		<u>(1,427,992)</u>	
<b>Underwriting profit</b>	<b>165,692</b>		<b>388,360</b>		<b>(672,398)</b>		<b>221,636</b>	
Investment and other income	8,258,080		1,349,599		7,612,314		1,028,259	
Bought in material and services	<u>(422,217)</u>		<u>(402,843)</u>		<u>(160,050)</u>		<u>(118,180)</u>	
<b>Value Added</b>	<b><u>8,001,555</u></b>	<b>100</b>	<b><u>1,335,116</u></b>	<b>100</b>	<b><u>6,779,866</u></b>	<b>100</b>	<b><u>1,131,715</u></b>	<b>100</b>
<b>Distribution:</b>								
<b>Employees</b>								
Staff costs	1,588,780	20	1,403,315	105	716,739	11	1,068,403	94
<b>Government</b>								
Taxes	612,134	-	247,809	19	816,347	12	185,609	16
<b>Provider of Capital</b>								
Finance costs	13,040	-	49,789	4	6,372	-	183,342	16
<b>Retained in the Company</b>								
Depreciation and amortisation	152,548	2	114,889	9	30,813	-	53,277	5
Profit/(loss) for the year	<u>5,635,053</u>	<u>70</u>	<u>(480,686)</u>	<u>(36)</u>	<u>5,209,595</u>	<u>77</u>	<u>(358,916)</u>	<u>(32)</u>
	<b><u>8,001,555</u></b>	<b><u>93</u></b>	<b><u>1,335,116</u></b>	<b><u>100</u></b>	<b><u>6,779,866</u></b>	<b><u>99</u></b>	<b><u>1,131,715</u></b>	<b><u>100</u></b>

Value added represents the additional wealth which the company has been able to create by its own and its employees effort. The statements shows the allocation of that wealth among the employees, capital providers, Government and that retained for creation of more wealth.

# INDUSTRIAL AND GENERAL INSURANCE PLC

## FINANCIAL SUMMARY - COMPANY 31 DECEMBER

	2019 N'000	2018 N'000	2017 N'000	2016 N'000	2015 N'000
<b>Statement of financial position</b>					
<b>Assets</b>					
Cash and cash equivalents	180,390	146,369	77,970	75,254	245,544
<b>Financial Assets:</b>					
- At fair value through profit or loss	10,303	9,282	13,557	10,555	13,393
- Available for sale	511,852	879,459	456,295	371,627	202,658
- Loans and receivables	326,807	475,312	347,615	359,745	355,139
Trade receivables	-	-	-	6,684	13,124
Reinsurance assets	3,204,590	3,053,282	3,308,544	2,881,837	2,709,529
Deferred acquisition costs	39,093	37,674	78,224	114,077	135,838
Other receivables and prepayments	364,791	155,509	166,691	375,190	424,011
Investment in subsidiaries	3,389,783	3,333,919	3,333,919	3,418,581	5,590,678
Intangible ssets	-	-	-	-	-
Deferred tax assets	-	-	-	-	-
Investment properties	24,869,411	17,753,486	17,379,876	16,856,272	15,915,506
Property plant and equipment	5,926,673	5,395,844	5,263,673	4,942,912	4,670,928
Statutory deposits	500,000	500,000	500,000	500,000	500,000
<b>Total assets</b>	<b>39,323,693</b>	<b>31,740,137</b>	<b>30,926,364</b>	<b>29,912,734</b>	<b>30,776,348</b>
<b>Equity</b>					
Ordinary share capital	7,115,619	7,115,619	7,115,619	7,115,619	7,115,619
Share premium	8,530,781	8,530,781	8,530,781	8,530,781	8,530,781
Assets revaluation reserve	5,858,891	5,392,050	5,159,421	4,826,118	4,509,788
Fairvalue reserve	122,231	489,839	66,676	66,676	132,833
Contingency reserve	3,852,082	2,884,130	3,028,776	2,771,941	2,695,929
Loss sustained	(14,164,667)	(18,406,310)	(18,302,974)	(17,555,730)	(16,032,774)
<b>Total equity</b>	<b>11,314,937</b>	<b>6,006,109</b>	<b>5,598,299</b>	<b>5,755,406</b>	<b>6,952,176</b>
<b>Liabilities</b>					
Insurance contract liabilities	8,439,897	9,097,653	9,478,377	9,508,891	8,942,173
Investment contract liabilities	9,116,440	8,626,085	8,760,785	8,913,995	8,649,161
Trade payables	1,588,093	855,678	675,600	806,343	1,312,637
Loans and borrowings	1,020,441	486,906	350,274	5,499	124,106
Other payables and accruals	4,316,680	4,051,350	3,536,382	2,633,408	2,456,983
Income tax payable	1,643,148	1,539,140	1,538,202	1,506,626	1,484,161
Deferred tax liabilities	1,884,056	1,077,223	988,445	782,566	854,951
<b>Total liabilities</b>	<b>28,008,755</b>	<b>25,734,035</b>	<b>25,328,065</b>	<b>24,157,328</b>	<b>23,824,172</b>
<b>Total equity and liabilities</b>	<b>39,323,692</b>	<b>31,740,144</b>	<b>30,926,364</b>	<b>29,912,734</b>	<b>30,776,348</b>
<b>Consolidated statement of profit or loss and other comprehensive income</b>					
<b>Gross premium written</b>	<b>762,516</b>	<b>1,397,464</b>	<b>2,580,000</b>	<b>3,020,008</b>	<b>3,455,994</b>
Gross premium income	786,644	1,742,376	2,937,274	3,481,655	6,764,584
Net premium income	699,467	1,568,984	1,612,850	2,212,906	2,512,620
Investments and other income	433,662	844,316	1,000,266	1,137,735	1,540,826
<b>Total incomes</b>	<b>1,133,129</b>	<b>2,413,300</b>	<b>2,613,116</b>	<b>3,350,641</b>	<b>4,053,446</b>
Net benefits and claims	(13,438)	(358,650)	(763,772)	(1,962,558)	(3,126,972)
Other expenses	4,944,782	(1,775,599)	(856,125)	(2,677,186)	(4,691,915)
<b>Total expenses</b>	<b>4,931,344</b>	<b>(2,134,249)</b>	<b>(1,619,897)</b>	<b>(4,639,744)</b>	<b>(7,818,887)</b>
<b>Profit/(loss) before income tax</b>	<b>6,025,942</b>	<b>(173,307)</b>	<b>(268,637)</b>	<b>(1,382,016)</b>	<b>(3,765,441)</b>
Income tax expense	(816,347)	(185,609)	(194,220)	(64,918)	(408,790)
<b>Profit/(loss) from continuing operations</b>	<b>5,209,595</b>	<b>(358,916)</b>	<b>(462,857)</b>	<b>(1,446,934)</b>	<b>(4,174,231)</b>