

INDUSTRIAL AND GENERAL INSURANCE PLC

**CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2020**

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Table of Contents	Page
Corporate Information	i
Report of the Directors	iii
Certification Pursuant to section 60(2) of Investment Act No 29 of 2007	vii
Report of Audit and Compliance Committee	viii
Corporate Governance Report	ix
Management's Discussion and Analysis	vii
Statement of Directors' responsibilities in relation to the financial statements	1
Independent auditor's report	2
Statement of Significant Accounting Policies	7
Consolidated statement of financial position	44
Consolidated statement of profit or loss and other comprehensive income	45
Consolidated statement of cash flows	47
Consolidated statement of changes in equity	48
Notes to the financial statements	50
Other national disclosures:	
Consolidated statement of value added	211
Financial summary – Group	212
Financial summary – Company	214

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

CORPORATE INFORMATION

Company Registration Number	- RC 178140
Nature of business	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.
Directors:	Mahmud Yayale Ahmed, CFR, BSc, MPA, LLD (Hons) - Chairman Rachel Voke Emenike (Mrs.), LLB, BL, MBA, ACII - Managing Director/CEO Professor Oladapo Afolabi, OON, CFR, MSc, PhD - Director Augustine Olorunsola BSc - Director Gaffar Kayode Animashawun Jnr. BL, LLM - Director Kanayo Chuks Okoye BL, LLM - Director
Company Secretary	Abiodun Ajifolawe BL, LLM, FCIS, FCTI, FCIarb
Registered office	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
Liaison office	Suite 52-55, 1st Floor 65 London Wall London, EC2M 5TU Tel: 020-7374 0588; 020-7374 0648; Fax: 020-7374
Auditors	PKF Professional services PKF House 205A Obanikoro Ikorodu Road Lagos State
Website	www.pkf-ng.com
Registrars	Greenwich Registrars & Data Solutions Limited 274, Murtala Muhammed Way Yaba, Lagos
Re-insurers	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 2020

CORPORATE INFORMATION

Actuaries	Ernst & Young UBA House 10th Floor 57 Marina Lagos
Major Bankers	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 2020

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER, 2020

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 2020**.

CORPORATE STRUCTURE 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	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
Gross premium income	4,259,468	4,426,671	842,456	786,643
Underwriting results	422,746	165,693	114,835	(672,398)
Investment income	610,013	669,049	249,477	307,417
Management expenses	(1,370,944)	(2,238,616)	(559,396)	(791,264)
Impairment write back/(charge)	380,584	78,600	395,827	(116,798)
Profit before income tax	1,273,224	6,247,186	850,023	6,025,942
Net Assets	12,494,781	11,468,307	11,771,867	11,314,936

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER, 2020

DIRECTORS AND DIRECTORS' INTERESTS

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

b. Mahmud Yayale Ahmed, CFR and Kanayo Chuks Okoye 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	
	2020	2019
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.)	-	-
	<u>184,064,556</u>	<u>184,064,556</u>

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	
			2020	2019
1 - 1,000	77	0.75%	35,147	36,357
1,001 - 5,000	78	0.76%	203,435	195,935
5,001 - 10,000	34	0.33%	264,209	193,709
10,001 - 50,000	3,529	34.46%	110,628,683	110,536,183
50,001 - 100,000	2,031	19.87%	132,196,332	132,103,722
100,001 - 500,000	2,795	27.35%	572,609,560	572,415,160
500,001 - 1,000,000	673	6.59%	436,000,790	436,000,790
1,000,001 - 5,000,000	781	7.64%	1,420,673,508	1,413,956,608
5,000,001 - 100,000,000	208	2.04%	3,931,648,052	4,079,175,752
100,000,001 - 500,000,000	14	0.14%	2,450,259,309	2,823,360,670
500,000,001 - And Above	7	0.07%	5,176,718,259	4,663,262,398
TOTAL :-	10,227	0%	14,231,237,284	14,231,237,284

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, 2020**.

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER, 2020

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 2020** 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:

- 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.
- International Health Management Services Limited** provides pre-paid health care services to the Company and local subsidiaries at arms's length and at competitive market rates.
- 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 3.78% in Gross Written Premium from N4.43 billion to N4.26 billion in 2020 while Net Premium Income decreased by 20.01% from N3.45 Billion recorded in 2019 to N2.75 billion in 2020. Reinsurance cost for 2020 increased by 53.68% to N1.51 billion from N0.979 billion recorded in 2019 as a result of lower retention in some classes of business for the year.

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER, 2020

Net claims incurred increased by 41.83% from N0.805 billion in 2019 to N1.14 billion in 2020. Underwriting expenses decreased by 36.3% from N2.53 billion in 2019 to N1.64 billion in 2020.

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 2020 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 408(1)(b) of the Companies and Allied Matters Act 2020. A resolution will be proposed authorizing the Director to fix their remuneration.



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

Dated: 15 January 2023

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020 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 in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.



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

Dated: 15 January 2023



Tolu Delano
Chief Finance Officer

FRC/2019/ANAN/00000019788.

Dated: 15 January 2023

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE IN RESPECT OF THE 2020 AUDITED ACCOUNTS

To the Members of Industrial and General Insurance Plc

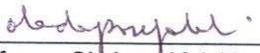
Save the resignation of two members, the membership of the Board Audit and Compliance Committee has not changed considerably, since the last changes experienced at the Annual General Meeting of the Company held on the 19th of April 2016.

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 404 (4) & (7) of the Companies and Allied Matters Act (CAMA) 2020, 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 2020** 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 2020**.

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



Professor Oladapo Afolabi
Director
FRC/2017/IPAN/00000015950

Dated: 15 January 2023

Members of the Committee are:-

Prof. Oladapo Afolabi, OON, CFR	-	Chairman
Mr. Kanayo Okoye	-	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 2020

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 Financial Reporting Council of Nigeria, 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 2020

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, OFR, CFR	•		
4.	Osten Olorunsola	•		
5.	Kanayo Chuks Okoye	•		
6.	Gaffar K. Animashawun	•		

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 2020 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)
No of Meetings	4	3	3	3
Mahmud Yayale Ahmed, CFR	3	N/M	N/M	N/M
Prof. Oladapo Afolabi, OON, CFR	4	3	N/M	2
Osten Olorunsola	4	N/M	2	2
Gaffar K. Animashawun Jnr.	4	N/M	3	N/M
Kanayo Chuks Okoye	4	3	3	3
Rachel Voke Emenike	4	N/M	3	3

*NM - Not a Member

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020, 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 404(2 & 3) of the Companies and Allied Matters Act 2020. 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 2020

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

Osten 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 2020

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 2020

Management 's Discussion and Analysis for the year ended 31 December 2020

This management discussion and analysis (MD&A) has been prepared as at 31 December 2020 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		
	2020 N'000	2019 N'000	% Changes	2020 N'000	2019 N'000	% Changes
Gross premium written	4,349,322	3,802,458	14.4	848,943	762,516	11.3
Net Premium Income	2,753,417	3,447,671	(20.1)	779,704	699,466	11.5
Underwriting results	422,746	165,693	155.1	114,835	(672,398)	(117.1)
Investment income	610,013	669,049	(8.8)	249,477	307,417	(18.8)
Management expenses	(1,370,944)	(2,238,616)	(38.8)	(559,396)	(791,264)	(29.3)
Impairment provisions	380,584	78,600	384.2	395,827	(116,798)	(438.9)
Profit before tax	1,314,760	6,260,226	(79.0)	995,519	6,032,314	(83.5)
Profit per share (kobo)	12.45	34.22	(63.6)	7.78	37.30	(79.1)

The Group experienced an increase of 14% (Company increased by 11%) 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 decreased by 8.8% from N668.04 million in 2019 to N610.13 million in 2020. Investment income for the company reduced from N307.4 million in 2019 to N249.5 million in 2020 representing an increase of 18.8%.

Management expenses for the group reduced by 38% to N1.4 billion from N2.2 billion incurred in 2019.

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 FOR THE YEAR ENDED 31 DECEMBER 2020

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:

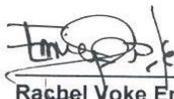
- a) Appropriate and adequate internal controls are established to safeguard the assets of the Group and to prevent and detect fraud and other irregularities;
- b) The Group keeps proper accounting records which disclose with reasonable accuracy the financial position of the Group and which ensure that the financial statements comply with the requirements of the Companies and Allied Matters Act, 2020, 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 2020**. 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
FRC/2015/CIIN/00000013299

Dated: 15 January 2023



Tolu Defano
Chief Finance Officer
FRC/2019/ANAN/00000019788.

Dated: 15 January 2023

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 2020, 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 2020, 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 2020.

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, 2020, 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 N389.03 million (2019: N155.46 million), N1.43 billion (2019: N1.46 billion) and N6.92 billion (2019: N5.93 billion) respectively.

(ii) Note 3(g)(ii) which indicates that, as of 31 December, 2020, the company had a solvency margin deficit of N11.142 billion (2019: N12.07 billion) which was below the minimum requirement of N5 billion for composite (life and general) business by N16.142 billion (2019: N17.07 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>a) Valuation of insurance and investment contract liabilities</p> <p>The Group and the Company has significant life and non-life insurance and investment contract liabilities for the Group N11.22 billion and N10.99 billion while Company N8.66 billion and N10.65 billion (2019: Group N10.43 billion and N9.56 billion - Company N8.44 billion and N9.12 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"> • 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. • 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. • 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. • 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. • 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.

Key audit matters	How the matter was addressed in the audit
<p>b) Valuation of Investment properties and land & buildings in property, plant & equipment</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"> • 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. • 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.

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 2020, 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 2020. Details of penalties paid are disclosed in note 54 to the financial statements.



Olatunji Ogundeyin, FCA
FRC/2013/ICAN/00000002224
For: PKF Professional Services
FRC/2023/COY/141906
Chartered Accountants
Lagos, Nigeria



Dated: 15 January 2023

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. 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 2020. The Company reported a solvency margin deficit of N18.47 billion for the year ended 31 December, 2020 (2019: N17.03 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 2020, 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 2020**, 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 **15 January 2023**.

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 2020

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 2020

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 acquiree 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 acquiree 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 2020.

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

3.6.1 Summary of Standards and Interpretations effective for the first time

a) IFRS 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, 2020. Earlier application is permitted.

b) 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 2020

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.

3.6.2 Application of the 2016 Amendment of IFRS 4 by the International Accounting Standards

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:

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

3.6.3 Predominance Assessment

Using 2017 Financial Report

Insurance liabilities	Group		Company	
	Carrying 2017 N'000	Insurance N'000	Carrying 2017 N'000	Insurance 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	-	-	-
	34,330,820	23,514,202	25,451,032	20,746,753
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 2018 impact analysis on Financial Assets

	2018 Group		
	IAS 39 N'000	IFRS 9 N'000	Impact N'000
Financial Assets:			
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
	2,804,116	1,502,751	1,301,365

Company 2018 impact analysis on Financial Assets

	2018 Company		
	IAS 39 N'000	IFRS 9 N'000	Impact N'000
Financial Assets:			
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	-	-	-
	1,364,053	469,852	894,201

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

Group

2019 impact analysis on Financial Assets

	2019 Group		
	IAS 39 N'000	IFRS 9 N'000	Impact N'000
Financial Assets:			
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
	2,817,933	1,217,407	1,600,526

Company

2019 impact analysis on Financial Assets

	2019 Company		
	IAS 39 N'000	IFRS 9 N'000	Impact N'000
Financial Assets:			
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	-	-	-
	848,962	469,852	379,110

Group

2020 impact analysis on Financial Assets

	2020 Group		
	IAS 39 N'000	IFRS 9 N'000	Impact N'000
Financial Assets:			
At fair value through profit or loss	224,542	224,542	-
Available for sale(FVOCI)	1,007,842	1,007,842	-
Held to maturity(Amortised Cost)	859,594	-	859,594
Loans and receivables (Amortised Cost)	369,057	-	369,057
Trade receivables	840,361	-	840,361
	3,301,396	1,232,384	2,069,012

Company

2020 impact analysis on Financial Assets

	2020 Company		
	IAS 39 N'000	IFRS 9 N'000	Impact N'000
Financial Assets:			
At fair value through profit or loss	7,538	13,557	(6,019)
Available for sale(FVOCI)	460,163	456,295	3,868
Loans and receivables (Amortised Cost)	348,496	-	348,496
Trade receivables	-	-	-
	816,197	469,852	346,345

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES 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		
	2020 N'000	2019 N'000	2018 N'000
Premium receivables	840,361	725,192	512,354
Loans and receivables	369,057	365,903	495,030
Other receivables net off prepayments	28,711	506,202	343,050
Short term placement	477,116	1,327,603	966,098
Investment securities:			
Treasury bills	859,594	509,431	293,981
Bonds	-	-	-
	<u>2,574,839</u>	<u>3,434,331</u>	<u>2,610,513</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		
	2020 N'000	2019 N'000	2018 N'000
Quoted equity securities	224,542	242,022	288,949
Unquoted equity securities	1,007,842	975,385	1,213,802
	<u>1,232,384</u>	<u>1,217,407</u>	<u>1,502,751</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.

3.6.4 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:

3.6.5 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 2020

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.

3.6.6 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.

3.6.7 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.

3.6.8 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 2020

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 body of the entity.
- 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 2020

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 2020

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 2020

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

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

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'.

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

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.

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

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

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

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.

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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.

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

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 fair value 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.

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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.

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

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.

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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.

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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.

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

The carrying amount of the asset 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.

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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 classified 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

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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).

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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.

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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).

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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.

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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.

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020

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 2020

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 2020

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

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020

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 2020

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.

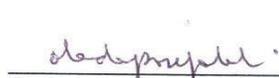
INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Group		Company	
		2020 N'000	2019 N'000	2020 N'000	2019 N'000
Assets					
Cash and cash equivalents	5.	933,288	2,094,063	157,747	180,390
Financial Assets:					
At fair value through profit or loss	6.1	224,542	242,022	7,538	10,303
Available for sale	6.2	1,007,842	975,385	460,163	511,852
Held to maturity	6.3.	859,594	509,431	-	-
Loans and receivables	6.4.	369,057	365,903	348,496	326,807
Trade receivables	7.	840,361	725,192	-	-
Reinsurance assets	8.	4,618,441	3,852,860	3,600,393	3,204,590
Deferred acquisition costs	9.	77,125	92,728	34,675	39,093
Loans and advances to customers	10.	146,675	77,561	-	-
Other receivables and prepayments	12.	209,771	569,076	486,457	364,791
Investment in subsidiaries	14.	-	-	3,389,784	3,389,783
Intangible ssets	15.	21,937	21,797	-	-
Deferred tax assets	48.4.	-	-	-	-
Investment properties	16.	26,774,266	24,991,815	26,119,411	24,869,411
Property plant and equipment	17.	7,239,725	7,517,859	5,491,730	5,926,673
Statutory deposits	18.	545,116	555,267	500,000	500,000
		43,867,739	42,590,960	40,596,394	39,323,693
Non-current assets held for sale	11.	6,623,063	6,307,411	-	-
Assets classified as discontinued operations	57.	-	5,733,010	-	-
Total assets		50,490,802	54,631,381	40,596,394	39,323,693
Equity					
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.	5,966,047	6,256,758	5,523,592	5,858,891
Fairvalue reserve	21.	(183,923)	136,812	70,543	122,231
Contingency reserve	22.	3,804,158	4,218,011	4,111,508	3,707,697
Loss sustained	23.	(11,769,254)	(13,308,923)	(13,580,176)	(14,020,283)
Capital reserve	24.	145,959	134,236	-	-
Foreign exchange reserve	25.	(1,245,043)	(1,612,692)	-	-
Statutory(regulatory) reserve	26.	197,070	182,607	-	-
Shareholder's fund		12,561,414	11,653,209	11,771,867	11,314,936
Non-controlling interests	27.	(66,634)	(184,902)	-	-
Total equity		12,494,781	11,468,307	11,771,867	11,314,936
Liabilities					
Insurance contract liabilities	28.	11,219,670	10,430,374	8,657,220	8,439,897
Investment contract liabilities	29.	10,987,423	9,559,606	10,649,548	9,116,440
Trade payables	30.	2,080,141	2,468,968	1,200,305	1,588,093
Loans and borrowings	31.	1,101,546	1,335,012	886,105	1,020,441
Other payables and accruals	32.	7,283,834	8,127,303	3,877,758	4,316,680
Income tax payable	48.2	2,050,536	2,029,100	1,634,536	1,643,148
Deferred tax liabilities	48.4.	2,134,594	2,147,965	1,919,056	1,884,056
Deposit for shares	33.	1,138,275	1,331,735	-	-
		37,996,019	37,430,063	28,824,528	28,008,755
Liabilities classified as discontinued operations	57.	-	5,733,010	-	-
Total liabilities		37,996,019	43,163,073	28,824,528	28,008,755
Total equity and liabilities		50,490,800	54,631,381	40,596,395	39,323,693

The consolidated financial statements were approved by the Board of Directors on **15 January 2023** and signed on its behalf by:


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

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 FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	GROUP		COMPANY	
		2020 N'000	2019	2020 N'000	2019 N'000
Continuing operations					
Gross premium written	34.	4,349,322	3,802,458	848,943	762,516
Changes in unearned premium	34.	(89,854)	624,213	(6,487)	24,127
Gross Premium Income		4,259,468	4,426,671	842,456	786,643
Reinsurance costs	35.	(1,506,051)	(979,000)	(62,752)	(87,177)
Net Premium Income		2,753,417	3,447,671	779,704	699,466
Fees and commission income	36.	182,734	235,002	8,950	22,910
Net underwriting income		2,936,151	3,682,673	788,654	722,376
Claims expenses (Gross)	37.	(1,856,025)	(1,091,990)	(787,759)	(266,793)
Changes in claims recoveries	37.	713,956	286,736	399,862	253,356
Net claims incurred		(1,142,069)	(805,254)	(387,897)	(13,437)
Underwriting expenses	38.	(1,636,967)	(2,536,009)	(517,645)	(1,379,757)
Changes in contract liabilities	39.	265,631	(175,717)	231,723	(1,580)
Underwriting profit/(loss)		422,746	165,693	114,835	(672,398)
Investments incomes	40.	610,013	669,049	249,477	307,417
Profit on disposal of Investment properties	49.1	38,465	104,065	28,000	47,947
Profit on disposal of properties, plant & equipment	49.2	301,097	(3,529)	300,300	460
Net interest income	41.	(28,266)	12,848	-	405
Other operating incomes	42.	119,377	116,326	(3,048)	15,992
Loss on investment contract	43.	(1,827,330)	(292,014)	(1,877,711)	(238,493)
Fair value gain through Profit or loss	44.	2,669,018	7,647,804	2,347,235	7,479,046
Impairment write back/(charge)	45.	380,584	78,600	395,827	(116,798)
Management and administrative expenses	46.	(1,370,944)	(2,238,616)	(559,396)	(791,264)
Net operating profit		1,314,760	6,260,226	995,519	6,032,314
Finance costs	47.	(41,536)	(13,040)	(145,496)	(6,372)
Profit before income tax		1,273,224	6,247,186	850,023	6,025,942
Income tax expense	48.1	(121,220)	(612,134)	(6,106)	(816,347)
Profit from continuing operations		1,152,004	5,635,052	843,917	5,209,595
Attributable to:					
Equity shareholders		1,227,339	5,706,600	843,917	5,209,595
Non-controlling interests	27.	(75,335)	(71,548)	-	-
		1,152,004	5,635,052	843,917	5,209,595

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	GROUP		COMPANY	
		2020 N'000	2019	2020 N'000	2019 N'000
Other Comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
Fairvalue gain on available for sale assets	21 & 27	(320,735)	(391,540)	(51,688)	(367,607)
Exchange differences on translating foreign operations	21 & 25	408,067	(1,056,665)	-	-
Income tax relating to item that may be reclassified subsequently to profit or loss		-	39,154	-	-
Items that will not be reclassified subsequently to profit or loss:					
Actuarial surplus/transfer from life fund	22 & 27	146,452		-	-
Fairvalue gain on property, plant and equipment	20 & 27	346,373	594,822	350,000	561,315
Income tax relating to item that will not be reclassified subsequently to profit or loss		(35,000)	(22,654)	(35,000)	(94,473)
Other comprehensive income for the year, net of tax		545,157	(836,883)	263,312	99,235
Total comprehensive income for the year		1,697,161	4,798,169	1,107,229	5,308,830
Attributable to:					
Equity shareholders		1,772,496	4,869,717	1,107,229	5,308,830
Non-controlling interests	27.	(75,335)	(71,548)	-	-
		1,697,161	4,798,169	1,107,229	5,308,830
Basic and diluted profit per share (Kobo)	50.	12.45	34.22	7.78	37.30

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 2020

	Note	Group		Company	
		2020 N'000	2019 N'000	2020 N'000	2019 N'000
Cash flows from operating activities					
Premium received on insurance contract		4,349,322	3,802,458	848,943	762,516
Net inflow from deposit Admin contract	29.	(733,612)	(744,197)	(344,603)	117,287
Reinsurance premium paid	35.	(1,712,341)	(1,219,371)	(484,603)	(83,303)
Commission received	36.	182,734	235,000	8,950	22,910
Claims paid	37.	(690,796)	(1,811,069)	(345,203)	(901,998)
Reinsurance recovery received	37.	161,848	279,246	8,631	98,175
Commission paid	38.	(364,280)	(444,886)	(57,800)	(168,255)
Maintenance cost paid	38.	(1,221,358)	(2,113,019)	(416,792)	(1,212,921)
Loss on disposal of PPE		-	-	-	460
Other Income	42.	119,377	116,326	(3,048)	15,992
Dividend income		26,304	30,791	11,881	8,543
Investment income	40.	583,709	638,258	237,596	298,874
Operating costs and payments to employee		(1,643,234)	113,675	(614,973)	(340,171)
Tax paid	48.2	(93,962)	-	(20,439)	-
Other operating cashflows		-	-	-	-
Net cash used in operating activities	51.	(1,036,289)	(1,116,788)	(1,171,460)	(1,381,891)
Cash flows from investing activities:					
Additions to fair value through profit or loss	6.1	-	(87,505)	-	-
Proceed on disposal of fair value through profit or loss		(12,466)	-	-	-
Additions to available for sale	6.2	-	(153,123)	-	-
Proceeds on disposal of available for sale		38,353	-	-	-
Held to maturity	6.3.	(350,163)	-	-	-
Addition		-	512,913	-	-
Disposal		-	(335,782)	-	-
Additions to loans and receivables	6.4.	6,256	(15,658)	(13,364)	(397)
Repayment of loans and receivables	6.4.	31,518	149,431	18,292	149,042
Loans and advances to customers	10.	(69,114)	(247,100)	-	-
Addition to non-current assets held for sale	11.	(331,199)	(3,324)	-	-
Proceeds on disposal of non-current assets held for sale	11.	20,341	275,001	-	-
Intangible assets		-	(25,296)	-	-
Acquisition of investment properties	16.	(588,757)	(1,092)	-	-
Proceeds on disposal of investment properties		1,185,975	1,573,895	1,100,000	410,047
Other movement in investment properties		-	92,587	-	-
Purchase of property, plant and equipment	17.	(251,033)	(81,615)	-	(330)
Proceeds from disposal of property, plant & equipment		400,000	-	400,000	-
Interest income	41.	(28,266)	12,848	-	405
Net cash used in investing activities		51,445	1,666,181	1,504,928	558,767
Cash flows from financing activities:					
Additions to overdraft	31.	-	(1,080)	-	330,116
Additions to term loan	31.	-	140,866	-	202,141
Repayment of loans and borrowings	31.	(275,002)	(1,574)	(279,832)	(5,094)
Payment for principal portion of lease		-	(46,265)	-	-
Dividend paid	32.1.	(3,055)	(8,401)	-	-
Interest paid	47.	(41,536)	(6,251)	(145,496)	-
Net cash generated by financing activities		(319,593)	77,295	(425,328)	527,163
Net increase/(decrease) in cash and cash equivalents					
		(1,304,437)	626,688	(91,860)	(295,961)
Cash and cash equivalents at 1 January		2,076,568	1,449,880	(630,999)	(335,038)
Cash and cash equivalents at 31 December	5.3.	772,130	2,076,568	(722,859)	(630,999)

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 2020

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
1 January 2019	<u>7,115,619</u>	<u>8,530,781</u>	<u>5,684,590</u>	<u>608,791</u>	<u>3,184,596</u>	<u>(17,982,107)</u>	<u>134,236</u>	<u>(556,027)</u>	<u>182,607</u>	<u>(113,805)</u>	<u>6,789,281</u>
Changes in equity for 2019:											
Loss for the year	-	-	-	-	-	5,706,598	-	-	-	(71,548)	5,635,050
Other comprehensive income;											
Share of revaluation gain in retained earnings	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
Translation gain/(loss) for the year	-	-	-	0	-	0	(0)	(1,056,665)	(0)	(8,450)	(1,065,115)
Transactions with owners, recorded directly in equity:											
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	-	-	-	-	-	-	-	-	-	-	-
31 December 2019	<u>7,115,619</u>	<u>8,530,781</u>	<u>6,256,758</u>	<u>136,812</u>	<u>4,218,011</u>	<u>(13,308,924)</u>	<u>134,236</u>	<u>(1,612,692)</u>	<u>182,607</u>	<u>(184,902)</u>	<u>11,468,306</u>
1 January 2020	<u>7,115,619</u>	<u>8,530,781</u>	<u>6,256,758</u>	<u>136,812</u>	<u>4,218,011</u>	<u>(13,308,924)</u>	<u>134,236</u>	<u>(1,612,692)</u>	<u>182,607</u>	<u>(184,902)</u>	<u>11,468,306</u>
Changes in equity for 2020:											
Profit for the year	-	-	-	-	-	1,152,004	-	-	-	(75,335)	1,076,669
Other comprehensive income;											
Gain on valuation of property, plant and equipment	-	-	394,589	-	-	-	-	-	-	(1,271)	393,318
Deferred tax effect	-	-	(35,000)	-	-	-	-	-	-	-	(35,000)
Impact of investment reclassified to available for sale	-	-	-	-	-	-	-	-	-	-	-
Reversal of revaluation	-	-	-	-	-	-	-	-	-	-	-
Gain on available for sale financial assets	-	-	-	(320,735)	-	-	-	-	-	11,768	(308,967)
Transfer from life fund	-	-	-	-	-	-	-	-	-	-	-
Translation gain/(loss) for the year	-	-	(650,300)	-	0	(1)	-	367,649	(0)	180,627	(102,024)
Transactions with owners, recorded directly in equity:											
Share of ordinary share capital	-	-	-	-	-	-	-	-	-	-	-
Share of share premium	-	-	-	-	-	-	-	-	-	-	-
Transfer (from)/to capital reserve	-	-	-	-	-	(11,723)	11,723	-	-	-	-
Transfer (from)/ to statutory reserve	-	-	-	-	-	(14,463)	-	-	14,463	(374)	(374)
Transfer (from)/ to contingency reserve	-	-	-	-	(413,853)	413,853	-	-	-	2,853	2,853
Transfer (from)/to assets revaluation reserve	-	-	-	-	-	-	-	-	-	-	-
Dividend paid / declared	-	-	-	-	-	-	-	-	-	-	-
31 December 2020	<u>7,115,619</u>	<u>8,530,781</u>	<u>5,966,047</u>	<u>(183,923)</u>	<u>3,804,158</u>	<u>(11,769,254)</u>	<u>145,959</u>	<u>(1,245,043)</u>	<u>197,070</u>	<u>(66,634)</u>	<u>12,494,781</u>

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 2020

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
1 January 2019	<u>7,115,619</u>	<u>8,530,781</u>	<u>5,392,050</u>	<u>489,840</u>	<u>2,884,130</u>	<u>(18,406,310)</u>	<u>6,006,110</u>
Changes in equity for 2019:							
Loss for the year	-	-	-	-	-	5,209,595	5,209,595
Other comprehensive income:							
Gain on valuation of property, plant and equipment	-	-	561,315	-	-	-	561,315
Deferred tax effect	-	-	(94,473)	(2)	-	-	(94,475)
Reversal of revaluation	-	-	-	-	-	-	-
Loss on available for sale financial assets	-	-	-	(367,607)	-	-	(367,607)
Transactions with owners, recorded directly in equity:							
Contingency reserve for the year	-	-	-	-	823,568	(823,568)	-
Actuarial surplus/transfer from life fund	-	-	-	-	-	-	-
Transfer from assets revaluation reserve	-	-	-	-	-	(0)	(0)
31 December 2019	<u>7,115,619</u>	<u>8,530,781</u>	<u>5,858,892</u>	<u>122,231</u>	<u>3,707,698</u>	<u>(14,020,283)</u>	<u>11,314,938</u>
1 January 2020	<u>7,115,619</u>	<u>8,530,781</u>	<u>5,858,892</u>	<u>122,231</u>	<u>3,707,698</u>	<u>(14,020,283)</u>	<u>11,314,938</u>
Changes in equity for 2020:							
Profit for the year	-	-	-	-	-	843,917	843,917
Other comprehensive income:							
Gain on valuation of property, plant and equipment	-	-	350,000	-	-	-	350,000
Deferred tax effect	-	-	(35,000)	0	-	-	(35,000)
Reversal of revaluation	-	-	(650,300)	-	-	-	(650,300)
Loss on available for sale financial assets	-	-	-	(51,688)	-	-	(51,688)
Transactions with owners, recorded directly in equity:							
Contingency reserve for the year	-	-	-	-	257,358	(257,358)	-
Actuarial surplus/transfer from life fund	-	-	-	-	146,452	-	146,452
Transfer from assets revaluation reserve	-	-	-	-	-	(146,452)	(146,452)
31 December 2020	<u>7,115,619</u>	<u>8,530,781</u>	<u>5,523,592</u>	<u>70,543</u>	<u>4,111,508</u>	<u>(13,580,176)</u>	<u>11,771,867</u>

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 2020

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 2020

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	230,823,585	230,823,585	0%
Fire	31,503,864	31,503,864	0%
Marine	21,849,385	21,849,385	0%
Motor	282,201,599	282,201,599	0%
Engineering	8,650,983	8,650,983	0%
Oil and Gas	25,000	25,000	0%
Total (31 December, 2020)	575,054,416	575,054,416	0%
Total (31 December, 2019)	478,210,322	478,210,322	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	724,835	724,835	0%
Fire	20,015,436	20,015,436	0%
Marine	11,262,023	11,262,023	0%
Motor	6,009,866	6,009,866	0%
Engineering	20,167,818	20,167,818	0%
Oil and Gas	-	-	0%
Total (31 December, 2019)	58,179,978	58,179,978	0%
Total (31 December, 2018)	42,484,800	42,484,800	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	45,186,954	45,186,954	0%
Fire	28,358,377	28,358,377	0%
Marine	-	-	0%
Motor	34,197,446	34,197,446	0%
Engineering	16,433,980	16,433,980	0%
Oil and Gas	1,937,780	1,937,780	0%
Total (31 December, 2020)	126,114,537	126,114,537	0%
Total (31 December, 2019)	593,445,013	593,445,013	0%

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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	10,439,181	10,439,181	0%
Fire	14,995,861	14,995,861	0%
Marine	-	-	0%
Motor	6,205,665	6,205,665	0%
Engineering	-	-	0%
Oil and Gas	-	-	0%
Total (31 December, 2020)	31,640,707	31,640,707	0%
Total (31 December, 2019)	442,634,408	442,634,408	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, third party, private and commercial vehicles.

Business Trend:

We illustrate in the table below, the Gross Written Premium as at 31 December 2019 and 2020 respectively. There were significant decreases in premium of the Engineering, Fire and Oil & Gas lines of business. However, other lines of business experienced increases in the current year. This resulted in an overall increase in GWP by 20%.

Class of Business	Gross Written Premium as at 31 December, 2020	Gross Written Premium as at 31 December, 2019	Percentage Difference
	Data	Data	
	N'000	N'000	
General Accident	230,823,585	161,462,335	43%
Fire	31,503,864	58,560,956	-46%
Marine	21,849,385	17,196,679	27%
Motor	282,201,599	219,261,023	29%
Engineering	8,650,983	13,276,523	-35%
Oil and Gas	25,000	8,452,806	-100%
Total (31 December, 2020)	575,054,416	478,210,322	20%

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 2020

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 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 2020

We have adopted the following official Inflation Indices in our calculations:

Table 3.1.1

Year	Inflation Index	Accumulated Inflation Index
2007	6.60%	382.03%
2008	15.10%	352.19%
2009	13.90%	292.86%
2010	11.80%	244.92%
2011	10.30%	208.52%
2012	12.00%	179.71%
2013	8.00%	149.74%
2014	8.30%	131.24%
2015	9.60%	113.52%
2016	18.48%	94.81%
2017	15.37%	64.43%
2018	11.28%	42.52%
2019	11.37%	28.08%
2020	15.00%	15.00%
2021+	12.00%	

We performed calculations on the following bases:

*-By discounting the estimated claims to the valuation date at a rate of 6.7% 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 credibility 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 "best estimate" is determined by applying a combination of the Chain Ladder ("CL") and the Bornhuetter-Ferguson ("BF") methods to attritional paid claims triangles.

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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 rest 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 smoothed 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 2020 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	6,891,705	Mean + 3SD
Engineering	67,630,596	Mean + 3SD
Fire	66,521,539	Mean + 3SD
Marine	20,759,929	Mean + 3SD
Motor	2,897,373	Mean + 3SD
Oil and Gas	N/A	Not Applicable

*SD means Standard Deviation

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

ii) Valuation Results

Inflation Adjusted Chain Ladder Method – Result Table

Table 3.1.3 Discounted Inflation Adjusted Basic Chain Ladder Method

	Gross Outstanding Claims	Estimated Reinsurance Recoveries	Net Outstanding Claims
Class of Business	N	N	N
General Accident	217,770,584	(30,930,021)	186,840,563
Engineering	529,148,625	(390,070,958)	139,077,667
Fire	97,125,364	(68,427,628)	28,697,736
Marine	321,660,165	(6,620,169)	315,039,996
Motor	91,972,493	(9,111,680)	82,860,813
Oil and Gas*	1,668,811,435	(794,284,329)	874,527,105
TOTAL	2,926,488,666	(1,299,444,785)	1,627,043,880
Accounts (outstanding claims)	2,773,238,643	(1,245,866,767)	1,527,371,876
Difference	153,250,023	(53,578,018)	99,672,004

*Estimated using Expected Loss Ratio method and discounted

Incurred But Not Reported (IBNR) Table

Table 3.1.4 IBNR Table

Class of Business	Outstanding Claims Reserves	Outstanding Reported Claims Reserves	Incurred But Not Reported (IBNR)
	N	N	N
General Accident	217,770,584	187,205,219	30,565,365
Engineering	529,148,625	489,857,021	39,291,604
Fire	97,125,364	75,557,951	21,567,413
Marine	321,660,165	305,027,926	16,632,239
Motor	91,972,493	63,331,642	28,640,851
Oil and Gas*	1,668,811,435	1,652,258,884	16,552,551
TOTAL	2,926,488,666	2,773,238,643	153,250,023

Table 3.1.5 Reinsurance IBNR Table

Class of Business	Total Outstanding Reinsurance Recoveries	Outstanding Reported Reinsurance Recoveries	Reinsurance IBNR
	N	N	N
General Accident	30,930,021	26,217,886	4,712,135
Engineering	390,070,958	356,858,998	33,211,960
Fire	68,427,628	56,097,300	12,330,328
Marine	6,620,169	5,915,181	704,988
Motor	9,111,680	6,522,500	2,589,180
Oil and Gas	794,284,329	794,254,902	29,427
TOTAL	1,299,444,785	1,245,866,767	53,578,018

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Table 3.1.6 UPR (Gross and Reinsurance UPR) Table

Estimated UPR (net of reinsurance)

Class of Business	Gross UPR	Reinsurance UPR	NET UPR
	N	N	N
General Accident	24,174,172	(652,584)	23,521,588
Engineering	2,468,005	(1,713,551)	754,454
Fire	16,962,221	(6,252,838)	10,709,383
Marine	8,982,602	(5,645,514)	3,337,088
Motor	120,689,246	-	120,689,246
Oil and Gas	272,840	-	272,840
TOTAL	173,549,086	(14,264,487)	159,284,599

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 66%.

The Claims Ratio was estimated as the average of the projected net ultimate loss ratio of the past three years.

We have illustrated the combined ratio for each line of business with a maximum combined ratio of 93% 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	16%	82%	-
Engineering	10%	76%	-
Fire	12%	78%	-
Marine	26%	93%	-
Motor	13%	80%	-
Oil and Gas	7%	74%	-
Total			-

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	2,862,081,570	2,891,406,985
IABCL	2,926,488,666	2,956,768,407

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Table 3.1.10 Reinsurance Recoveries

Valuation Method	Discounted	Undiscounted
	N	N
BCL	1,251,929,406	1,267,869,550
IABCL	1,299,444,785	1,317,042,526

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 N3.1 billion and Reinsurance Assets of N1.31 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	2,926,488,667	(1,299,444,786)	1,627,043,881
UPR	173,549,086	(14,264,488)	159,284,598
Total	3,100,037,753	(1,313,709,274)	1,786,328,479

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.

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.

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Fair value of financial assets and liabilities

	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Group				
At 31 December 2020				
Financial assets	<u>224,542</u>	<u>-</u>	<u>2,236,493</u>	<u>2,461,035</u>
At 31 December 2019				
Financial assets	<u>242,022</u>	<u>-</u>	<u>1,850,716</u>	<u>2,092,738</u>
Company				
At 31 December 2020				
Financial assets	<u>7,538</u>	<u>-</u>	<u>808,659</u>	<u>816,197</u>
At 31 December 2019				
Financial assets	<u>10,303</u>	<u>-</u>	<u>838,657</u>	<u>848,960</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 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.

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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:

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 2020.

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 2020

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.

Incremental Chain Ladder (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	-	12,076	-	-	50	-	-	32	-	-	-	-
2008	68,536	15,312	5,910	13,692	-	-	-	-	-	-	-	-
2009	12,306	21,966	13,424	14	44,831	-	-	562	-	-	-	82
2010	8,530	5,084	41,919	18,794	-	453	-	-	-	-	-	-
2011	6,410	53,113	25,548	16,956	344	15	1,707	-	-	352	-	-
2012	43,215	4,963	2,291	1,185	2,760	-	-	-	-	-	-	-
2013	2,602	17,444	8,155	15,078	443	8	-	446	-	-	-	-
2014	7,694	15,347	3,914	53,201	256	254	465	-	-	-	-	-
2015	2,680	69,159	58,790	15,266	611	1,914	-	-	-	-	-	-
2016	8,356	7,754	52	-	680	-	-	-	-	-	-	-
2017	9,421	1,070	-	1,228	-	-	-	-	-	-	-	-
2018	2,883	4,854	15,424	-	-	-	-	-	-	-	-	-
2019	1,983	161	-	-	-	-	-	-	-	-	-	-
2020	266	-	-	-	-	-	-	-	-	-	-	-

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

Inflation Adjusted Chain Ladder - Annual Projections (N'000)												
Accident year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	47,441	-	-	140	-	-	68	-	-	-	-
2008	269,254	52,814	18,234	38,297	-	-	-	-	-	-	-	-
2009	42,446	67,768	37,548	36	103,667	-	-	923	-	-	-	82
2010	26,316	14,220	104,688	43,459	-	883	-	-	-	-	-	-
2011	17,929	132,642	59,077	36,204	670	25	2,432	-	-	352	-	-
2012	107,923	11,475	4,892	2,309	4,539	-	-	-	-	-	-	-
2013	6,016	37,245	15,887	24,792	632	10	-	446	-	-	-	-
2014	16,428	29,897	6,436	75,823	328	292	465	-	-	-	-	-
2015	5,222	113,717	83,789	19,552	703	1,914	-	-	-	-	-	-
2016	13,740	11,051	67	-	680	-	-	-	-	-	-	-
2017	13,427	1,370	-	1,228	-	-	-	-	-	-	-	-
2018	3,692	5,582	15,424	-	-	-	-	-	-	-	-	-
2019	2,281	161	-	-	-	-	-	-	-	-	-	-
2020	266	-	-	-	-	-	-	-	-	-	-	-

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3.3 We then cumulate the claims as illustrated below.

Cumulative Inflation Adjusted Chain Ladder

Cumulative Chain ladder-Annual Projections (N'000)												
Accident year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	47,441	47,441	47,441	47,581	47,581	47,581	47,649	47,649	47,649	47,649	47,649
2008	269,254	322,069	340,303	378,600	378,600	378,600	378,600	378,600	378,600	378,600	378,600	378,600
2009	42,446	110,214	147,762	147,797	251,465	251,465	251,465	252,388	252,388	252,388	252,388	252388.1
2010	26,316	40,537	145,225	188,683	188,683	189,567	189,567	189,567	189,567	189,567	189,567	
2011	17,929	150,571	209,648	245,852	246,522	246,548	248,980	248,980	248,980	249,332		
2012	107,923	119,399	124,291	126,600	131,139	131,139	131,139	131,139	131,139			
2013	6,016	43,261	59,148	83,940	84,572	84,581	84,581	85,028				
2014	16,428	46,326	52,762	128,585	128,913	129,206	129,671					
2015	5,222	118,939	202,728	222,279	222,982	224,896						
2016	13,740	24,791	24,858	24,858	25,538							
2017	13,427	14,797	14,797	16,025								
2018	3,692	9,274	24,698									
2019	2,281	2,442										
2020	266											
Loss Dev Factors (LDF)		1.750	1.204	1.060	1.009	1.002	1.000	1.000	1.000	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.

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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	-	47,441	47,441	47,441	47,581	47,581	47,581	47,649	47,649	47,649	47,649	54,081
2008	269,254	322,069	340,303	378,600	378,600	378,600	378,600	378,600	378,600	378,600	378,600	378,600
2009	42,446	110,214	147,762	147,797	251,465	251,465	251,465	252,388	252,388	252,388	252,388	252,388
2010	26,316	40,537	145,225	188,683	188,683	189,567	189,567	189,567	189,567	189,567	191,402	193,754
2011	17,929	150,571	209,648	245,852	246,522	246,548	248,980	248,980	248,980	249,332	250,645	250,645
2012	107,923	119,399	124,291	126,600	131,139	131,139	131,139	131,139	131,139	134,592	134,592	134,592
2013	6,016	43,261	59,148	83,940	84,572	84,581	84,581	85,028	93,596	93,596	93,596	93,596
2014	16,428	46,326	52,762	128,585	128,913	129,206	129,671	139,962	139,962	139,962	139,962	139,962
2015	5,222	118,939	202,728	222,279	222,982	224,896	254,251	254,251	254,251	254,251	254,251	254,251
2016	13,740	24,791	24,858	24,858	25,538	28,999	28,999	28,999	28,999	28,999	28,999	28,999
2017	13,427	14,797	14,797	16,025	26,070	26,125	26,125	26,125	26,125	26,125	26,125	26,125
2018	3,692	9,274	24,698	39,886	40,324	40,419	40,419	40,419	40,419	40,419	40,419	40,419
2019	2,281	2,442	11,180	11,956	12,096	12,126	12,126	12,126	12,126	12,126	12,126	12,126
2020	266	4,957	6,099	6,555	6,637	6,654	6,654	6,654	6,654	6,654	6,654	6,654

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

Discounted Cumulative IABCL - Annual Projections (N'000)												
Accident year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	47,441	47,441	47,441	47,581	47,581	47,581	47,649	47,649	47,649	47,649	54,081
2008	269,254	322,069	340,303	378,600	378,600	378,600	378,600	378,600	378,600	378,600	378,600	378,600
2009	42,446	110,214	147,762	147,797	251,465	251,465	251,465	252,388	252,388	252,388	252,388	252,388
2010	26,316	40,537	145,225	188,683	188,683	189,567	189,567	189,567	189,567	189,567	191,402	193,677
2011	17,929	150,571	209,648	245,852	246,522	246,548	248,980	248,980	248,980	249,332	250,602	250,602
2012	107,923	119,399	124,291	126,600	131,139	131,139	131,139	131,139	131,139	134,479	134,479	134,479
2013	6,016	43,261	59,148	83,940	84,572	84,581	84,581	85,028	93,314	93,314	93,314	93,314
2014	16,428	46,326	52,762	128,585	128,913	129,206	129,671	139,625	139,625	139,625	139,625	139,625
2015	5,222	118,939	202,728	222,279	222,982	224,896	253,288	253,288	253,288	253,288	253,288	253,288
2016	13,740	24,791	24,858	24,858	25,538	28,885	28,885	28,885	28,885	28,885	28,885	28,885
2017	13,427	14,797	14,797	16,025	25,740	25,790	25,790	25,790	25,790	25,790	25,790	25,790
2018	3,692	9,274	24,698	39,388	39,784	39,864	39,864	39,864	39,864	39,864	39,864	39,864
2019	2,281	2,442	2,442	17,131	17,528	17,608	17,608	17,608	17,608	17,608	17,608	17,608
2020	266	266	8,717	9,420	9,538	9,562	9,562	9,562	9,562	9,562	9,562	9,562

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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	744163	0	0	0	0	0	0	0	0	0
2008	744,163	-	-	-	0.00000%	-	-	0.00000%	-	-
2009	744,163	-	-	-	0.00000%	-	-	0.00000%	-	-
2010	744,163	75,955	-	1	0.00013%	75,955	75,955	0.00013%	75,955	-
2011	714,331	-	-	-	0.00000%	-	-	0.00000%	-	-
2012	438,135	389,623	-	2	0.00046%	194,812	194,812	0.00046%	389,623	-
2013	439,703	-	-	-	0.00000%	-	-	0.00000%	-	-
2014	309,580	-	-	-	0.00000%	-	-	0.00000%	-	-
2015	257,809	-	-	-	0.00000%	-	-	0.00000%	-	-
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%	-	-
2020	39,101	-	-	-	0.00000%	-	-	0.00000%	-	-
Total	-	-	-	-	-	-	-	-	-	-

*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
2021	94,258
2022	2,182
2023	584
2024	89
2025	13
2026	0
Attritional Losses	97,126
Large Loss	0
Total	97,126

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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)

Accident year	Incremental Chain ladder-Yearly Projections (N'000)													
	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	15,010	23,566	17,125	354	2,775	58	211	-	-	-	-	-	-	-
2010	23,887	42,079	2,570	2,019	6,455	50	-	1,378	-	-	1,835	-	-	-
2011	13,849	13,408	9,650	7,566	1,240	12	596	240	-	106	-	-	-	-
2012	14,469	31,414	19,021	8,974	5,102	81	225	-	892	-	-	-	-	-
2013	11,842	36,842	23,141	2,738	1,397	224	-	434	-	-	-	-	-	-
2014	9,110	15,125	3,975	700	-	1,659	2,920	-	-	-	-	-	-	-
2015	3,493	9,039	7,196	2,705	4,184	3,863	-	-	-	-	-	-	-	-
2016	11,399	2,116	7,113	5,505	2,041	-	-	-	-	-	-	-	-	-
2017	6,570	5,889	558	-	-	-	-	-	-	-	-	-	-	-
2018	2,557	6,679	731	-	-	-	-	-	-	-	-	-	-	-
2019	3,968	10,820	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-

3.8.2 Inflation Adjusted Chain Ladder Table

Accident year	Inflation Adjusted Chain Ladder - Annual Projections (N'000)													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2007	-	44,764	6,671	508	2,037	-	35	64	-	-	-	-	-	-
2008	108,160	63,238	13,755	9,817	3,806	273	-	367	-	-	-	-	-	-
2009	51,773	72,704	47,900	884	6,416	123	411	-	-	-	-	-	-	-
2010	73,694	117,696	6,418	4,669	13,782	97	-	1,964	-	-	1,835	-	-	-
2011	38,737	33,485	22,315	16,154	2,415	20	850	308	-	106	-	-	-	-
2012	36,136	72,641	40,613	17,482	8,389	115	288	-	892	-	-	-	-	-
2013	27,383	78,664	45,082	4,503	1,991	286	-	434	-	-	-	-	-	-
2014	19,451	29,466	6,535	997	-	1,907	2,920	-	-	-	-	-	-	-
2015	6,805	14,862	10,256	3,465	4,811	3,863	-	-	-	-	-	-	-	-
2016	18,742	3,016	9,110	6,331	2,041	-	-	-	-	-	-	-	-	-
2017	9,364	7,542	642	-	-	-	-	-	-	-	-	-	-	-
2018	3,275	7,681	731	-	-	-	-	-	-	-	-	-	-	-
2019	4,564	10,820	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3.8.3 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	13	14
2007	-	44,764	51,435	51,944	53,981	53,981	54,017	54,081	54,081	54,081	54,081	54,081	54,081	54,081
2008	108,160	171,398	185,153	194,970	198,776	199,050	199,050	199,416	199,416	199,416	199,416	199,416	199,416	199,416
2009	51,773	124,477	172,376	173,260	179,677	179,800	180,211	180,211	180,211	180,211	180,211	180,293	180,293	180,293
2010	73,694	191,390	197,808	202,478	216,260	216,358	216,358	218,321	218,321	218,321	218,321	218,321	220,673	220,673
2011	38,737	72,222	94,537	110,692	113,107	113,127	113,977	114,285	114,285	114,391	115,705	115,705	115,705	115,705
2012	36,136	108,777	149,390	166,872	175,261	175,377	175,665	175,665	176,556	186,276	186,276	186,276	186,276	186,276
2013	27,383	106,047	151,129	155,631	157,622	157,908	157,908	158,342	218,131	218,131	218,131	218,131	218,131	218,131
2014	19,451	48,917	55,452	56,449	56,449	58,357	61,277	96,824	96,824	96,824	96,824	96,824	96,824	96,824
2015	6,805	21,668	31,923	35,388	40,200	44,063	81,276	81,276	81,276	81,276	81,276	81,276	81,276	81,276
2016	18,742	21,759	30,869	37,200	39,241	55,413	55,530	55,530	55,530	55,530	55,530	55,530	55,530	55,530
2017	9,364	16,907	17,549	17,549	24,677	24,823	24,881	24,881	24,881	24,881	24,881	24,881	24,881	24,881
2018	3,275	10,956	11,687	28,281	29,563	29,752	29,827	29,827	29,827	29,827	29,827	29,827	29,827	29,827
2019	4,564	15,384	19,881	21,268	22,379	22,542	22,607	22,607	22,607	22,607	22,607	22,607	22,607	22,607
2020	-	19,707	24,642	26,365	27,746	27,949	28,030	28,030	28,030	28,030	28,030	28,030	28,030	28,030

3.8.4 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	13	14
2007	-	44,764	51,435	51,944	53,981	53,981	54,017	54,081	54,081	54,081	54,081	54,081	54,081	54,081
2008	108,160	171,398	185,153	194,970	198,776	199,050	199,050	199,416	199,416	199,416	199,416	199,416	199,416	199,416
2009	51,773	124,477	172,376	173,260	179,677	179,800	180,211	180,211	180,211	180,211	180,211	180,293	180,440	180,440
2010	73,694	191,390	197,808	202,478	216,260	216,358	216,358	218,321	218,321	218,321	218,321	220,488	220,488	220,488
2011	38,737	72,222	94,537	110,692	113,107	113,127	113,977	114,285	114,285	114,391	114,839	114,839	114,839	114,839
2012	36,136	108,777	149,390	166,872	175,261	175,377	175,665	175,665	176,556	185,957	185,957	185,957	185,957	185,957
2013	27,383	106,047	151,129	155,631	157,622	157,908	157,908	158,342	216,169	216,169	216,169	216,169	216,169	216,169
2014	19,451	48,917	55,452	56,449	56,449	58,357	61,277	95,658	95,658	95,658	95,658	95,658	95,658	95,658
2015	6,805	21,668	31,923	35,388	40,200	44,063	80,055	80,055	80,055	80,055	80,055	80,055	80,055	80,055
2016	18,742	21,759	30,869	37,200	39,241	54,883	54,988	54,988	54,988	54,988	54,988	54,988	54,988	54,988
2017	9,364	16,907	17,549	17,549	24,443	24,575	24,624	24,624	24,624	24,624	24,624	24,624	24,624	24,624
2018	3,275	10,956	11,687	27,737	28,897	29,056	29,116	29,116	29,116	29,116	29,116	29,116	29,116	29,116
2019	4,564	15,384	19,734	20,988	21,928	22,057	22,106	22,106	22,106	22,106	22,106	22,106	22,106	22,106
2020	-	19,060	23,525	24,984	26,077	26,227	26,283	26,283	26,283	26,283	26,283	26,283	26,283	26,283

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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	-	-	-	0.00000%	10,669	10,669	0.00120%	96,023	-
2009	748,944	104,361	-	7	0.00093%	14,909	14,909	0.00093%	104,361	-
2010	748,944	11,470	-	1	0.00013%	11,470	11,470	0.00013%	11,470	-
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	15,859	15,859	1	0.00121%	15,859	15,859	0.00045%	15,859	-
2020	244,939	7,440	-	1	0.00041%	7,440	3,720	0.00041%	11,757	4,317
Total			-							4,317
								Discounted*		4,152

We have assumed that the pre 2020 claims are fully developed. For 2020 accident year, we have used the average claim frequency for 2017 to 2020 (excluding 2018) as the Ultimate frequency and the ultimate average cost as the 2019 average cost.

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	54,081	-	54,081	-	748,944	7%
2008	199,416	96,023	295,440	-	748,944	39%
2009	180,293	104,361	284,801	146	748,944	38%
2010	218,321	11,470	231,957	2,167	748,944	31%
2011	114,391	9,304	124,143	448	473,732	26%
2012	176,556	10,600	196,557	9,401	393,774	50%
2013	158,342	7,500	223,669	57,827	357,261	63%
2014	61,277	-	95,658	34,381	281,014	34%
2015	44,063	-	80,055	35,992	243,484	33%
2016	39,241	-	54,988	15,747	277,299	20%
2017	17,549	8,725	33,349	7,076	300,575	11%
2018	11,687	92,898	122,014	17,428	209,467	58%
2019	15,384	15,859	37,965	6,722	165,903	23%
2020	-	7,440	37,875	30,435	244,939	15%
Total				217,771		

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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)

Accident year	Incremental Chain ladder-Yearly Projections (N'000)											
	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	9,748	-	-	-	-	-	-	-	-
2018	-	18,920	6,686	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-

3.9.2 Inflation Adjusted Chain Ladder Table

Accident year	Inflation Adjusted Chain Ladder - Annual Projections (N'000)											
	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	24	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-	-	-
2010	133,356	-	-	-	-	-	-	-	-	876	-	-
2011	26,519	-	-	-	-	8,632	-	976	-	-	-	-
2012	17,934	2,777	8,835	-	24,657	-	-	-	-	-	-	-
2013	1,629	40,868	2,034	24,664	-	-	-	-	-	-	-	-
2014	17,481	5,190	-	87	-	-	-	-	-	-	-	-
2015	1,074	8,983	133	-	-	-	-	-	-	-	-	-
2016	138	8,601	-	-	-	-	-	-	-	-	-	-
2017	-	1,426	1,558	9,748	-	-	-	-	-	-	-	-
2018	-	21,758	6,686	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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	12
2007	-	24	24	24	24	24	24	24	24	24	24	24
2008	-	-	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-	-	-
2010	133,356	133,356	133,356	133,356	133,356	133,356	133,356	133,356	133,356	134,232	134,232	134,232
2011	26,519	26,519	26,519	26,519	26,519	35,151	35,151	36,127	36,127	36,127	48,416	48,416
2012	17,934	20,711	29,545	29,545	54,203	54,203	54,203	54,203	54,203	56,182	56,182	56,182
2013	1,629	42,497	44,530	69,195	69,195	69,195	69,195	69,195	97,629	97,629	97,629	97,629
2014	17,481	22,671	22,671	22,758	22,758	22,758	22,758	25,832	25,832	25,832	25,832	25,832
2015	1,074	10,058	10,190	10,190	10,190	10,190	13,284	13,284	13,284	13,284	13,284	13,284
2016	138	8,738	8,738	8,738	8,738	11,996	11,996	11,996	11,996	11,996	11,996	11,996
2017	-	1,426	2,985	12,733	33,674	33,674	33,674	33,674	33,674	33,674	33,674	33,674
2018	-	21,758	28,443	28,443	28,443	28,443	28,443	28,443	28,443	28,443	28,443	28,443
2019	-	-	33,309	33,338	33,338	33,338	33,338	33,338	33,338	33,338	33,338	33,338
2020	-	1,703	1,722	1,724	1,724	1,724	1,724	1,724	1,724	1,724	1,724	1,724

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	12
2007	-	24	24	24	24	24	24	24	24	24	24	24
2008	-	-	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-	-	-
2010	133,356	133,356	133,356	133,356	133,356	133,356	133,356	133,356	133,356	134,232	134,232	134,232
2011	26,519	26,519	26,519	26,519	26,519	35,151	35,151	36,127	36,127	36,127	48,013	48,013
2012	17,934	20,711	29,545	29,545	54,203	54,203	54,203	54,203	54,203	56,117	56,117	56,117
2013	1,629	42,497	44,530	69,195	69,195	69,195	69,195	69,195	96,696	96,696	96,696	96,696
2014	17,481	22,671	22,671	22,758	22,758	22,758	22,758	25,731	25,731	25,731	25,731	25,731
2015	1,074	10,058	10,190	10,190	10,190	10,190	13,183	13,183	13,183	13,183	13,183	13,183
2016	138	8,738	8,738	8,738	8,738	11,889	11,889	11,889	11,889	11,889	11,889	11,889
2017	-	1,426	2,985	12,733	32,987	32,987	32,987	32,987	32,987	32,987	32,987	32,987
2018	-	21,758	28,443	28,443	28,443	28,443	28,443	28,443	28,443	28,443	28,443	28,443
2019	-	-	32,216	32,242	32,242	32,242	32,242	32,242	32,242	32,242	32,242	32,242
2020	-	1,647	1,665	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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	-	0.00045%	-	-	0.00045%	151,200	151,200
2014	349,275	243,000	-	1	0.00029%	243,000	243,000	0.00029%	243,000	-
2015	579,535	-	168,480	-	0.00017%	-	-	0.00017%	168,480	168,480
2016	345,802	-	104,888	-	0.00029%	-	-	0.00029%	104,888	104,888
2017	209,495	-	-	-	0.00000%	-	-	0.00000%	-	-
2018	192,255	-	-	-	0.00000%	-	-	0.00000%	-	-
2019	43,135	-	-	-	0.00000%	-	-	0.00000%	-	-
2020	8,630	-	-	-	0.00000%	-	-	0.00000%	-	-
Total			424,568							424,568

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	24	-	24	-	662,227	0%
2008	-	-	-	-	662,227	0%
2009	-	-	-	-	662,227	0%
2010	134,232	-	134,232	-	662,227	20%
2011	36,127	-	48,013	11,886	529,540	9%
2012	54,203	-	56,117	1,914	486,725	12%
2013	69,195	-	247,896	178,702	222,644	111%
2014	22,758	243,000	268,731	2,974	349,275	77%
2015	10,190	-	181,663	171,472	579,535	31%
2016	8,738	-	116,777	108,039	345,802	34%
2017	12,733	-	32,987	20,254	209,495	16%
2018	28,443	-	28,443	-	192,255	15%
2019	-	-	32,242	32,242	43,135	75%
2020	-	-	1,666	1,666	8,630	19%
Total				529,149		

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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)											
	1	2	3	4	5	6	7	8	9	10	11	12
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	80,055	17,644	743	-	1,040	120	-	-	-	-	-
2011	64,441	61,162	7,279	1,620	3,194	52	-	-	-	-	-	-
2012	60,736	36,723	2,538	-	446	2,016	-	-	607	-	-	-
2013	55,250	29,609	3,400	541	311	-	-	-	-	-	-	-
2014	36,887	26,538	7,276	102	-	370	386	-	-	-	-	-
2015	25,235	34,343	1,687	-	-	498	-	-	-	-	-	-
2016	27,328	10,729	2,286	360	-	-	-	-	-	-	-	-
2017	19,140	8,600	5,893	-	-	-	-	-	-	-	-	-
2018	17,547	13,434	2,569	-	-	-	-	-	-	-	-	-
2019	8,676	10,021	-	-	-	-	-	-	-	-	-	-
	7,895	-	-	-	-	-	-	-	-	-	-	-

3.10.2 Inflation Adjusted Chain Ladder Table

Accident year	Inflation Adjusted Chain Ladder - Annual Projections (N'000)											
	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	131,378	-	53	-	-	-	-	-	493	-	-
2008	195,827	71,058	5,735	3,081	2,587	4,693	-	5,041	11	-	-	-
2009	286,338	104,421	20,795	4,238	-	-	7,153	75	-	-	-	-
2010	198,780	223,919	44,063	1,718	-	2,025	197	-	-	-	-	-
2011	180,246	152,744	16,831	3,459	6,223	86	-	-	-	-	-	-
2012	151,679	84,917	5,419	-	734	2,873	-	-	607	-	-	-
2013	127,760	63,221	6,624	890	444	-	-	-	-	-	-	-
2014	78,761	51,700	11,963	146	-	425	386	-	-	-	-	-
2015	49,161	56,469	2,405	-	-	498	-	-	-	-	-	-
2016	44,935	15,291	2,928	414	-	-	-	-	-	-	-	-
2017	27,279	11,014	6,777	-	-	-	-	-	-	-	-	-
2018	22,474	15,449	2,569	-	-	-	-	-	-	-	-	-
2019	9,978	10,021	-	-	-	-	-	-	-	-	-	-
2020	7,895	-	-	-	-	-	-	-	-	-	-	-

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3.10.3 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	-	131,378	131,378	131,431	131,431	131,431	131,431	131,431	131,431	131,924	131,924	131,924
2008	195,827	266,885	272,619	275,700	278,287	282,980	282,980	288,021	288,031	288,031	288,031	288,031
2009	286,338	390,759	411,554	415,792	415,792	415,792	422,945	423,020	423,020	423,020	423,020	423,020
2010	198,780	422,699	466,762	468,480	468,480	470,506	470,703	470,703	470,703	470,703	470,703	470,703
2011	180,246	332,990	349,821	353,280	359,503	359,589	359,589	359,589	359,589	359,589	361,389	361,389
2012	151,679	236,596	242,015	242,015	242,749	245,622	245,622	245,622	246,229	247,461	247,461	247,461
2013	127,760	190,980	197,604	198,494	198,938	198,938	198,938	198,938	199,162	199,162	199,162	199,162
2014	78,761	130,460	142,423	142,569	142,569	142,994	143,381	146,834	146,834	146,834	146,834	146,834
2015	49,161	105,631	108,036	108,036	108,036	108,534	118,155	118,155	118,155	118,155	118,155	118,155
2016	44,935	60,225	63,153	63,567	63,567	69,579	69,579	69,579	69,579	69,579	69,579	69,579
2017	27,279	38,293	45,070	45,070	52,905	53,101	53,101	53,101	53,101	53,101	53,101	53,101
2018	22,474	37,923	40,492	47,079	47,321	47,517	47,517	47,517	47,517	47,517	47,517	47,517
2019	9,978	19,999	29,943	30,152	30,322	30,459	30,459	30,459	30,459	30,459	30,459	30,459
2020	7,895	21,429	22,777	22,947	23,086	23,198	23,198	23,198	23,198	23,198	23,198	23,198

3.10.4 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	-	131,378	131,378	131,431	131,431	131,431	131,431	131,431	131,431	131,924	131,924	131,924
2008	195,827	266,885	272,619	275,700	278,287	282,980	282,980	288,021	288,031	288,031	288,031	288,031
2009	286,338	390,759	411,554	415,792	415,792	415,792	422,945	423,020	423,020	423,020	423,020	423,020
2010	198,780	422,699	466,762	468,480	468,480	470,506	470,703	470,703	470,703	470,703	470,703	470,703
2011	180,246	332,990	349,821	353,280	359,503	359,589	359,589	359,589	359,589	359,589	361,330	361,330
2012	151,679	236,596	242,015	242,015	242,749	245,622	245,622	245,622	246,229	247,421	247,421	247,421
2013	127,760	190,980	197,604	198,494	198,938	198,938	198,938	198,938	199,155	199,155	199,155	199,155
2014	78,761	130,460	142,423	142,569	142,569	142,994	143,381	146,721	146,721	146,721	146,721	146,721
2015	49,161	105,631	108,036	108,036	108,036	108,534	117,840	117,840	117,840	117,840	117,840	117,840
2016	44,935	60,225	63,153	63,567	63,567	69,382	69,382	69,382	69,382	69,382	69,382	69,382
2017	27,279	38,293	45,070	45,070	52,648	52,826	52,826	52,826	52,826	52,826	52,826	52,826
2018	22,474	37,923	40,492	46,863	47,082	47,248	47,248	47,248	47,248	47,248	47,248	47,248
2019	9,978	19,999	29,617	29,806	29,950	30,059	30,059	30,059	30,059	30,059	30,059	30,059
2020	7,895	20,985	22,204	22,349	22,458	22,542	22,542	22,542	22,542	22,542	22,542	22,542

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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	66,394	-	15	0.00151%	4,426	4,426	0.00151%	66,394	-
2011	1,173,862	47,847	-	13	0.00111%	3,681	3,681	0.00111%	47,847	-
2012	1,132,834	35,195	-	9	0.00079%	3,911	3,911	0.00079%	35,195	-
2013	859,016	44,827	4,523	10	0.00128%	4,483	4,483	0.00128%	49,349	4,523
2014	669,873	32,336	6,800	7	0.00119%	4,619	4,619	0.00119%	39,136	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	29,059	6,019	5	0.00136%	5,812	5,812	0.00136%	35,078	6,019
2018	417,626	10,981	-	2	0.00048%	5,491	5,491	0.00048%	10,981	-
2019	263,964	9,057	2,924	2	0.00114%	4,528	4,528	0.00114%	11,981	2,924
2020	254,239	-	-	-	0.00000%	-	5,009	0.00062%	7,875	7,875
Total			24,466							32,340
								Discounted*		31,144

We have assumed that the pre 2020 claims are fully developed. For 2020 accident year, we used the average of 2018 and 2019 average frequency and average cost

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	131,924	30,029	161,954	-	994,754	16%
2008	288,031	30,202	318,233	-	994,754	32%
2009	423,020	45,799	468,819	-	994,754	47%
2010	470,703	66,394	537,097	-	994,754	54%
2011	359,589	47,847	409,177	1,742	1,173,862	35%
2012	246,229	35,195	282,615	1,192	1,132,834	25%
2013	198,938	44,827	248,504	4,739	859,016	29%
2014	143,381	32,336	185,857	10,140	669,873	28%
2015	108,534	27,568	149,608	13,506	518,927	29%
2016	63,567	22,036	91,418	5,815	423,105	22%
2017	45,070	29,059	87,903	13,774	439,619	20%
2018	40,492	10,981	58,229	6,756	417,626	14%
2019	19,999	9,057	42,040	12,984	263,964	16%
2020	7,895	-	29,220	21,326	254,239	11%
Total				91,972		

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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)											
	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	-	-	-	-	-	-	-	-	-	-	-
2008	12,518	-	-	-	-	-	-	-	-	-	-	-
2009	312	-	-	-	-	-	-	-	-	-	-	-
2010	51,664	-	-	-	-	-	-	-	-	-	-	-
2011	90,915	-	-	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	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-

3.11.2 Inflation Adjusted Chain Ladder Table

Accident year	Inflation Adjusted Chain Ladder - Annual Projections (N'000)											
	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	-	-	-	-	-	-	-	-	-	-	-
2008	49,179	-	-	-	-	-	-	-	-	-	-	-
2009	1,076	-	-	-	-	-	-	-	-	-	-	-
2010	159,392	-	-	-	-	-	-	-	-	-	-	-
2011	254,295	-	-	11,979	-	-	-	-	-	-	-	-
2012	66,338	50,600	19,684	4,874	-	-	-	-	-	-	-	-
2013	97	30,744	33,356	30,558	-	-	-	-	-	-	-	-
2014	38	9,838	882	26,382	-	-	-	-	-	-	-	-
2015	1,127	6,169	25,301	-	-	-	-	-	-	-	-	-
2016	-	2,172	-	-	-	-	-	-	-	-	-	-
2017	28,692	22,642	-	-	-	-	-	-	-	-	-	-
2018	23,242	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3.11.3 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
2007	-	-	-	-	-	-	-	-	-	-	-	-
2008	49,179	49,179	49,179	49,179	49,179	49,179	49,179	49,179	49,179	49,179	49,179	49,179
2009	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076
2010	159,392	159,392	159,392	159,392	159,392	159,392	159,392	159,392	159,392	159,392	159,392	159,392
2011	254,295	254,295	254,295	266,274	266,274	266,274	266,274	266,274	266,274	266,274	266,274	266,274
2012	66,338	116,938	136,621	141,495	141,495	141,495	141,495	141,495	141,495	158,519	158,519	158,519
2013	97	30,841	64,197	94,755	94,755	94,755	94,755	94,755	113,212	113,212	113,212	113,212
2014	38	9,876	10,757	37,139	37,139	37,139	37,139	49,829	49,829	49,829	49,829	49,829
2015	1,127	7,296	32,597	32,597	32,597	32,597	71,317	71,317	71,317	71,317	71,317	71,317
2016	-	2,172	2,172	2,172	2,172	37,084	37,084	37,084	37,084	37,084	37,084	37,084
2017	28,692	51,334	51,334	51,334	95,291	95,291	95,291	95,291	95,291	95,291	95,291	95,291
2018	23,242	23,242	23,242	48,874	48,874	48,874	48,874	48,874	48,874	48,874	48,874	48,874
2019	-	-	4,750	4,824	4,824	4,824	4,824	4,824	4,824	4,824	4,824	4,824
2020	-	3,490	3,658	3,721	3,721	3,721	3,721	3,721	3,721	3,721	3,721	3,721

3.11.4 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
2007	-	-	-	-	-	-	-	-	-	-	-	-
2008	49,179	49,179	49,179	49,179	49,179	49,179	49,179	49,179	49,179	49,179	49,179	49,179
2009	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076
2010	159,392	159,392	159,392	159,392	159,392	159,392	159,392	159,392	159,392	159,392	159,392	159,392
2011	254,295	254,295	254,295	266,274	266,274	266,274	266,274	266,274	266,274	266,274	266,274	266,274
2012	66,338	116,938	136,621	141,495	141,495	141,495	141,495	141,495	141,495	157,961	157,961	157,961
2013	97	30,841	64,197	94,755	94,755	94,755	94,755	94,755	112,606	112,606	112,606	112,606
2014	38	9,876	10,757	37,139	37,139	37,139	37,139	49,413	49,413	49,413	49,413	49,413
2015	1,127	7,296	32,597	32,597	32,597	32,597	70,046	70,046	70,046	70,046	70,046	70,046
2016	-	2,172	2,172	2,172	2,172	35,939	35,939	35,939	35,939	35,939	35,939	35,939
2017	28,692	51,334	51,334	51,334	93,848	93,848	93,848	93,848	93,848	93,848	93,848	93,848
2018	23,242	23,242	23,242	48,033	48,033	48,033	48,033	48,033	48,033	48,033	48,033	48,033
2019	-	-	4,594	4,661	4,661	4,661	4,661	4,661	4,661	4,661	4,661	4,661
2020	-	3,375	3,527	3,580	3,580	3,580	3,580	3,580	3,580	3,580	3,580	3,580

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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	21,041	-	1	0.00010%	21,041	21,041	0.00010%	21,041	-
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%	-	-
	19,450	-	-	-	0.00000%	-	-	0.00000%	-	-
Total			132,675							132,675
									Discounted*	128,307

We have assumed that the pre 2020 claims are fully developed. For 2020 accident year, we used the average of 2017 and 2018 average frequency and average cost to derive the Ultimate frequency and the ultimate average cost respectively.

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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	49,179	-	49,179	-	1,040,074	5%
2009	1,076	-	1,076	-	1,040,074	0%
2010	159,392	-	159,392	-	1,040,074	15%
2011	266,274	21,041	287,315	-	1,045,561	27%
2012	141,495	-	157,961	16,465	789,139	20%
2013	94,755	-	112,606	17,851	618,381	18%
2014	37,139	136,060	185,473	12,274	462,695	40%
2015	32,597	-	70,046	37,450	358,188	20%
2016	2,172	-	35,939	33,767	272,899	13%
2017	51,334	-	93,848	42,515	383,402	24%
2018	23,242	-	180,708	157,466	164,788	110%
2019	-	-	4,661	4,661	26,952	17%
2020	-	-	(788)	(788)	19,450	-4%
Total				321,660		

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	21,756	48,891	2%	2%	48,891	21,756
2011	3,123,472	3,232,784	93,290	3,326,074	106%	106%	3,326,074	93,290
2012	3,384,452	255,510	626,750	882,260	26%	26%	882,260	626,750
2013	3,047,691	1,500,403	759	1,501,162	49%	49%	1,501,162	759
2014	2,765,860	38,992	866,019	905,011	33%	33%	905,011	866,019
2015	798,615	-	27,555	27,555	3%	3%	27,555	27,555
2016	728,781	10,590	16,129	26,719	4%	4%	26,719	16,129
2017	1,183,021	1,791	-	1,791	0%	0%	1,791	-
2018	457,611	-	-	-	0%	3%	15,789	15,789
2019	11,718	-	-	-	0%	5%	534	534
2020	1,725	-	-	-	0%	13%	229	229
Total			1,652,259					1,668,811
							Discounted	1,668,811

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 2015 and 2016 ultimate loss ratios and a margin of 1% to derive the ultimate loss ratio. For 2020 accident year, we used the average of 2014, 2015 and 2016 ultimate loss ratios to derive the ultimate loss ratio

INDUSTRIAL AND GENERAL INSURANCE PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Appendix 3.13 - Illustration of Gross Claim Reserving - Oil & Gas

We summarise 3 sets of results in this section under the following methods:

- Undiscounted Inflation Adjusted Basic Chain Ladder Method
- Basic Chain Ladder– with and without discounting

Table 13.1 : Inflation Adjusted Basic Chain Ladder Method

Class of Business	Gross Outstanding Claims N	Estimated Reinsurance Recoveries N	Net Outstanding Claims N
General Accident	226,455,128	(32,126,369)	194,328,758
Engineering	532,699,758	(403,382,957)	129,316,801
Fire	100,686,545	(70,944,450)	29,742,096
Marine	332,611,336	(6,844,776)	325,766,560
Motor	95,504,205	(9,459,646)	86,044,560
Oil & Gas*	1,668,811,435	(794,284,329)	874,527,106
TOTAL	2,956,768,407	(1,317,042,526)	1,639,725,881
Accounts (Outstanding Claims)	2,773,238,643	(1,245,866,767)	1,527,371,876
Difference	183,529,764	(71,175,759)	112,354,005

*Estimated using Expected loss ratio method

Table 13.2 : Basic Chain Ladder Method

Class of Business	Gross Outstanding Claims N	Estimated Reinsurance Recoveries N	Net Outstanding Claims N
General Accident	225,829,209	(29,927,574)	195,901,635
Engineering	505,010,565	(370,009,281)	135,001,284
Fire	87,271,306	(58,926,325)	28,344,981
Marine	312,392,350	(6,189,728)	306,202,621
Motor	92,092,120	(8,532,313)	83,559,807
Oil & Gas*	1,668,811,435	(794,284,329)	874,527,106
TOTAL	2,891,406,985	(1,267,869,550)	1,623,537,435
Accounts (Outstanding Claims)	2,773,238,643	(1,245,866,767)	1,527,371,876
Difference	118,168,342	(22,002,783)	96,165,559

*Estimated using Expected loss ratio method

Table 13.3 : Discounted Basic Chain Ladder Method

Class of Business	Gross Outstanding Claims N	Estimated Reinsurance Recoveries N	Net Outstanding Claims N
General Accident	216,306,157	(28,757,499)	187,548,658
Engineering	502,367,528	(357,821,536)	144,545,992
Fire	84,155,200	(56,869,029)	27,286,171
Marine	302,064,467	(5,986,534)	296,077,934
Motor	88,376,782	(8,210,479)	80,166,304
Oil & Gas*	1,668,811,435	(794,284,329)	874,527,106
TOTAL	2,862,081,570	(1,251,929,406)	1,610,152,164
Accounts (Outstanding Claims)	2,773,238,643	(1,245,866,767)	1,527,371,876
Difference	88,842,927	(6,062,639)	82,780,288

*Estimated using Expected loss ratio method and discounted

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Appendix 3.14 – Illustration of Reinsurance Recoveries Reserving

The tables shown are the step by step output of the IABCL Method in estimating Reinsurance Recoveries:

3.14.1 General Accident Reinsurance Recoveries

3.14.2 Table of reinsurance recoveries

Accident year	Incremental Chain ladder-Yearly Projections (N'000)									
	1	2	3	4	5	6	7	8	9	10
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	-	10,439	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-

3.14.3 Inflation Adjusted Chain Ladder Table

2

Accident year	Inflation Adjusted Chain Ladder - Annual Projections (N'000)									
	1	2	3	4	5	6	7	8	9	10
2009	13,324	43,893	-	-	-	-	-	-	-	-
2010	1,813	-	-	-	1,795	-	-	-	-	-
2011	25,079	15,744	-	3,961	-	-	-	-	-	-
2012	-	2,178	17,492	-	3,321	-	-	-	-	-
2013	10,442	-	3,223	-	-	-	-	-	-	-
2014	3,178	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-
2016	4,027	-	-	2,412	-	-	-	-	-	-
2017	941	-	6,583	-	-	-	-	-	-	-
2018	-	71,183	-	-	-	-	-	-	-	-
2019	-	10,439	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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	
2009	13,324	57,216	57,216	57,216	57,216	57,216	57,216	57,216	57,216	57,216	57,216
2010	1,813	1,813	1,813	1,813	3,608	3,608	3,608	3,608	3,608	3,608	3,608
2011	25,079	40,822	40,822	44,783	44,783	44,783	44,783	44,783	44,783	44,783	44,783
2012	-	2,178	19,671	19,671	22,992	22,992	22,992	22,992	22,992	22,992	28,316
2013	10,442	10,442	13,665	13,665	13,665	13,665	13,665	13,665	13,665	18,851	18,851
2014	3,178	3,178	3,178	3,178	3,178	3,178	3,178	7,424	7,424	7,424	7,424
2015	-	-	-	-	-	-	3,950	3,950	3,950	3,950	3,950
2016	4,027	4,027	4,027	6,438	6,438	6,438	6,438	6,438	6,438	6,438	6,438
2017	941	941	7,524	7,524	7,634	7,634	7,634	7,634	7,634	7,634	7,634
2018	-	71,183	71,183	72,470	73,650	73,650	73,650	73,650	73,650	73,650	73,650
2019	-	10,439	20,463	20,856	21,216	21,216	21,216	21,216	21,216	21,216	21,216
2020	-	48	52	53	54	54	54	54	54	54	54

3.14.5. 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	
2009	13,324	57,216	57,216	57,216	57,216	57,216	57,216	57,216	57,216	57,216	57,216
2010	1,813	1,813	1,813	1,813	3,608	3,608	3,608	3,608	3,608	3,608	3,608
2011	25,079	40,822	40,822	44,783	44,783	44,783	44,783	44,783	44,783	44,783	44,783
2012	-	2,178	19,671	19,671	22,992	22,992	22,992	22,992	22,992	22,992	28,142
2013	10,442	10,442	13,665	13,665	13,665	13,665	13,665	13,665	13,665	18,681	18,681
2014	3,178	3,178	3,178	3,178	3,178	3,178	3,178	7,285	7,285	7,285	7,285
2015	-	-	-	-	-	-	3,820	3,820	3,820	3,820	3,820
2016	4,027	4,027	4,027	6,438	6,438	6,438	6,438	6,438	6,438	6,438	6,438
2017	941	941	7,524	7,524	7,630	7,630	7,630	7,630	7,630	7,630	7,630
2018	-	71,183	71,183	72,428	73,496	73,496	73,496	73,496	73,496	73,496	73,496
2019	-	10,439	20,134	20,490	20,794	20,794	20,794	20,794	20,794	20,794	20,794
2020	-	47	50	51	51	51	51	51	51	51	51

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3.15 Fire Reinsurance Recoveries

3.15.1 Table of reinsurance recoveries

Accident year	Incremental Chain ladder-Yearly Projections (N'000)									
	1	2	3	4	5	6	7	8	9	10
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	4,963	-
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	334	-	-	-	-
2016	6,880	576	44	-	365	-	-	-	-	-
2017	4,045	732	-	405	-	-	-	-	-	-
2018	2,077	545	7,048	-	-	-	-	-	-	-
2019	703	134	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-

3.15.2 Inflation Adjusted Chain Ladder Table

Accident year	Inflation Adjusted Chain Ladder - Annual Projections (N'000)									
	1	2	3	4	5	6	7	8	9	10
2009	29,828	50,960	1,562	-	11,206	-	-	266	-	-
2010	21,053	185,283	124,564	1,576	12	847	-	-	-	-
2011	37,854	44,171	9,530	13,989	97	24	1,320	-	-	-
2012	89,030	8,894	1,260	642	4,312	-	-	421,948	4,963	-
2013	1,553	26,869	19,987	15,257	204	2	-	-	-	-
2014	8,836	16,458	200	67,148	66	234	-	-	-	-
2015	1,499	88,168	52,847	11,005	10	334	-	-	-	-
2016	11,313	821	56	-	365	-	-	-	-	-
2017	5,765	938	-	405	-	-	-	-	-	-
2018	2,660	627	7,048	-	-	-	-	-	-	-
2019	808	134	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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
2009	29,828	80,788	82,351	82,351	93,557	93,557	93,557	93,823	93,823	93,823
2010	21,053	206,336	330,899	332,475	332,487	333,334	333,334	333,334	333,334	333,334
2011	37,854	82,024	91,555	105,544	105,640	105,665	106,985	106,985	106,985	106,985
2012	89,030	97,924	99,184	99,827	104,139	104,139	104,139	526,087	526,087	527,913
2013	1,553	28,422	48,408	63,666	63,870	63,871	63,871	63,871	70,379	70,379
2014	8,836	25,294	25,494	92,642	92,708	92,942	92,942	100,766	100,766	100,766
2015	1,499	89,667	142,513	153,519	153,529	153,529	172,777	172,777	172,777	172,777
2016	11,313	12,135	12,191	12,191	12,191	13,623	13,623	13,623	13,623	13,623
2017	5,765	6,703	6,703	6,703	11,903	11,919	11,919	11,919	11,919	11,919
2018	2,660	3,287	3,287	20,330	20,712	20,750	20,750	20,750	20,750	20,750
2019	808	808	2,840	3,208	3,259	3,264	3,264	3,264	3,264	3,264
2020	-	3,151	3,953	4,468	4,540	4,547	4,547	4,547	4,547	4,547

3.15.4 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
2009	29,828	80,788	82,351	82,351	93,557	93,557	93,557	93,823	93,823	93,823
2010	21,053	206,336	330,899	332,475	332,487	333,334	333,334	333,334	333,334	333,334
2011	37,854	82,024	91,555	105,544	105,640	105,665	106,985	106,985	106,985	106,985
2012	89,030	97,924	99,184	99,827	104,139	104,139	104,139	526,087	526,087	527,853
2013	1,553	28,422	48,408	63,666	63,870	63,871	63,871	63,871	70,165	70,165
2014	8,836	25,294	25,494	92,642	92,708	92,942	92,942	100,509	100,509	100,509
2015	1,499	89,667	142,513	153,519	153,529	153,529	172,146	172,146	172,146	172,146
2016	11,313	12,135	12,191	12,191	12,191	13,576	13,576	13,576	13,576	13,576
2017	5,765	6,703	6,703	6,703	11,732	11,746	11,746	11,746	11,746	11,746
2018	2,660	3,287	3,287	19,771	20,116	20,149	20,149	20,149	20,149	20,149
2019	808	808	2,774	3,106	3,149	3,153	3,153	3,153	3,153	3,153
2020	-	3,151	3,877	4,313	4,369	4,375	4,375	4,375	4,375	4,375

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3.16 Engineering Reinsurance Recoveries

3.16.1 Table of reinsurance recoveries

Accident year	Incremental Chain ladder-Yearly Projections (N'000)									
	1	2	3	4	5	6	7	8	9	10
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	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-

3.16.2 Inflation Adjusted Chain Ladder Table

Accident year	Inflation Adjusted Chain Ladder - Annual Projections (N'000)									
	1	2	3	4	5	6	7	8	9	10
2009	328	13,324	-	1,165	-	-	-	-	-	-
2010	581	-	-	-	-	-	-	-	-	-
2011	26,592	18,343	-	-	122	101	-	815	-	-
2012	10,748	1,424	-	-	22,213	-	-	-	-	-
2013	860	6,217	87,015	2,926	-	-	-	-	-	-
2014	2,203	3,029	36,703	56	-	-	-	-	-	-
2015	1,130	6,209	3,940	-	-	-	-	-	-	-
2016	91	3,135	-	-	-	-	-	-	-	-
2017	-	1,080	605	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3.16.3 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
2009	328	13,652	13,652	14,817	14,817	14,817	14,817	14,817	14,817	14,817
2010	581	581	581	581	581	581	581	581	581	581
2011	26,592	44,935	44,935	44,935	45,057	45,158	45,158	45,974	45,974	45,974
2012	10,748	12,172	12,172	12,172	34,385	34,385	34,385	34,385	34,385	34,740
2013	860	7,077	94,092	97,018	97,018	97,018	97,018	97,018	200,687	200,687
2014	2,203	5,232	41,935	41,991	41,991	41,991	41,991	44,318	44,318	44,318
2015	1,130	7,339	11,279	11,279	11,279	11,279	161,175	161,175	161,175	161,175
2016	91	3,226	3,226	3,226	3,226	118,699	118,699	118,699	118,699	118,699
2017	-	1,080	1,684	1,684	19,275	19,275	19,275	19,275	19,275	19,275
2018	-	-	-	-	-	-	-	-	-	-
2019	-	-	1,752	1,787	1,787	1,787	1,787	1,787	1,787	1,787
2020	-	812	1,923	1,963	1,963	1,963	1,963	1,963	1,963	1,963

3.16.4 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
2009	328	13,652	13,652	14,817	14,817	14,817	14,817	14,817	14,817	14,817
2010	581	581	581	581	581	581	581	581	581	581
2011	26,592	44,935	44,935	44,935	45,057	45,158	45,158	45,974	45,974	45,974
2012	10,748	12,172	12,172	12,172	34,385	34,385	34,385	34,385	34,385	34,728
2013	860	7,077	94,092	97,018	97,018	97,018	97,018	97,018	197,285	197,285
2014	2,203	5,232	41,935	41,991	41,991	41,991	41,991	44,242	44,242	44,242
2015	1,130	7,339	11,279	11,279	11,279	11,279	156,257	156,257	156,257	156,257
2016	91	3,226	3,226	3,226	3,226	114,910	114,910	114,910	114,910	114,910
2017	-	1,080	1,684	1,684	18,697	18,697	18,697	18,697	18,697	18,697
2018	-	-	-	-	-	-	-	-	-	-
2019	-	-	1,695	1,726	1,726	1,726	1,726	1,726	1,726	1,726
2020	-	785	1,791	1,825	1,825	1,825	1,825	1,825	1,825	1,825

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3.17 Motor Reinsurance Recoveries

3.17.1 Table of reinsurance recoveries

Accident year	Incremental Chain ladder-Yearly Projections (N'000)									
	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	3,019	-	-	-	-	-	-
2018	-	2,927	3,187	-	-	-	-	-	-	-
2019	90	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-

3.17.2 Inflation Adjusted Chain Ladder Table

Accident year	Inflation Adjusted Chain Ladder - Annual Projections (N'000)									
	1	2	3	4	5	6	7	8	9	10
2009	6,428	21,247	-	-	5,836	-	-	-	-	-
2010	9,184	13,443	5,032	-	-	-	-	-	-	-
2011	5,551	3,790	-	2,357	-	-	-	-	-	-
2012	7,745	5,270	4,270	4,588	-	-	-	-	-	-
2013	21,172	12,108	14,161	-	-	-	-	-	-	-
2014	8,062	4,676	66	-	77	-	-	-	-	-
2015	-	1,908	848	-	-	-	-	-	-	-
2016	15,384	-	-	-	-	-	-	-	-	-
2017	8,382	5,238	1,150	3,019	-	-	-	-	-	-
2018	-	3,366	3,187	-	-	-	-	-	-	-
2019	104	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3.17.3 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
2009	6,428	27,675	27,675	27,675	33,512	33,512	33,512	33,512	33,512	33,512
2010	9,184	22,627	27,659	27,659	27,659	27,659	27,659	27,659	27,659	27,659
2011	5,551	9,341	9,341	11,698	11,698	11,698	11,698	11,698	11,698	11,698
2012	7,745	13,016	17,286	21,874	21,874	21,874	21,874	21,874	21,874	21,874
2013	21,172	33,280	47,441	47,441	47,441	47,441	47,441	47,441	49,146	49,146
2014	8,062	12,737	12,803	12,803	12,880	12,880	12,880	17,136	17,136	17,136
2015	-	1,908	2,756	2,756	2,756	2,756	4,100	4,100	4,100	4,100
2016	15,384	15,384	15,384	15,384	15,384	15,384	15,384	15,384	15,384	15,384
2017	8,382	13,619	14,769	14,769	15,729	15,729	15,729	15,729	15,729	15,729
2018	-	3,366	3,366	3,691	4,105	4,105	4,105	4,105	4,105	4,105
2019	104	104	121	127	136	136	136	136	136	136
2020	-	326	378	399	425	425	425	425	425	425

3.17.4 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
2009	6,428	27,675	27,675	27,675	33,512	33,512	33,512	33,512	33,512	33,512
2010	9,184	22,627	27,659	27,659	27,659	27,659	27,659	27,659	27,659	27,659
2011	5,551	9,341	9,341	11,698	11,698	11,698	11,698	11,698	11,698	11,698
2012	7,745	13,016	17,286	21,874	21,874	21,874	21,874	21,874	21,874	21,874
2013	21,172	33,280	47,441	47,441	47,441	47,441	47,441	47,441	49,090	49,090
2014	8,062	12,737	12,803	12,803	12,880	12,880	12,880	16,996	16,996	16,996
2015	-	1,908	2,756	2,756	2,756	2,756	4,056	4,056	4,056	4,056
2016	15,384	15,384	15,384	15,384	15,384	15,384	15,384	15,384	15,384	15,384
2017	8,382	13,619	14,769	14,769	15,697	15,697	15,697	15,697	15,697	15,697
2018	-	3,366	3,366	3,681	4,054	4,054	4,054	4,054	4,054	4,054
2019	104	104	120	126	133	133	133	133	133	133
2020	-	316	362	380	401	401	401	401	401	401

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3.18 Marine Reinsurance Recoveries

3.18.1 Table of reinsurance recoveries

Accident year	Incremental Chain ladder-Yearly Projections (N'000)									
	1	2	3	4	5	6	7	8	9	10
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	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-

3.18.2 Inflation Adjusted Chain Ladder Table

Accident year	Inflation Adjusted Chain Ladder - Annual Projections (N'000)									
	1	2	3	4	5	6	7	8	9	10
2009	29,064	-	-	-	-	-	-	-	-	-
2010	84,934	-	-	-	-	-	-	-	-	-
2011	80,750	-	-	-	425	-	-	-	-	-
2012	10,985	482	-	-	-	-	-	-	-	-
2013	-	1,960	-	-	-	-	-	-	-	-
2014	3,877	155	753	41,810	-	-	-	-	-	-
2015	-	121	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3.18.3 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	
2009	29,064	29,064	29,064	29,064	29,064	29,064	29,064	29,064	29,064	29,064	29,064
2010	84,934	84,934	84,934	84,934	84,934	84,934	84,934	84,934	84,934	84,934	84,934
2011	80,750	80,750	80,750	80,750	81,175	81,175	81,175	81,175	81,175	81,175	81,175
2012	10,985	11,467	11,467	11,467	11,467	11,467	11,467	11,467	11,467	11,467	11,467
2013	-	1,960	1,960	1,960	1,960	1,960	1,960	1,960	1,960	5,624	5,624
2014	3,877	4,033	4,786	46,596	46,596	46,596	46,596	46,596	46,596	46,596	46,596
2015	-	121	121	121	121	121	836	836	836	836	836
2016	-	-	-	-	-	416	416	416	416	416	416
2017	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	1,832	1,832	1,832	1,832	1,832	1,832	1,832	1,832
2019	-	-	111	111	111	111	111	111	111	111	111
2020	-	107	107	107	107	107	107	107	107	107	107

3.18.4 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	
2009	29,064	29,064	29,064	29,064	29,064	29,064	29,064	29,064	29,064	29,064	29,064
2010	84,934	84,934	84,934	84,934	84,934	84,934	84,934	84,934	84,934	84,934	84,934
2011	80,750	80,750	80,750	80,750	81,175	81,175	81,175	81,175	81,175	81,175	81,175
2012	10,985	11,467	11,467	11,467	11,467	11,467	11,467	11,467	11,467	11,467	11,467
2013	-	1,960	1,960	1,960	1,960	1,960	1,960	1,960	1,960	5,504	5,504
2014	3,877	4,033	4,786	46,596	46,596	46,596	46,596	46,596	46,596	46,596	46,596
2015	-	121	121	121	121	121	812	812	812	812	812
2016	-	-	-	-	-	402	402	402	402	402	402
2017	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	1,772	1,772	1,772	1,772	1,772	1,772	1,772	1,772
2019	-	-	107	107	107	107	107	107	107	107	107
2020	-	103	104	104	104	104	104	104	104	104	104

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3.19 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	14,142	18,120	2%	2%	18,120	14,142
2011	1,178,393	551,025	30,888	581,913	49%	49%	581,913	30,888
2012	1,178,393	33,729	28,798	62,527	5%	5%	62,527	28,798
2013	1,138,932	110,868	543	111,411	10%	10%	111,411	543
2014	1,217,854	-	719,883	719,883	59%	59%	719,883	719,883
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%	0%	-	-
2019	269	-	-	-	0%	11%	29	29
2020	-	-	-	-	0%	11%	-	-
Total			794,255					794,284

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Appendix 3.20: Gross Claims Paid Data- Combined Claims Data (Attritional and Large Losses)

The claims data has six risk groups – (Marine, Motor, Engineering, Fire, General Accident and Oil & Gas).

The combined claims data, for all lines of business between 2007 and 31st December 2020 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									
	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	-	2,776	6	-
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	-	458
2012	165,067	236,663	102,307	14,655	84,305	11,292	6,325	386,629	9,023	-
2013	1,418,909	309,705	59,995	51,942	2,151	5,088	-	880	-	-
2014	68,672	374,161	140,240	77,149	3,316	4,283	3,771	-	-	-
2015	46,407	128,916	89,115	20,913	4,795	6,275	-	-	-	-
2016	69,202	28,158	14,746	11,161	2,720	-	-	-	-	-
2017	68,969	41,440	20,552	17,010	-	-	-	-	-	-
2018	41,135	141,579	31,597	-	-	-	-	-	-	-
2019	23,685	36,862	-	-	-	-	-	-	-	-
2020	15,601	-	-	-	-	-	-	-	-	-

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Appendix 3.21 : Gross Claim Paid-Large Losses

3.21.1 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									
	1	2	3	4	5	6	7	8	9	10
2007	-	-	-	-	-	-	-	-	-	-
2008	73,029	22,994	-	-	-	-	-	-	-	-
2009	38,088	14,977	51,296	-	-	-	-	-	-	-
2010	-	11,470	-	-	-	-	-	-	-	-
2011	-	9,304	-	-	-	-	-	-	-	-
2012	-	-	10,600	-	-	-	-	-	-	-
2013	7,500	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-
2017	-	-	8,725	-	-	-	-	-	-	-
2018	-	92,898	-	-	-	-	-	-	-	-
2019	-	15,859	-	-	-	-	-	-	-	-
2020	7,440	-	-	-	-	-	-	-	-	-

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3.22 Gross Claims Paid (Large Losses) - Motor

Accident year	Incremental Chain ladder-Yearly Projections (N'000) - Large Losses									
	1	2	3	4	5	6	7	8	9	10
2007	-	23,279	1,006	-	5,744	-	-	-	-	-
2008	29,868	334	-	-	-	-	-	-	-	-
2009	7,952	20,246	9,049	-	8,552	-	-	-	-	-
2010	14,900	43,465	8,021	9	-	-	-	-	-	-
2011	29,318	10,518	-	6,039	1,972	-	-	-	-	-
2012	12,904	17,279	5,000	12	-	-	-	-	-	-
2013	24,156	20,671	-	-	-	-	-	-	-	-
2014	6,776	17,460	3,040	-	3,060	2,000	-	-	-	-
2015	13,869	7,160	3,597	2,942	-	-	-	-	-	-
2016	22,036	-	-	-	-	-	-	-	-	-
2017	11,915	7,089	4,020	6,034	-	-	-	-	-	-
2018	-	4,794	6,187	-	-	-	-	-	-	-
2019	9,057	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-

3.23 Gross Claims Paid (Large Losses) - Fire

Accident year	Incremental Chain ladder-Yearly Projections (N'000) - Large Losses									
	1	2	3	4	5	6	7	8	9	10
2007	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-
2010	-	40,000	35,938	-	17	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	1,982	-	-	-	382,054	5,587	-
2013	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3.24 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
2007	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-
2011	21,041	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-
2014	-	136,060	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-

3.25 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
2007	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-
2014	-	121,500	121,500	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Overview of Gross Technical Reserves

Class of Business	2019 O/s Claims Reserves (IBNR+ O/s Reported Claims) A	Paid in 2020 for prior accident years B	Remaining Gross Reserves C = A - B	Outstanding Reported as at 31st December 2020 D	Recalculated Reserves as at 31st December 2020 for prior Accident years E	Actuarial Loss/Gain F = C - E	IBNR & IBNER G = E - D
Motor	91,128,508	26,302,623	64,825,885	63,331,642	69,742,231	(4,916,346)	6,410,589
General Accident	214,370,244	37,747,003	176,623,241	186,905,219	187,335,930	(10,712,689)	430,711
Fire	94,986,643	28,091,908	66,894,735	75,557,951	91,091,837	(24,197,102)	15,533,886
Marine	331,242,695	-	331,242,695	305,027,926	318,079,749	13,162,946	13,051,823
Engineering	560,390,322	16,433,980	543,956,342	489,857,021	513,539,279	30,417,063	23,682,258
Oil & Gas	1,342,750,301	1,937,780	1,340,812,521	1,652,258,884	1,668,582,418	(327,769,897)	16,323,534
Total	2,634,868,713	110,513,294	2,524,355,419	2,772,938,643	2,848,371,444	(324,016,025)	75,432,801

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

iii) Life Valuation Methodology and Assumptions Report 31 December 2020

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 2020

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 2020

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 2020

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 2020 Draft Accounts	Expenses attributable to Individual
Operating expenses	
Add other maintenance expense	
Total	
Less	
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	
Best estimate expense per policy	
Prior year expense per policy	
Proposed expense per policy	
Expense Overrun	

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 2020

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 2020

The following average loss ratios are proposed for AURR estimation and IBNR reserving purposes, based on Industrial and General Insurance group life coverage for 2020:

	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 2020

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 2020

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
		₦	₦	₦	₦	₦	₦	₦
INDIVIDUAL BUSINESS								
<i>Deposit Based Policies</i>								
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
Total Deposit Based	8,713	14,692,406,897	-	121,383,174	-	6,783,744,799	358,007,469	7,141,752,268
<i>Individual with Participation in Profits</i>								
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
<i>Individual without Participation in profits</i>								
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
Total risk	3,271	2,518,415,560	474,831,313	183,112,560	-	-	1,627,979,996	1,627,979,996
Total Individual Business	11,984	17,210,822,457	474,831,313	304,495,734	-	6,783,744,799	1,985,987,465	8,769,732,264
Group Deposit Based Business								
Group Deposit Administration	32	2,332,695,136	-	-	-	2,332,695,136	-	2,332,695,136
Total Group Deposit Based business	32	2,332,695,136	-	-	-	2,332,695,136	-	2,332,695,136

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020

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
Total Group Business	282	47,875,166,321	-	286,552,925	-	2,332,695,136	199,195,896	2,531,891,032
Additional reserve							205,431,000	205,431,000
Unallocated premium							-	-
Grand Total	12,266	65,085,988,778	474,831,313	591,048,659	-	9,116,439,935	2,390,614,361	11,507,054,296

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 2020

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 2020

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 in the case of limited payment policies i.e. they have been allocated the same level of expenses as premium paying policies

e) Where negative reserves were calculated, these were set to zero to prevent policies being treated as 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 (A6770).

4. The rate of interest used in the valuation is 14.21%.

5. Expenses for individual risk and deposit based business were reserved for explicitly at N12,321 pa increasing with inflation at 11% pa.

6. The basis to be adopted for the distribution of profits among policyholders and shareholders 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 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 summarizes the gross position and impact of reinsurance.

	Gross liability (N)	Reinsurance (N)	Net liability (N)
Individual Traditional	1,985,987,465	-	1,985,987,465
Individual DA	6,783,744,799	-	6,783,744,799
Group DA	2,332,695,136	-	2,332,695,136
Group Life- UPR	151,269,971	(12,404,138)	138,865,833
Group Life- IBNR	47,925,925	(4,792,593)	43,133,332
Additional reserves	205,431,000	-	205,431,000
Total	11,507,054,296	(17,196,731)	11,489,857,565

An additional reserve of N205,431,000 was held representing a cautionary contingent reserve against an expense overrun at the valuation date.

The solvency level at the valuation date was xx%. That is, assets representing the Life and Deposit Administration Funds on the company's balance sheet (N11.5bn) were xx% of the actuarially calculated gross liabilities including outstanding claims (N11.5bn).

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

FORM 15 PART B (f)
(Under the Insurance Act 2003)
Industrial and General Insurance Plc

POLICIES INCLUDED IN THE VALUATION AT 31 DECEMBER 2020

	With Profits Sums Assured	Declared Bonus	Without Profits Sums Assured
	N	N	N
ANTICIPATED ENDOWMENT			
<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	-
TOTAL	2,898,308,082	294,036,672	-
	With Profits Sums Assured	Declared Bonus	Without Profits Sums Assured
	N	N	N
EDUCATION ENDOWMENT ASSURANCES			
<u>Year of Maturity</u>			
2018-2020	4,585,000	417,800	
2021 -2025	764,000	30,560	
2026-2030	-	-	
2031-2035	-	-	
TOTAL	5,349,000	448,360	
CONTINUOUS EDUCATIONAL ENDOWMENT			
<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	-	-	-
TOTAL	23,006,349	5,921,310	-

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

HYPOTHECATION OF ASSETS AS At 31 December, 2020

AS AT DECEMBER, 2020	General Business			Life Business		TOTAL		
	Shareholders'	Policy Holders'		Shareholders'	Policy Holders'			
	Fund	Fund	Others	Fund	Fund			
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	
COMPANY TOTAL	8,349,626	3,100,037	8,570,478	3,422,240	10,649,548	5,557,183	947,281	40,596,393
ASSETS:								-
Investment Property	7,949,652	775,009	5,516,883	5,296,200	3,727,342	1,945,014	909,311	26,119,411
Land and Building			2,524,053	2,966,909.0				5,490,195
Leasehold Improvement								-
Computer and Other Equipment			427				188	615
Motor vehicles			3				0.15	3
Furniture and Fittings			15				134	149
Trade Receivables								-
Reinsurance Assets		1,820,862				1,779,531		3,600,393
Loans to Policy Holders						348,496		348,496
Statutory Deposits	244,886	60,114		200,000				505,000
Financial Assets- Fair Value through P or L		531				7,007		7,538
- Available for sale			422,516				37,647	460,163
Cash & Cash equivalents	55,114	54,484			3181	39,968		152,747
Investment in Subsidiaries	262,385			3,127,398				3,389,783
Other Assets	226,625		106,581	187,926				521,132
TOTAL	8,738,662	2,711,000	8,570,478	11,778,433	3,730,523	4,120,016	947,281	40,595,625
Surplus/(Deficit)	389,036	(389,037)	(0)	8,356,193	(6,919,025)	(1,437,167)	(0)	(1)
Other Assets:								
Loans and Receivables-Staff		-						
Other Receivables and Prepayment		309,624			176,833			
Deferred Acquisition Cost		23,582			11,093			
Deferred Income Tax								
Intangible Assets								
TOTAL								
	333,206			187,926				(8,745,229)
						General Business		
						Shareholder		
						Policy Holders Fund Bal.		(389,037)
						Life Business		
						Policy Holders Fund Balance		(1,437,167)
						Deposit Admin Balance		(6,919,025)

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 2020**

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

HYPOTHECATION OF ASSETS AS AT 31ST DECEMBER, 2019								
AS AT DECEMBER, 2019	General Business			Shareholders' Fund	Deposit Admin Fund	Life Business		TOTAL
	Shareholders' Fund	Policy Holders' Fund	Others			Policy Holders'	Others	
	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	6,641,666	700,482	5,799,396	6,563,824	3,190,754	1,973,289	-	24,869,411
Land and Building			2,548,595	1,939,773			1,436,885	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		3,204,590
Loans to Policy Holders		6,731				320,076		326,807
Statutory Deposits	163,405.00	200,000				200,000		563,405
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	310,800	100,000				37,647		448,447
Cash & Cash equivalents	109,317					71,073		180,390
Other Assets	-		(212,124)				616,008	403,884
TOTAL	7,225,188	2,646,469	8,399,527	11,630,995	3,190,754	4,177,867	2,052,893	39,323,693
Surplus/(Deficit)	155,459	(155,460)	0	7,385,787	(5,925,686)	(1,460,101)	-	-
Other Aseets:								
		Non-Life			Life			
Loans and Receivables-Staff								
Other Receivables and Prepayment		(237,603)			602,394.00			
Deferred Acquisition Cost		25,479			13,614			
Deferred Income Tax								
Intangible Assets								
TOTAL		(212,124)			616,008			
		(424,248)			1,232,016			

SUMMARY OF DEFICIT

General Business

Shareholder	
Policy Holders Fund Bal.	(155,460)

Life Business

Policy Holders Fund Balance	(1,460,101)
Deposit Admin Balance	(5,925,686)

(7,541,247)

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 2020

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 2020

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 2020 N'000	Group 2019 N'000	Company 2020 N'000	Company 2019 N'000
ii) Credit risk (continued)					
Maximum exposure to credit risk					
Cash and cash equivalents (excl. cash on hand)	5.	933,288	2,094,063	157,747	180,390
Investment Securities:					
- At Fair value through Profit or Loss	6.1	224,542	242,022	7,538	10,303
- Available for sale	6.2	1,007,842	975,385	460,163	511,852
- Held to Maturity	6.3.	859,594	509,431	-	-
- Loans and Receivables	6.4.	369,057	365,903	348,496	326,807
Trade receivables	7.	840,361	725,192	-	-
Reinsurance Assets	8.	4,618,441	3,852,860	3,600,393	3,204,590
Other receivables and prepayments	12.	209,771	569,076	486,457	364,791
Statutory deposits	18.	545,116	555,267	500,000	500,000
Total assets exposed to credit risk		9,608,012	9,889,199	5,560,794	5,098,733

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 2020

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

	2020		2019	
	Group N'000	Company N'000	Group N'000	Company N'000
Trade receivables	840,361	-	725,192	-
Reinsurance assets	4,618,441	3,600,393	3,852,860	3,204,590
Loans and receivables	369,057	348,496	365,903	326,807
Other receivables	209,771	486,457	569,076	364,791
Deposits with financial institutions	477,116	29,598	1,327,603	1,792
Cash and bank balances	473,866	143,936	766,460	178,598
	6,988,612	4,608,880	7,607,094	4,076,578

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	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
Neither past due nor impaired	-	-	3,749,457	3,353,654
Past due but not impaired	-	-	-	-
Impaired	-	-	-	-
Gross	-	-	3,749,457	3,353,654
Less: Allowance for impairment	-	-	-	-
Net	-	-	3,749,457	3,353,654

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 2020

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	
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
Individually assessed impaired receivables	-	-	-	-
- direct clients	-	-	-	-
- agency	-	-	-	-
- insurance brokers	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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.

	2020			
	Carrying amount N'000	Fixed rate N'000	Floating rate N'000	Non- interest bearing N'000
Assets				
Cash and cash equivalent	157,747	-	-	157,747
Trade receivable	-	-	-	-
Reinsurance Assets	<u>3,600,393</u>	<u>-</u>	<u>-</u>	<u>3,600,393</u>
	<u>3,758,140</u>	<u>-</u>	<u>-</u>	<u>3,758,140</u>
Liabilities				
Non-life insurance liability	3,100,037	-	-	3,100,037
Other liabilities	17,407,036	10,649,548	-	6,757,488
Loans and Borrowings	<u>886,105</u>	<u>886,105</u>	<u>-</u>	<u>-</u>
	<u>21,393,178</u>	<u>11,535,653</u>	<u>-</u>	<u>9,857,525</u>

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	2019			Non- interest bearing N'000
	Carrying amount N'000	Fixed rate N'000	Floating rate N'000	
Assets				
Cash and cash equivalent	180,390	-	-	180,390
Trade receivables	-	-	-	-
Reinsurance Assets	3,204,590	-	-	3,204,590
	<u>3,384,980</u>	<u>-</u>	<u>-</u>	<u>3,384,980</u>
Liabilities				
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 N7.5 Million (2019: N10.3 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 N2,8 million (2019: N1.02 million).

The Company holds a number of investments in unquoted securities with a market value of N460 million as at 31 December 2020 (2019: N512 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 2020

3. Management of insurance and financial risk (continued)

At 31 December 2020, if the Nigeria Naira had weakened/strengthened by 15% against the US dollar with all other variables held constant, pre- tax profit for short term insurance for the year would have been Naira xxx billion (2019: Naira 5.3 billion) higher/lower and pre- tax profit for long-term business for the year would have been Naira xx billion (2019: Naira 6.4 billion), 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 2020, if the NSE Index had increased/decreased by 15 % 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 xx million (2019: N44 million), higher/lower, and equity for long-term business would have been Naira Nil million (2019 :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 2020:	
Liabilities	
Insurance contract liabilities	3,100,037
Other payables	7,684,374
Loans and borrowings	<u>886,105</u>
Total financial liabilities	<u><u>11,670,516</u></u>

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	1-12 months N'000
At 31 December 2019:	
Liabilities	
Insurance contract liabilities	3,581,894
Other payables	5,604,912
Loans and Borrowings	<u>486,906</u>
Total financial liabilities	<u><u>9,673,712</u></u>

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
Life business:				
At 31 December 2020:				
Insurance contract liabilities	5,557,183	-	-	5,557,183
Payable under investment contracts	10,649,548	-	-	10,649,548
Other payables	971,708	-	-	971,708
Loans and Borrowings	-	-	-	-
Total financial liabilities	<u><u>17,178,439</u></u>	-	-	<u><u>17,178,439</u></u>
At 31 December 2019:				
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	-	-	-	-
Total financial liabilities	<u><u>15,024,023</u></u>	-	-	<u><u>15,024,023</u></u>

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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	2020			2019		
	Current N'000	Non current N'000	Total N'000	Current N'000	Non current N'000	Total N'000
Assets						
Cash and cash equivalents	933,288	-	933,288	2,094,063	-	2,094,063
Financial Assets	1,140,916	1,320,118	2,461,035	1,137,617	955,124	2,092,741
Trade receivables	840,361	-	840,361	725,192	-	725,192
Reinsurance Assets	4,618,441	-	4,618,441	3,852,860	-	3,852,860
Deferred acquisition costs	77,125	-	77,125	92,727	-	92,727
Loans and advances to customers	117,340	29,335	146,675	62,049	15,512	77,561
Other receivables and prepayments	209,771	-	209,771	569,083	-	569,083
Intangible assets	-	21,937	21,937	-	21,797	21,797
Deferred tax assets	-	-	-	-	-	-
Investment Property	-	26,774,266	26,774,266	-	24,991,812	24,991,812
Property plant and equipment	-	7,239,725	7,239,725	-	7,517,860	7,517,860
Statutory deposits	-	545,116	545,116	-	555,267	555,267
	7,937,242	35,930,497	43,867,739	8,533,591	34,057,373	42,590,964
Non current assets held for sale	-	6,623,063	6,623,063	-	6,307,411	6,307,411
Assets classified as discontinued operations	-	-	-	-	5,733,010	5,733,010
Total assets	7,937,242	42,553,559	50,490,802	8,533,591	46,097,794	54,631,385
Liabilities						
Insurance Contract Liabilities	5,048,852	6,170,819	11,219,670	4,693,668	5,736,706	10,430,374
Investment Contract Liabilities	-	10,987,423	10,987,423	-	9,559,606	9,559,606
Trade Payable	2,080,141	-	2,080,141	2,468,970	-	2,468,970
Loans and Borrowings	163,710	937,836	1,101,546	26,129	1,308,883	1,335,012
Other payables and accruals	7,283,834	-	7,283,834	8,127,303	-	8,127,303
Income tax payable	-	2,050,536	2,050,536	-	2,029,100	2,029,100
Deferred tax liabilities	-	2,134,594	2,134,594	-	2,147,965	2,147,965
Deposit for shares	1,138,275	-	1,138,275	-	1,331,735	1,331,735
	15,714,811	22,281,208	37,996,019	15,316,071	22,113,994	37,430,065
Liabilities classified as discontinued operations	-	-	-	-	5,733,010	5,733,010
TB Total liabilities	15,714,811	22,281,208	37,996,019	15,316,071	27,847,004	43,163,075
Gap	(7,777,569)	20,272,352	12,494,782	(6,782,480)	18,250,790	11,468,310

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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).

Company	2020			2019		
	Current N'000	Non current N'000	Total N'000	Current N'000	Non current N'000	Total N'000
Assets						
Cash and cash equivalents	157,747	-	157,747	180,390	-	180,390
Financial Assets	415,510	400,687	816,197	403,269	445,693	848,962
Trade receivables	-	-	-	-	-	-
Reinsurance Assets	3,600,393	-	3,600,393	3,204,590	-	3,204,590
Deferred acquisition costs	34,675	-	34,675	39,093	-	39,093
Other receivables and prepayments	486,457	-	486,457	364,790	-	364,790
Investment in Subsidiaries	-	3,389,784	3,389,784	-	3,389,784	3,389,784
Investment Property	-	26,119,411	26,119,411	-	24,869,411	24,869,411
Property plant and equipment	-	5,491,730	5,491,730	-	5,926,674	5,926,674
Statutory deposits	-	500,000	500,000	-	500,000	500,000
	4,694,783	35,901,612	40,596,394	4,192,132	35,131,562	39,323,694
Assets classified as discontinued operations	-	-	-	-	-	-
Total Assets	4,694,783	35,901,612	40,596,394	4,192,132	35,131,562	39,323,694
Liabilities						
Insurance contract liabilities	3,895,749	4,761,471	8,657,220	3,797,954	4,641,944	8,439,898
Investment contract liabilities	-	10,649,548	10,649,548	-	9,116,440	9,116,440
Trade payable	1,200,305	-	1,200,305	1,588,093	-	1,588,093
Loans and borrowings	880,606	5,499	886,105	811,523	208,918	1,020,441
Other payables and accruals	3,877,758	-	3,877,758	4,316,682	-	4,316,682
Income tax payable	-	1,634,536	1,634,536	-	1,643,148	1,643,148
Deferred tax liabilities	-	1,919,056	1,919,056	-	1,884,056	1,884,056
TB total liabilities	9,854,418	18,970,110	28,824,528	10,514,252	17,494,506	28,008,758
Gap	(5,159,635)	16,931,501	11,771,866	(6,322,120)	17,637,056	11,314,936

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020

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 2020

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 2020

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 N389.04 million (2019: Deficit of N155.45 million) in respect of general business and N1.43 billion (2019: N1.46 billion) for Life business totalling N6.92 billion (2019: N5.93 billion) 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.

i) 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.

ii) 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 2020

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 N13.45 Billion (2019: N18.45 billion) and a shortfall of N18.45 billion (2019:N17.07 billion) in its solvency margin for the year ended 31 December 2020. 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 2020.

	Total N'000	Admissible N'000	Inadmissible N'000
Admissible assets			
Cash and cash equivalents	157,747	157,747	-
Financial Assets:-			
- At fair value through profit or loss	7,538	7,538	-
- Available for sale	460,163	460,163	-
- Loans and Receivables	348,496	348,496	-
Trade Receivables	-	-	-
Reinsurance assets	3,600,393	3,600,393	-
Deferred acquisition cost	34,675	34,675	-
Investment in subsidiaries - Local	2,539,536	2,539,536	-
Investment in subsidiaries - Foreign	850,248		850,248
Investment properties	26,119,411	6,447,365	19,672,046
Statutory deposits with CBN	500,000	500,000	-
Other receiveables and prepayments	486,457	-	486,457
Property, plant & equipment	5,491,730	1,666,667	3,825,063
	<u>40,596,394</u>	<u>15,762,580</u>	<u>24,833,814</u>
Less: Admissible liabilities			
Insurance contract liabilities	8,657,220	8,657,220	
Investment Contract Liabilities	10,649,548	10,649,548	
Trade payable	1,200,305	1,200,305	
Other payables and accruals	3,877,758	3,877,758	
Income tax payable	1,634,536	1,634,536	
Deferred tax liabilities	1,919,056	-	1,919,056
Loans and Borrowings	886,105	886,105	
	<u>28,824,528</u>	<u>26,905,472</u>	<u>1,919,056</u>
Solvency margin		<u>(11,142,892)</u>	
15% of Net Premium	<u>76,525</u>		
Minimum Capital Base	<u>5,000,000</u>	<u>5,000,000</u>	
Surplus in solvency margin		<u>(16,142,892)</u>	
Solvency ratio		<u>(223)</u>	

INDUSTRIAL AND GENERAL INSURANCE PLC

The table below summarises the solvency margin of the Company at 31 December 2019.

	Total N'000	Admissible N'000	Inadmissible N'000
Admissible assets			
Cash and cash equivalents	180,390	180,390	
Financial Assets:-			
- 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
	39,323,693	14,055,362	25,268,332
Less: Admissible liabilities			
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	
	28,008,755	26,124,699	1,884,056
Solvency margin		(12,069,337)	
15% of Net Premium	-		
Minimum Capital Base	5,000,000	5,000,000	
Surplus in solvency margin		(17,069,337)	
Solvency ratio		(241)	
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:			
	2020	2019	
	N'000	N'000	
Share capital	7,115,619	7,115,619	
Share premium	8,530,781	8,530,781	
Statutory contingency reserve	4,111,508	3,707,697	
Accumulated losses	(13,580,176)	(14,020,283)	
Excess of admissible assets over liabilities	6,177,732	5,333,814	
Less own shares	-	-	
Subordinated liabilities approved by the Commission	6,177,732	5,333,814	
Other instruments approved by the Commission	-	-	
Capital Requirements	6,177,732	5,333,814	

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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 reflect 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 2020

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 2020

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 2020

4a SEGMENT INFORMATION-Group

31 December 2020

STATEMENT OF FINANCIAL POSITION

	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
Assets										
Cash and cash equivalents	5.	157,747	59,571	61,724	195,098	423,528	28,783	6,837	-	933,288
Financial Assets:										
At fair value through profit or loss	6.1	7,538	-	-	-	217,004	-	-	-	224,542
Available for sale	6.2	460,163	-	-	-	547,674	-	-	4	1,007,841
Held to maturity	6.3.	-	-	-	-	533,763	325,831	-	-	859,594
Loans and receivables	6.4.	348,496	-	-	3,151	15,550	1,361	-	501	369,059
Trade receivables	7.	-	240	403	70,093	671,857	8,810	-	88,958	840,361
Reinsurance assets	8.	3,600,393	-	-	-	1,010,191	7,861	-	-	4,618,445
Deferred acquisition costs	9.	34,675	-	-	-	42,452	-	-	-	77,127
Loans and advances to customers	10.	-	599,879	-	-	-	-	-	(453,204)	146,675
Other receivables and prepayments	12.	486,457	5,872	4,765	-	230,732	17,299	-	(535,355)	209,770
Investment in subsidiaries	14.	3,389,784	-	-	-	-	-	-	(3,389,783)	1
Intangible ssets	15.	-	-	-	-	21,356	-	-	581	21,937
Deferred tax assets	48.4.	-	-	-	-	-	-	-	-	-
Investment properties	16.	26,119,411	2,500	115,000	473,713	2,007,404	-	-	(1,943,758)	26,774,270
Property plant and equipment	17.	5,491,730	10,196	98	335,456	793,245	327,744	16,500	264,753	7,239,722
Statutory deposits	18.	500,000	-	-	-	79,729	-	-	(34,613)	545,116
		40,596,394	678,258	181,990	1,077,511	6,594,485	717,689	23,337	(6,001,916)	43,867,748
Non-current assets held for sale	11.	-	3,144,385	-	-	4,057,929	-	-	(579,251)	6,623,063
Assets classified as discontinued operations	57.	-	-	-	-	-	-	-	-	-
Total assets		40,596,394	3,822,643	181,990	1,077,511	10,652,414	717,689	23,337	(6,581,167)	50,490,811
Equity										
Ordinary share capital	19.2	7,115,619	1,100,000	168,556	468,041	742,241	147,531	1,000,000	(3,626,370)	7,115,618
Share premium	19.3	8,530,781	1,000,000	-	7,768	378,189	-	-	(1,385,957)	8,530,781
Assets revaluation reserve	20.	5,523,592	-	-	88,667	29,036	272,034	-	52,717	5,966,046
Fairvalue reserve	21.	70,543	-	-	-	40,205	-	-	(294,671)	(183,923)
Contingency reserve	22.	4,111,508	-	-	-	567,419	58,609	-	(933,378)	3,804,158
Loss sustained	23.	(13,580,176)	217,240	(848)	(18,836)	1,662,447	(156,768)	(4,838,469)	4,946,167	(11,769,243)
Capital reserve	24.	-	-	-	-	239,315	-	-	(93,356)	145,959
Foreign exchange reserve	25.	-	-	-	-	(7,629)	66,801	-	(1,304,215)	(1,245,043)
Statutory(regulatory) reserve	26.	-	243,635	-	-	-	-	-	(46,565)	197,070
Shareholder's fund		11,771,867	2,560,875	167,708	545,640	3,651,223	388,207	(3,838,469)	(2,685,628)	12,561,423
Non-controlling interests	27.	-	529	(228)	(1,107)	55,672	74,237	-	(195,737)	(66,634)
Total equity		11,771,867	2,561,404	167,480	544,533	3,706,895	462,444	(3,838,469)	(2,881,365)	12,494,789

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

4a SEGMENT INFORMATION-Group

31 December 2020

STATEMENT OF FINANCIAL POSITION

		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	
Liabilities										
Insurance contract liabilities	28.	8,657,220	-	470,214	1,924,361	167,873	-	-	11,219,668	
Investment contract liabilities	29.	10,649,548	-	-	770,843	-	-	(432,969)	10,987,422	
Trade payables	30.	1,200,305	-	-	876,959	2,878	-	-	2,080,142	
Loans and borrowings	31.	886,105	-	-	-	-	932,336	(716,897)	1,101,544	
Other payables and accruals	32.	3,877,758	1,000,404	12,991	58,060	2,466,591	41,190	1,791,194	(1,964,354)	7,283,834
Income tax payable	48.2	1,634,536	260,835	1,517	4,702	584,506	14,239	-	(449,798)	2,050,537
Deferred tax liabilities	48.4.	1,919,056	-	-	-	322,251	29,064	-	(135,777)	2,134,594
Deposit for shares	33.	-	-	-	-	-	1,138,275	-	-	1,138,275
		28,824,528	1,261,239	14,508	532,976	6,945,511	255,244	3,861,805	(3,699,795)	37,996,016
Liabilities classified as discontinued operations	57.	-	-	-	-	-	-	-	-	-
Total liabilities		28,824,528	1,261,239	14,508	532,976	6,945,511	255,244	3,861,805	(3,699,795)	37,996,016
Total equity and liabilities		40,596,395	3,822,643	181,988	1,077,509	10,652,406	717,688	23,336	(6,581,160)	50,490,805

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

4.b. SEGMENT INFORMATION-Group

		STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME								
31 December 2020		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
Note										
	Gross premium written	848,943	-	-	1,837,310	1,275,768	387,303	-	-	4,349,324
	Changes in unearned premium	(6,487)	-	-	-	(37,309)	(46,058)	-	-	(89,854)
	Gross premium income	842,456	-	-	1,837,310	1,238,459	341,245	-	-	4,259,470
	Reinsurance costs	(62,753)	-	-	(1,647,407)	(16,001)	(108,713)	-	328,823	(1,506,051)
	Net premium income	779,703	-	-	189,903	1,222,458	232,532	-	328,823	2,753,419
	Fees and commission income	8,950	-	-	-	149,492	24,293	-	-	182,735
	Net underwriting income	788,653	-	-	189,903	1,371,950	256,825	-	328,823	2,936,154
	Claims expenses (Gross)	(787,759)	-	-	1	(516,498)	(29,600)	-	(522,165)	(1,856,021)
	Changes in claims recoveries	399,862	-	-	-	306,174	7,919	-	-	713,955
	Net claims incurred	(387,897)	-	-	1	(210,324)	(21,681)	-	(522,165)	(1,142,066)
	Underwriting expenses	(517,645)	-	-	(137,068)	(994,330)	(109,471)	-	121,549	(1,636,965)
	Changes in contract liabilities	231,723	-	-	-	(48,855)	-	-	82,764	265,632
	Underwriting (loss)/profit	114,834	-	-	52,836	118,441	125,673	-	10,971	422,755
	Investments incomes	249,477	-	-	-	332,513	28,023	-	-	610,013
	Profit/(loss) on disposal of Investment properties	28,000	-	-	-	10,465	-	-	-	38,465
	Profit/(loss) on disposal of properties, plant & equipment	300,300	-	-	-	-	-	-	797	301,097
	Net interest income	-	110,914	-	-	6,374	-	-	(145,554)	(28,266)
	Other operating incomes	(3,048)	15,559	618	11,779	60,959	34,306	-	(796)	119,377
	Loss on investment contract	(1,877,711)	-	-	-	50,381	-	-	-	(1,827,330)
	Fair value gain/(loss) through profit or loss	2,347,235	-	-	-	321,784	-	-	-	2,669,019
	Impairment charge	395,827	32,543	-	-	(34,395)	-	-	(13,392)	380,583
	Management and administrative expenses	(559,396)	(94,904)	(1,755)	(71,998)	(546,272)	(96,616)	-	-	(1,370,941)
	Net operating (loss)/income	995,518	64,112	(1,137)	(7,383)	320,250	91,386	-	(147,974)	1,314,772
	Finance costs	(145,496)	-	-	-	(41,536)	-	-	145,496	(41,536)
	Profit/(loss) before income tax	850,022	64,112	(1,137)	(7,383)	278,714	91,386	-	(2,478)	1,273,236
	Income tax expense	(6,106)	(4,655)	-	(4,702)	(81,595)	(24,162)	-	-	(121,220)
	Profit/(loss) from continuing operations	843,915	59,457	(1,137)	(12,085)	197,119	67,224	-	(2,478)	1,152,015

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

4c SEGMENT INFORMATION-Group

		STATEMENT OF FINANCIAL POSITION								
		Global Trust	All Crown	Int'l Health	NIC Holdings	IGI Gamstar	Monarch	Elimination	Total	
		IGI Plc	Savings & Loans Ltd	Registrars	Mgt. Serv Ltd	Ins. Company	Communications Limited	adjustment		
		Nigeria	Nigeria	Nigeria	Nigeria	Gambia	Nigeria			
		N'000	N'000	N'000	N'000	Uganda	N'000	N'000	N'000	N'000
31 December 2019	Note									
Assets										
Cash and cash equivalents	5.	180,390	274,243	63,114	521,115	574,619	173,745	6,837	300,000	2,094,063
Financial Assets:										
At fair value through profit or loss	6.1	10,303	-	-	-	231,719	-	-	-	242,022
Available for sale	6.2	511,852	-	-	-	463,529	-	-	-	975,381
Held to maturity	6.3.	-	-	-	-	409,414	100,017	-	-	509,431
Loans and receivables	6.4.	326,807	-	-	9,249	27,454	1,338	-	1,053	365,901
Trade receivables	7.	-	-	600	32,970	596,178	6,486	-	88,958	725,192
Reinsurance assets	8.	3,204,590	-	-	-	622,946	30,119	-	(4,795)	3,852,860
Deferred acquisition costs	9.	39,093	-	-	-	53,635	-	-	-	92,728
Loans and advances to customers	10.	-	567,329	-	-	-	-	-	(489,768)	77,561
Other receivables and prepayments	12.	364,791	11,881	-	-	164,352	10,592	-	17,468	569,084
Investment in subsidiaries	14.	3,389,783	-	-	-	-	-	-	(3,389,784)	(1)
Intangible ssets	15.	-	-	-	-	21,216	-	-	581	21,797
Deferred tax assets	48.4.	-	-	-	-	-	-	-	-	-
Investment properties	16.	24,869,411	-	115,000	-	1,951,162	-	-	(1,943,761)	24,991,812
Property plant and equipment	17.	5,926,673	7,717	206	346,370	664,569	291,069	16,500	264,755	7,517,859
Statutory deposits	18.	500,000	-	-	-	76,819	-	-	(21,552)	555,267
		39,323,693	861,170	178,920	909,704	5,857,612	613,366	23,337	(5,176,845)	42,590,957
Non-current assets held for sale	11.	-	3,122,483	-	-	-	-	-	3,184,928	6,307,411
Assets classified as discontinued operations	57.	-	-	-	-	-	-	-	5,733,010	5,733,010
Total assets		39,323,693	3,983,653	178,920	909,704	5,857,612	613,366	23,337	3,741,093	54,631,378
Equity										
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	-	31,954	6,256,757
Fairvalue reserve	21.	122,231	-	-	-	22,221	-	-	(7,640)	136,812
Contingency reserve	22.	3,707,697	-	-	-	484,635	52,795	-	(27,116)	4,218,011
Loss sustained	23.	(14,020,283)	269,218	(1,929)	(1,208)	1,603,175	(174,768)	(4,838,771)	3,855,643	(13,308,923)
Capital reserve	24.	-	-	-	-	209,198	-	-	(74,962)	134,236
Foreign exchange reserve	25.	-	-	-	-	(22,366)	2,413	-	(1,592,739)	(1,612,692)
Statutory(regulatory) reserve	26.	-	165,782	-	-	-	-	-	16,825	182,607
Shareholder's fund		11,314,936	2,535,000	166,627	544,421	3,372,723	282,541	(3,838,771)	(2,724,269)	11,653,208
Non-controlling interests	27.	-	(568)	293	2,496	(86,342)	11,258	-	(112,039)	(184,902)
Total equity		11,314,936	2,534,432	166,920	546,917	3,286,381	293,799	(3,838,771)	(2,836,308)	11,468,306

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

4c SEGMENT INFORMATION-Group

		STATEMENT OF FINANCIAL POSITION								
		Global Trust	All Crown	Int'l Health	NIC Holdings	IGI Gamstar	Monarch	Elimination	Total	
		IGI Plc	Savings & Loans Ltd	Registrars	Mgt. Serv Ltd	Ins. Company	Communications Limited	adjustment		
		Nigeria	Nigeria	Nigeria	Nigeria	Gambia	Nigeria	N'000	N'000	
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	
31 December 2019	Note									
Liabilities										
Insurance contract liabilities	28.	8,439,897	-	-	393,722	1,481,369	115,385	-	-	10,430,373
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	(1,598,225)	8,127,301
Income tax payable	48.2	1,643,148	259,043	1,517	-	569,938	12,228	-	(456,774)	2,029,100
Deferred tax liabilities	48.4.	1,884,056	-	-	-	263,908	-	-	-	2,147,964
Deposit for shares	33.	-	-	-	-	-	109,931	-	1,221,804	1,331,735
		28,008,755	1,449,221	17,169	662,787	6,130,122	319,565	2,723,530	(1,881,088)	37,430,061
Assets classified as discontinued operations	57.	-	-	-	-	-	-	-	5,733,010	5,733,010
Total liabilities		28,008,755	1,449,221	17,169	662,787	6,130,122	319,565	2,723,530	3,851,922	43,163,071
Total equity and liabilities		39,323,691	3,983,653	184,089	1,209,704	9,416,503	613,364	(1,115,241)	1,015,614	54,631,377

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INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

4d SEGMENT INFORMATION-Group

		STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME								
		Global Trust	All Crown	Int'l Health	NIC	IGI Gamstar	Monarch	Elimination	Total	
		Savings & Loans Ltd	Registrars	Mgt. Serv Ltd	Holdings Ltd	Ins. Company Gambia	Communications Limited Nigeria	adjustment		
		Nigeria	Nigeria	Nigeria	Uganda	N'000	N'000	N'000	N'000	
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	
31 December 2019	Note									
Gross premium written	34.	762,516	-	-	1,053,129	1,725,002	261,811	-	-	3,802,458
Changes in unearned premium	34.	24,127	-	-	616,539	(16,453)	-	-	-	624,213
Gross Premium Income		786,643	-	-	1,669,668	1,708,549	261,811	-	-	4,426,671
Reinsurance costs	35.	(87,177)	-	-	-	(790,686)	(101,138)	-	-	(979,001)
Net Premium Income		699,466	-	-	1,669,668	917,863	160,673	-	-	3,447,670
Fees and commission income	36.	22,910	-	-	-	159,211	52,881	-	-	235,002
Net underwriting income		722,376	-	-	1,669,668	1,077,074	213,554	-	-	3,682,672
Claims expenses (Gross)	37.	(266,793)	-	-	(537,317)	(202,668)	(36,429)	-	(48,783)	(1,091,990)
Changes in claims recoveries	37.	253,356	-	-	-	29,352	-	-	4,028	286,736
Net claims incurred		(13,437)	-	-	(537,317)	(173,316)	(36,429)	-	(44,755)	(805,254)
Underwriting expenses	38.	(1,379,757)	(15,525)	(277)	(824,013)	(463,218)	(39,464)	-	186,245	(2,536,009)
Changes in contract liabilities	39.	(1,580)	-	-	-	(103,497)	-	-	(70,640)	(175,717)
Underwriting profit		(672,398)	(15,525)	(277)	308,338	337,043	137,661	-	70,850	165,692
Investments incomes	40.	307,417	23,247	7,709	4,877	307,374	18,426	-	-	669,050
Profit/(loss) on disposal of investment properties		47,947	-	-	-	56,118	-	-	-	104,065
Profit/(loss) on disposal of properties, plant & equipment		460	-	-	-	-	-	-	3,529	(3,529)
Net interest income	41.	405	18,815	-	-	-	-	-	(6,372)	12,848
Other operating incomes	42.	15,992	5,985	622	4,160	82,387	8,138	-	(958)	116,326
Loss on investment contract	43.	(238,493)	-	-	-	(53,521)	-	-	-	(292,014)
Fair value gain/(loss) through profit or loss	44.	7,479,046	-	-	-	113,309	-	-	55,449	7,647,804
Impairment charge	45.	(116,798)	(1,763)	-	-	(106,618)	-	-	303,779	78,600
Management and administrative expenses	46.	(791,264)	(92,039)	(6,591)	(290,121)	(937,035)	(122,565)	-	1,000	(2,238,615)
Net operating (loss)/income		6,032,314	(61,280)	1,463	27,254	(200,943)	41,660	-	427,277	6,260,227
Finance costs	47.	(6,372)	-	-	-	(13,040)	-	-	6,372	(13,040)
(Loss)/profit before income tax		6,025,942	(61,280)	1,463	27,254	(213,983)	41,660	-	433,649	6,247,187
Income tax expense	48.1	(816,347)	(2,632)	-	-	(17,233)	(11,506)	-	235,584	(612,134)
(Loss)/profit from continuing operations		5,209,595	(63,912)	1,463	27,254	(231,216)	30,154	-	669,233	5,635,053

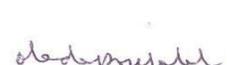
INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

COMPANY STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020

	Notes	Life Business 2020 N'000	General Business 2020 N'000	Intra company adjustment N'000	Total N'000	2019 N'000
Assets						
Cash and cash equivalents	5.	43,149	114,598	-	157,747	180,390
Financial Assets:						
- At Fair value through Profit or Loss	6.1	7,007	531	-	7,538	10,303
- Available for sale	6.2	37,647	422,516	-	460,163	511,852
- Loans and Receivables	6.4.	348,496	-	-	348,496	326,807
Trade receivables	7.	-	-	-	-	-
Reinsurance Assets	8.	1,779,531	1,820,862	-	3,600,393	3,204,590
Deferred acquisition costs	9.	11,093	23,582	-	34,675	39,093
Other receivables and Prepayments	12.	1,569,617	309,624	(1,392,784)	486,457	364,791
Investment in Subsidiaries	14.	3,127,398	262,386	-	3,389,784	3,389,783
Investment Properties	16.	11,877,867	14,241,544	-	26,119,411	24,869,411
Property plant and equipment	17.	2,967,231	2,524,499	-	5,491,730	5,926,673
Statutory deposits	18.	200,000	300,000	-	500,000	500,000
		<u>21,969,036</u>	<u>20,020,142</u>	<u>(1,392,784)</u>	<u>40,596,394</u>	<u>39,323,693</u>
Non Current Assets Held for Sale	11	-	-	-	-	-
Total assets		<u>21,969,036</u>	<u>20,020,142</u>	<u>(1,392,784)</u>	<u>40,596,394</u>	<u>39,323,693</u>
Liabilities						
Insurance Contract Liabilities	28.	5,557,183	3,100,037	-	8,657,220	8,439,897
Investment Contract Liabilities	29.	10,649,548	-	-	10,649,548	9,116,440
Trade payables	30.	804,007	396,298	-	1,200,305	1,588,093
Loans and Borrowings	31.	-	886,105	-	886,105	1,020,441
Other payables and Accruals	32.	167,701	5,102,841	(1,392,784)	3,877,758	4,316,680
Income tax payable	48.2	401,378	1,233,158	-	1,634,536	1,643,148
Deferred tax liabilities	48.4.	966,979	952,077	-	1,919,056	1,884,056
		<u>18,546,796</u>	<u>11,670,516</u>	<u>(1,392,784)</u>	<u>28,824,528</u>	<u>28,008,755</u>
Total Liabilities		<u>18,546,796</u>	<u>11,670,516</u>	<u>(1,392,784)</u>	<u>28,824,528</u>	<u>28,008,755</u>
Net assets		<u>3,422,240</u>	<u>8,349,626</u>	<u>-</u>	<u>11,771,866</u>	<u>11,314,938</u>
Equity						
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.	3,864,583	1,659,009	-	5,523,592	5,858,891
Fair value reserve	21.	(89,620)	160,163	-	70,543	122,231
Contingency reserve	22.	545,202	3,566,306	-	4,111,508	3,707,697
Loss sustained	23.	(7,420,462)	(6,159,714)	-	(13,580,176)	(14,020,283)
		<u>3,422,240</u>	<u>8,349,627</u>	<u>-</u>	<u>11,771,872</u>	<u>11,314,936</u>
		-	1	-	6	2


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


Professor Oladapo Afolabi
 Director
 FRC/2017/IPAN/00000015950


Tolu Delano
 Chief Finance Officer

INDUSTRIAL AND GENERAL INSURANCE PLC

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2020

		General Business	Life Business	Total 2020 N'000	Total 2019 N'000
	Notes	N'000	N'000		
Continuing operations					
Gross premium written	34.	575,055	273,888	848,943	762,516
Changes in unearned premium	34.	(6,487)	-	(6,487)	24,127
Gross Premium Income		568,568	273,888	842,456	786,643
Reinsurance costs	35.	(58,403)	(4,350)	(62,753)	(87,177)
Net Premium Income		510,165	269,538	779,703	699,466
Fees and commission income	36.	9,247	(297)	8,950	22,910
Net underwriting income		519,412	269,241	788,653	722,376
Claims expenses (Gross)	37.	(417,733)	(370,026)	(787,759)	(266,793)
Changes in claims recoveries	37.	197,990	201,872	399,862	253,356
Net claims incurred		(219,743)	(168,154)	(387,897)	(13,437)
Underwriting expenses	38.	(239,066)	(278,579)	(517,645)	(1,379,757)
Changes in contract liabilities	39.	-	231,723	231,723	(1,580)
Underwriting profit/(loss)		60,603	54,231	114,834	(672,398)
Investments incomes	40.	121,535	127,942	249,477	307,417
Profit on disposal of investment properties		-	28,000	28,000	47,947
Profit on disposal of properties, plant & equipment		300,300	-	300,300	460
Net interest income	41.	-	-	-	405
Other operating incomes	42.	(3,048)	-	(3,048)	15,992
Loss on investment contract	43.	-	(1,877,711)	(1,877,711)	(238,493)
Fair value gain through profit or loss	44.	1,099,786	1,247,449	2,347,235	7,479,046
Impairment write back/(charge)	45.	388,988	6,839	395,827	(116,798)
Management and administrative expenses	46.	(546,799)	(12,596)	(559,396)	(791,264)
Net operating profit		1,421,365	(425,847)	995,518	6,032,314
Finance costs	47.	(145,496)	-	(145,496)	(6,372)
Profit before income tax		1,275,869	(425,847)	850,022	6,025,942
Income tax expense	48.1	(2,774)	(3,332)	(6,106)	(816,347)
Profit from continuing operations		1,273,095	(429,179)	843,916	5,209,595
Attributable to:					
Equity shareholders		1,273,095	(429,179)	843,916	5,209,595
Non-controlling interests	27.	-	-	-	-
		1,273,095	(429,179)	843,916	5,209,595

INDUSTRIAL AND GENERAL INSURANCE PLC

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2020

		General Business	Life Business	Total 2020 N'000	Total 2019 N'000
	Notes	N'000	N'000	N'000	N'000
Other Comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
Fairvalue gain on available for sale assets	21 & 27	(130,209)	78,522	-	(367,607)
Exchange differences on translating foreign operations	21 & 25	-	-	-	-
Income tax relating to item that may be reclassified subsequently to profit or loss		-	-	-	-
Items that will not be reclassified subsequently to profit or loss:					
Actuarial surplus/transfer from life fund	22 & 27	146,452	-	-	-
Fairvalue gain on property, plant and equipment	20 & 27	350,000	-	350,000	561,315
Income tax relating to item that will not be reclassified subsequently to profit or loss		(35,000)	-	(35,000)	(94,473)
Other comprehensive income for the year, net of tax		331,243	78,522	315,000	99,235
Total comprehensive income for the year		1,604,338	(350,657)	1,158,916	5,308,830
Attributable to:					
Equity shareholders		1,604,338	(350,657)	1,158,916	5,308,830
Non-controlling interests	27.	-	-	-	-
		1,604,338	(350,657)	1,158,916	5,308,830

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 2020

4.2 SEGMENT INFORMATION - Company REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	Fire	General Accident	Motor	Marine & Aviation	Agric	Engineering	Oil & Energy	General Business	Life Business	2020	2019
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
4.3 Income											
Direct premium	31,504	27,186	282,202	21,849	202,473	9,816	25	575,055	273,888	848,943	762,516
Inward reinsurance premium	-	-	-	-	-	-	-	-	-	-	-
Gross premium written	31,504	27,186	282,202	21,849	202,473	9,816	25	575,055	273,888	848,943	762,516
Changes in unearned premium	7,597	14,115	(27,963)	(1,915)	-	(21)	1,700	(6,487)	-	(6,487)	24,127
Gross Premium Earned	39,101	41,301	254,239	19,934	202,473	9,795	1,725	568,568	273,888	842,456	786,643
Deduct:											
Outward reinsurance premium	(20,016)	(724)	(6,010)	(11,262)	-	(20,168)	-	(58,180)	-	(58,180)	(3,875)
Changes in prepaid reinsurance	(3,506)	480	-	2,847	-	(44)	-	(223)	(4,350)	(4,573)	(83,303)
Reinsurance cost	(23,522)	(244)	(6,010)	(8,415)	-	(20,212)	-	(58,403)	(4,350)	(62,753)	(87,178)
Net Premium Earned	15,579	41,057	248,229	11,519	202,473	(10,417)	1,725	510,165	269,538	779,703	699,465
Commission received	4,153	181	-	3,274	-	1,639	-	9,247	(297)	8,950	12,706
Changes in unearned commission	338	-	-	(226)	-	(993)	(8,322)	-	-	-	10,204
Total income	20,070	41,238	248,229	14,567	202,473	(9,771)	(6,597)	519,412	269,241	788,653	722,375
Expenses											
Gross claims paid	(28,358)	(21,876)	(34,197)	-	(23,311)	(16,434)	(1,938)	(126,114)	(219,089)	(345,203)	(901,998)
Changes in outstanding claims provision	23,290	2,467	(3,077)	9,583	22,140	(26,492)	(319,530)	(291,619)	(150,938)	(442,557)	635,204
Gross claims incurred	(5,068)	(19,409)	(37,274)	9,583	(1,171)	(42,926)	(321,468)	(417,733)	(370,027)	(787,760)	(266,794)
Reinsurance claims recovery	14,996	6,206	10,439	-	-	-	-	31,641	201,872	233,513	543,221
Changes in reinsurance recoveries	3,948	23,711	(5,339)	(1,845)	-	(4,785)	150,658	166,348	-	166,348	(289,863)
Net claims incurred/(recovered)	13,876	10,508	(32,174)	7,738	(1,171)	(47,711)	(170,810)	(219,744)	(168,155)	(387,899)	(13,436)
Acquisition expenses	(6,010)	(5,394)	(34,350)	(4,370)	(4,179)	(746)	(5)	(55,054)	(41,382)	(96,436)	(168,255)
Changes in commission expenses	3,247	3,339	14,611	1,797	219	364	5	23,582	(28,000)	(4,418)	1,419
Changes in contract liabilities									231,723	231,723	(1,580)
Maintenance expenses	(83,609)	(867)	(21,363)	(29,911)	-	(71,844)	-	(207,594)	(209,198)	(416,792)	(1,212,921)
Total expenses	(72,496)	7,586	(73,276)	(24,746)	(5,131)	(119,937)	(170,810)	(458,810)	(215,011)	(673,821)	(1,394,773)
Underwriting results	(52,426)	48,824	174,953	(10,179)	197,342	(129,708)	(177,407)	60,602	54,230	114,832	(672,398)

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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.

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
Cash in hand	2,552	8,634	-	134
Bank balances (Note 5.1)	471,314	757,826	143,936	178,464
Impairment of bank balances	(17,694)	-	(15,787)	-
Total bank balances	<u>456,172</u>	<u>766,460</u>	<u>128,149</u>	<u>178,598</u>
Short term deposits/placements with banks	647,936	1,486,938	188,933	161,127
Impairment of short term deposits/placements with banks	<u>(170,820)</u>	<u>(159,335)</u>	<u>(159,335)</u>	<u>(159,335)</u>
Short term deposits/placements with banks (Note 5.2)	<u>477,116</u>	<u>1,327,603</u>	<u>29,598</u>	<u>1,792</u>
	<u>933,288</u>	<u>2,094,063</u>	<u>157,747</u>	<u>180,390</u>

5.1 Included In the above Group amount was N21.7 million (Dec 2019 : 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.

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
5.3 Cash and cash equivalents as per cashflow				
Cash in hand	2,552	8,634	-	134
Bank balances	456,172	766,460	128,149	178,598
Short term deposits/placements with banks	477,116	1,327,603	29,598	1,792
	<u>935,840</u>	<u>2,102,697</u>	<u>157,747</u>	<u>180,524</u>
Bank overdrafts (Note 31)	<u>(163,710)</u>	<u>(26,129)</u>	<u>(880,606)</u>	<u>(811,523)</u>
	<u>772,130</u>	<u>2,076,568</u>	<u>(722,859)</u>	<u>(630,999)</u>
5.4 Movement of Impairment of short term				
At 1 January	159,335	159,335	159,335	159,335
Addition during the year (Note 45)	29,179	-	15,787	-
At 31 December	<u>188,514</u>	<u>159,335</u>	<u>175,122</u>	<u>159,335</u>
6. Financial assets				
6.1 Fair value through Profit or Loss-FVTPL				
Quoted Equities:				
Quoted equities (Note 6.1.2)	<u>224,542</u>	<u>242,022</u>	<u>7,538</u>	<u>10,303</u>

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
6.1.2 Movement in FVTPL				
At 1 January	242,022	288,949	10,303	9,282
Additions in the year	12,466	87,505	-	-
Disposals in the year	-	-	-	-
	254,488	376,454	10,303	9,282
Fair value (loss)/gain (Note 44)	(29,946)	(134,432)	(2,765)	1,021
Translation Adjustment	-	-	-	-
At 31 December	224,542	242,022	7,538	10,303
Current	224,542	242,022	7,538	10,303
Non Current	-	-	-	-
	224,542	242,022	7,538	10,303

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.

	Group		Company	
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
6.2 Available for sale-AFS				
Unquoted equities (Note 6.2.1)	1,007,842	975,384	460,163	511,850
Treasury bills (Note 6.2.2)	-	-	-	-
	1,007,842	975,384	460,163	511,850
6.2.1 Movement in unquoted equities				
At 1 January	1,366,926	1,213,803	511,850	879,459
Additions in the year	-	153,123	-	-
Disposal during the year	(38,353)	-	-	-
	1,328,573	1,366,926	511,850	879,459
Fair value loss (Note 45)	(320,731)	(391,540)	(51,687)	(367,607)
Translation Adjustment	-	(1)	-	(2)
At 31 December	1,007,842	975,384	460,163	511,850
Current	547,318	529,691	59,476	66,157
Non Current	460,524	445,693	400,687	445,693
	1,007,842	975,384	460,163	511,850

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Company only	
	2020 N'000	2019 N'000
6.2.1.1. Detailed analysis of unquoted equities		
British Int'l school	59,678	62,878
Moyofade Community Bank	22,936	17,789
WAICA RE	220,980	156,112
IGI Pension Fund Manager Ltd	95,937	90,144
Sonarwa (Rwanda)	60,633	184,929
	460,164	511,852

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
6.2.2 Movement in treasury bills				
At 1 January	-	293,981	-	-
Additions in the year	-	-	-	-
Disposal during the year	-	(293,981)	-	-
	-	-	-	-
Fair value gain/(loss) (Note 21)	-	-	-	-
Translation adjustment	-	-	-	-
At 31 December	-	-	-	-
	-	-	-	-
Current	-	-	-	-
Non Current	-	-	-	-
	-	-	-	-

6.2.2.1. 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.

6.2.3 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.

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
6.3 Held to Maturity-HTM				
Government Securities	859,594	509,431	-	-
Corporate Securities	-	-	-	-
	859,594	509,431	-	-
Current	-	-	-	-
Non Current	859,594	509,431	-	-
	859,594	509,431	-	-
Amortized Cost				
<u>Treasury Bills</u>				
At 1 January	509,431	293,981		
Reclass of WHT on opening Bills		(1,739)		
Additions	776,374	504,280		
Maturities	(467,314)	(335,782)		
Accrued interests	41,627	49,091		
Less: expected credit losses	(524)	(400)		
As at 31 December	859,594	509,431		
Below is the analysis of the analysis of the movement of expected credit losses of Treasury Bills				
As at 1 January	400	510		
Movement in the provision of expected credit losses	123	(110)		
As at 31 December	524	400		

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.

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
6.4 Loans and Receivables				
Staff Loans (Note 6.4.1)	260,988	274,364	243,287	238,110
Policy loans (Note 6.4.2)	355,049	326,409	348,496	320,076
	616,037	600,773	591,783	558,186
Impairment of loans and receivables (Note 6.4.3)	(246,980)	(234,872)	(243,287)	(231,379)
	369,057	365,901	348,496	326,807
Current	369,057	365,901	348,496	326,807
Non Current	-	-	-	-
	369,057	365,901	348,496	326,807

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
6.4.1 Movement in staff loans				
At 1 January	274,364	259,585	238,110	237,713
Additions in the year	-	15,308	5,327	397
Repayments	(13,376)	(529)	(150)	-
	<u>260,988</u>	<u>274,364</u>	<u>243,287</u>	<u>238,110</u>
Translation Adjustment	-	-	-	-
At 31 December	<u>260,988</u>	<u>274,364</u>	<u>243,287</u>	<u>238,110</u>
6.4.2 Movement in policy loans				
At 1 January	327,840	474,961	320,076	468,978
Additions in the year	(6,256)	1,781	8,037	-
Interest charged	38,525	-	38,525	-
Repayments	(18,142)	(148,902)	(18,142)	(148,902)
	<u>341,966</u>	<u>327,840</u>	<u>348,496</u>	<u>320,076</u>
Translation Adjustment	13,083	(1,431)	-	-
At 31 December	<u>355,049</u>	<u>326,409</u>	<u>348,496</u>	<u>320,076</u>
6.4.3 Movement in impairment of loans and receivables				
At 1 January	234,872	236,798	231,379	231,379
Charge for the year (Note 45)	11,908	-	11,908	-
Written off	200	2	-	-
Translation adjustment	-	(1,928)	-	-
At 31 December	<u>246,980</u>	<u>234,872</u>	<u>243,287</u>	<u>231,379</u>
Total Financial assets	<u>2,461,035</u>	<u>2,092,738</u>	<u>816,197</u>	<u>848,960</u>

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 2020

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.

	Group		Company	
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
7. Trade receivables				
Premiums receivable from Co-insurance Companies	8,810	-	-	-
Premiums receivable from brokers and agents	1,287,888	1,123,378	-	-
	1,296,698	1,123,378	-	-
Impairment of trade receivables (Note 7.1)	(456,337)	(398,186)	-	-
	840,361	725,192	-	-
Current	840,361	725,192	-	-
Non Current	-	-	-	-
	840,361	725,192	-	-
7.1 Movement in impairment of trade receivables				
At 1 January	398,186	303,787	-	7,047
Additions during the year (Note 45)	29,230	101,446	-	-
Recoveries	28,921	88,958.00	-	-
Written off	-	(7,047)	-	(7,047)
Translation adjustment	-	(88,958)	-	-
At 31 December	456,337	398,186	-	-
7.2 Movement in trade receivables				
At 1 January	1,123,378	816,141	-	7,047
Gross premium written	4,349,322	3,802,458	848,943	762,516
Premium received/recovered	(4,176,002)	(3,495,221)	(848,943)	(769,563)
At 31 December	1,296,698	1,123,378	-	-
8. Reinsurance assets				
Prepaid Reinsurance (Note 8.1)	765,343	551,870	31,463	26,891
Estimated reinsurance recoveries on claims (Note 8.2)	3,305,136	2,740,135	3,078,976	2,698,588
Receivables from re-insurers (Note 8.3)	697,026	709,919	639,018	628,175
	4,767,505	4,001,924	3,749,457	3,353,654
Impairment of reinsurance assets (Note 8.4)	(149,064)	(149,064)	(149,064)	(149,064)
	4,618,441	3,852,860	3,600,393	3,204,590
Current	4,618,441	3,852,860	3,600,393	3,204,590
Non Current	-	-	-	-
	4,618,441	3,852,860	3,600,393	3,204,590

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
8.1 Prepaid reinsurance				
Fire	6,253	36,701	6,253	9,759
General accident	653	182,078	653	172
Motor	-	271,201	-	-
Aviation	-	49,723	-	-
Marine	5,646	2,799	5,646	2,799
Agric	-	-	-	-
Engineering	1,714	1,757	1,714	1,757
Oil and Energy	-	-	-	-
	14,266	544,259	14,266	14,487
8.1a Unexpired Reinsurance - UPR				
Fire	57,855	-	-	-
General accident	38,748	-	-	-
Motor	8,985	-	-	-
Aviation	-	-	-	-
Marine	628,292	-	-	-
Agric	-	-	-	-
Engineering	-	-	-	-
Oil and Energy	-	-	-	-
	733,880	-	-	-
Life business				
Group business	17,197	7,611	17,197	12,404
Individual business	-	-	-	-
	751,077	7,611	17,197	12,404
8.1.b Additional Unexpired Reinsurance- AURR				
Fire	-	-	-	-
General accident	-	-	-	-
Motor	-	-	-	-
Aviation	-	-	-	-
Marine	-	-	-	-
Agric	-	-	-	-
Engineering	-	-	-	-
Oil and Energy	-	-	-	-
	-	-	-	-
Total Prepaid reinsurance	765,343	551,870	31,463	26,891
8.1.1 Movement in prepaid reinsurance				
At 1 January	556,664	316,293	26,891	30,765
Movement in the year (Note 35)	218,266	240,371	4,572	(3,874)
At 31 December	774,930	556,664	31,463	26,891

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
8.2 Estimated reinsurance recoveries on claims				
Fire	277,263	64,480	68,428	64,480
General accident	42,356	7,219	30,930	7,219
Motor	13,087	14,450	9,112	14,450
Aviation	-	-	-	-
Marine	8,544	8,465	6,620	8,465
Agric	-	-	-	-
Engineering	390,071	419,753	390,071	394,856
Oil and Energy	794,284	640,488	794,284	640,488
	<u>1,525,605</u>	<u>1,154,855</u>	<u>1,299,445</u>	<u>1,129,958</u>
Life business				
Individual business	-	-	-	-
Group business	<u>1,779,531</u>	<u>1,585,280</u>	<u>1,779,531</u>	<u>1,568,630</u>
	<u>3,305,136</u>	<u>2,740,135</u>	<u>3,078,976</u>	<u>2,698,588</u>
8.2.1 Movement in reinsurance recoveries				
At 1 January	2,740,135	2,953,799	2,698,588	2,887,866
Increase/(decrease) (Note 37.2.1)	<u>565,001</u>	<u>(218,457)</u>	<u>380,388</u>	<u>(189,278)</u>
At 31 December	<u>3,305,136</u>	<u>2,740,135</u>	<u>3,078,976</u>	<u>2,698,588</u>

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

8.2.1 AGE ANALYSIS OF OUTSTANDING CLAIMS RECOVERABLE AS AT 31ST DECEMBER 2020

a. age analysis as follows:

Days	Number of	
	Claimants	Amount
0-90 days	63	361,391
91-180 days	10	18,832
181-270 days	15	10,385
271-365 days	8	15,103
365+ days	2,121	2,673,265
Grand Total	2,217	3,078,976

a. by reason as follows:

Reason	0-90 DAYS		91-180 DAYS		181-270 DAYS		271-365 DAYS		365 DAYS +		TOTAL	
	Qty	N'000	Qty	N'000	Qty	N'000	Qty	N'000	Qty	N'000	Qty	N'000
Discharge voucher signed and returned to policyholders	21	120,464	10	18,832	8	5,539	3	5,664	1317	1,659,920	1,359	1,811,777
Discharge Vouchers not yet signed	-	-	-	-	-	-	-	-	-	-	-	-
Claims reported but incomplete documentation	42	240,927	-	-	7	4,846	5	9,439	804	1,011,128	858	1,267,199
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	-	-	-	-	-	-	-	-	-	-	-	-
Total	63	361391	10	18832.3352	15	10385.25268	8	15103.1	2121	2671047.672	2217	3,078,976

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

8.2.1 AGE ANALYSIS OF OUTSTANDING CLAIMS RECOVERABLE AS AT 31ST DECEMBER 2020

AGE ANALYSIS OF OUTSTANDING CLAIMS RECOVERABLE AS AT 31ST DECEMBER 2019

a. age analysis as follows:

Days	Number of	
	Claimants	Amount
0-90 days	19	71,407
91-180 days	6	9,560
181-270 days	12	20,586
271-365 days	12	4,870
365+ days	2,280	2,592,164
Grand Total	2,329	2,698,588

a. by reason as follows:

Reason	0-90 DAYS		91-180 DAYS		181-270 DAYS		271-365 DAYS		365 DAYS +		TOTAL	
	QTY	N'000	QTY	N'000	QTY	N'000	QTY	N'000	QTY	N'000	QTY	N'000
Discharge voucher signed and returned to policyholders	9	43,473	4	21,332	11	5,044	4	5,134	1397	1,747,774	1,425	1,824,183
Discharge vouchers not yet signed	-	-	-	-	-	-	-	-	-	-	-	-
Claims reported but incomplete documentation	11	53,134	-	-	6	2,751	8	10,269	700	875,764	725	942,643
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	-	-	-	-	-	-	-	-	-	-	-	-
Total	20	96,608	4	21,332	17	7,795	12	15,403	2097	2,623,538	2150	2,766,826

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
8.3 Receivables from reinsurers/ co-insurers	697,026	709,919	639,018	628,175
8.3.1 Movement in receivables from reinsurers/co-insurers				
At 1 January	709,919	483,972	628,175	283,715
Movement during the year	(12,893)	225,947	10,843	344,460
At 31 December	697,026	709,919	639,018	628,175
8.4 Movement in Impairment of reinsurance assets				
At 1 January	149,064	220,763	149,064	149,064
Addition in the year (Note 45)	-	-	-	-
Recoveries	-	-	-	-
Written off	-	-	-	-
Translation adjustment	-	(71,699)	-	-
At 31 December	149,064	149,064	149,064	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:

	Group		Company	
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
9.1 Movement in deferred acquisition costs				
At 1 January	92,727	70,830	39,093	37,674
Acquisition cost for the year	400,007	444,887	96,435	168,255
Translation adjustment	-	-	-	-
Total acquisition cost for the year	492,734	515,717	135,528	205,929
Amortisation during the year (Note 38.1)	(415,609)	(422,990)	(100,853)	(166,836)
At 31 December	77,125	92,727	34,675	39,093
Current	77,125	92,727	34,675	39,093
Non Current	-	-	-	-
	77,125	92,727	34,675	39,093

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
9.2 Deferred acquisition costs analysis				
Fire	357	8,807	3,247	4,919
General accident	36,535	40,888	3,339	7,756
Motor	46,611	43,138	14,611	10,685
Aviation	(19,856)	(15,838)	-	-
Marine	1,797	1,318	1,797	1,318
Agric	219	79	219	79
Engineering	364	473	364	473
Oil and Energy	5	249	5	249
	66,032	79,114	23,582	25,479
Life business				
Individual Life	-	-	-	-
Group Life	11,093	13,614	11,093	13,614
	77,125	92,728	34,675	39,093
10. Loans and advances customers				
Overdrafts	-	-	-	-
Term loans	898	3,876	-	-
Mortgage loans	145,777	73,685	-	-
Staff loans	-	-	-	-
	146,675	77,561	-	-
Impairment on loans and advances to customers (Note 10.1)	-	-	-	-
	146,675	77,561	-	-
Current	117,340	62,049	-	-
Non Current	29,335	15,512	-	-
	146,675	77,561	-	-
10.1 Movements in impairment on loans and advances to customers:				
At 1 January	-	85,276	-	-
(Write back)/charge in the year (Note 45)	(32,533)	1,763	-	-
Reclassified	-	83,511	-	-
Recovery in the year	32,533	(170,550)	-	-
At 31 December	-	-	-	-

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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'.

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
11. Non current assets held for sale				
At 1 January	6,307,411	4,093,324	-	-
Additions during the year (Note 11.2)	21,902	3,324	-	-
Disposal during the year	(20,341)	(275,001)	-	-
Transfer from property, plant and equipment (Note 17a)	-	-	-	-
Transfer from investment properties (Note 16)	-	2,369,807	-	-
Fair value gain on revaluation	314,091	115,957	-	-
Translation adjustment	(0)	(0)	-	-
At 31 December	6,623,063	6,307,411	-	-
Current	-	-	-	-
Non Current	6,623,063	6,307,411	-	-
	6,623,063	6,307,411	-	-

11.1 Few properties owned by parent company and one of the subsidiaries in the Group has been classified as non-current assets held for sale when it is expected that the carrying amount will be recovered principally through sale rather than from continuing use. For this to be the case, the property has been designed for immediate sale in its present condition subject only to terms that are usual and customary for sales of such property and its sale is highly probable. For the sale to be highly probable.

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

11.2 This represents approval by the board of the Group to sale certain properties as analysed below.

Name of properties	Locations	Company only		Market value N'000
		Book value N'000	Revaluation surplus N'000	
1-Ibekwe Road ,Ikot-Abasi A/Ibom (No. 202, Ibekwe Road)	Rivers	5,280	-	5,280
2-24,Awolowo road Ibadan (By J. Allen, Dugbe, Ibadan)	Ibadan	157,500	50,000	207,500
3-Block XXV111, PLOT 1 & 2 , Mainland Park, Abeokuta	Ogun	5,500	-	5,500
4-Ijora Chieftancy & Council, Moshood Abiola Rd, Ijora	Lagos	1,959,786	-	1,959,786
5-Plot 498 Shiroro Road Tunga, Minna	Abuja	62,640	-	62,640
6-Plot 2186 IBB way, Wuse Zone 4, Abuja	Abuja	2,929,000	500,000	3,429,000
7-4.2 Hectares of Land at Mayegun Tourism Scheme, Lekki	Lagos	2,940,000	-	2,940,000
8-43/45, Akinoye Street, Idimu, Lagos	Lagos	6,600	-	6,600
9-Rumuodamaya Village - P/H along airport road (Gas Area, Off Airport Road)	Rivers	34,560	-	34,560
10-House 14 Road C Karu Housing Estate, Karu Abuja	Rivers	19,980	-	19,980
11-Plot 41 Borno Crescent, Independent Way Kaduna (Plot 41/42, Independence Way, Marata Estate)	FCT	97,200	-	97,200
12-Block SB3, Flat 14, NNPC Quarters, Garki Abuja	Abuja	51,840	-	51,840
13-Block SB5, Flat 14, NNPC Quarters, Garki Abuja	Abuja	51,840	-	51,840
14-Block SB2, Flat 16, NNPC Quarters, Garki Abuja	Abuja	51,840	-	51,840
15-Block SB4, Flat 16, NNPC Quarters, Garki Abuja	Abuja	51,840	-	51,840
16-Block SB9, Flat 16, NNPC Quarters, Garki Abuja	Abuja	51,840	-	51,840
17-Block SB10, Flat 16, NNPC Quarters, Garki Abuja	Abuja	51,840	-	51,840
18-Block 1, Flat 22, Lukulu St., Wuse Abuja	Abuja	16,200	-	16,200
19-Block 3, Flat 4, Lukulu St., Wuse, Abuja	Abuja	16,200	-	16,200
20-Block 9, Flat 9, Sassandra St., Wuse Abuja	Abuja	19,400	-	19,400
21-Block 9, Flat 10, Sassandra Street, Wuse Abuja	Abuja	19,400	-	19,400
22-Property at Ikorodu Industrial Estate	Lagos	215,000	-	215,000
23-Kaduna Land (Plot NAC 10 Abubakar Kigoro Road)	Kaduna	10,450	-	10,450
24-PLOT 3C, BLK 1V, Ibara, GRA, Abeokuta	Ogun	48,780	-	48,780
		8,874,516	550,000	9,424,516

*The Group is committed to a plan to sell the property and an active programme to locate a buyer and complete the plan have been initiated

*The property is being actively marketed for sale at a price that is reasonable in relation to its current fair value.

*The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, all things being equal.

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Company	2020				
	Assets	Impairment			
	At 31 Dec N'000	At 1 Jan N'000	(Write back) N'000	At 31 Dec N'000	Net N'000
Description of assets					
Receivable from related parties (Note 13di)	3,984,155	4,501,861	(517,706)	3,984,155	-
Commission receivable on reinsurance ceded	9,995	-	9,995	9,995	-
Deposit for shares (Note 12.3)	500,000	500,000	-	500,000	-
Accrued income	71,770	35,234	36,536	71,770	-
Withholding tax receivables	-	-	-	-	-
Prepaid rents and rates	462	-	-	-	462
Other receivables (Note 12.4)	1,287,936	754,404	47,536	801,940	485,996
	<u>5,854,318</u>	<u>5,791,499</u>	<u>(423,639)</u>	<u>5,367,860</u>	<u>486,458</u>

Description of assets	2019				
	Assets	Impairment			
	At 31 Dec N'000	At 1 Jan N'000	(Write back)/ N'000	At 31 Dec N'000	Net N'000
Receivable from related parties	4,356,616	4,501,861	-	4,501,861	(145,245)
Commission receivable on reinsurance ceded	3,633	-	-	-	3,633
Deposit for shares (Note 12.3)	500,000	500,000	-	500,000	-
Accrued income	104,592	48,814	(13,580)	35,234	69,358
Withholding tax receivables	-	-	-	-	-
Other receivables (Note 12.4)	1,190,987	754,404	-	754,404	436,583
Prepaid rents and rates	462	-	-	-	462
	<u>6,156,290</u>	<u>5,805,079</u>	<u>(13,580)</u>	<u>5,791,499</u>	<u>364,791</u>

12.3 Accrued income

This relates to collectibles on investment income and property rental income as analyzed below:

	2020			2019		
	Amount N'000	Provision for impairment N'000	Net carrying amount N'000	Amount N'000	Provision for impairment N'000	Net carrying amount N'000
Accrued income						
Accrued income receivable from unquoted investments	47,900	(47,900)	-	47,900	(47,900)	-
Accrued income receivable from other investments	914	(914)	-	914	(914)	-
Accrued rental income receivable on real estate properties	22,956	-	22,956	55,778	-	55,778
	<u>71,770</u>	<u>(48,814)</u>	<u>22,956</u>	<u>104,592</u>	<u>(48,814)</u>	<u>55,778</u>

12.4 Other receivables

This relates to receivables as analysed below:

Other debtors	1,243,453	(1,194,672)	48,781	955,956	(928,603)	27,353
Global Trust Savings and Loans Limited	-	-	-	206,330	-	206,330
Commission float	44,460	-	44,460	28,700	-	28,700
	<u>1,287,913</u>	<u>(1,194,672)</u>	<u>93,241</u>	<u>1,190,987</u>	<u>(928,603)</u>	<u>262,384</u>

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
b) Sale of:				
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>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

d) Balances with related parties

Receivables from and payable to related parties are as follows:

i) Receivables from related parties

Monarch Communications Ltd	-	-	2,547,343	2,633,523
Global trust Savings & Loans Ltd	-	189,687	175,969	189,687
IGI Pension Fund Managers Ltd	92,983	92,983	92,983	92,983
All crown Registrars Ltd	-	56,407	56,407	56,407
Intl Health Mgt Services Ltd	-	243,409	90,110	243,408
NIC Holdings Limited, Uganda	-	-	-	-
IGI Gamstar Ins Co. Ltd, Gambia	-	-	27,235	27,235
IGI Life Assurance Ghana Ltd	41,852	41,852	41,852	41,852
Industrial and General Insurance (Ghana) Company Ltd	-	-	-	-
Offshore Prod. Engineering	29,233	29,233	29,233	29,233
Industrial Energy Company	251,206	251,206	251,206	251,206
Apex Airline	129,560	129,560	129,560	129,560
Andrew Robins Ltd.	74,062	74,062	74,062	74,062
Shaw Environment & Infrastruct. Nig.	243,436	243,436	243,436	243,436
Sierra Leone Project	32,058	32,058	32,058	32,058
First Securities Discount House Ltd.	-	119,266	-	119,266
Others	194,567	192,698	192,701	192,700
	<u>1,088,957</u>	<u>1,695,857</u>	<u>3,984,155</u>	<u>4,356,616</u>

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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:

	Group 2020 N'000	Subsidiaries 2019 N'000	Group 2020 N'000	Subsidiaries 2019 N'000
Summary of results:				
Summary of financial position:				
Total assets	50,490,802	9,894,407	54,631,381	15,307,688
Total liabilities	<u>(37,996,019)</u>	<u>(9,171,491)</u>	<u>(43,163,073)</u>	<u>(15,154,318)</u>
Equity attributable to owners of the company				
Non-controlling interests	<u>12,494,782</u>	722,916	<u>11,468,308</u>	153,370
	<u>(66,634)</u>	<u>(129,103)</u>	<u>(184,902)</u>	<u>72,864</u>
Summary of statement of profit or loss and other comprehensive income:				
Revenue	4,259,468	4,426,671	842,456	786,643
Other operating incomes	610,013	669,049	249,477	307,417
Expenses	<u>(1,370,944)</u>	<u>(2,238,616)</u>	<u>(559,396)</u>	<u>(791,264)</u>
Loss for the year	<u>3,498,537</u>	<u>2,857,104</u>	<u>532,537</u>	<u>302,796</u>
Loss attributable to owners of the company	1,227,339	5,706,600	843,917	5,209,595
Loss attributable to the non-controlling interests	<u>(75,335)</u>	<u>(71,548)</u>	-	-
Loss for the year	<u>1,152,004</u>	<u>5,635,052</u>	<u>843,917</u>	<u>5,209,595</u>
Other comprehensive income/(loss) attributable to owners of the company				
Other comprehensive loss to the non-controlling interests	-	-	-	-
Other comprehensive income for the year	<u>545,157</u>	<u>(836,883)</u>	<u>263,312</u>	<u>99,235</u>
Total comprehensive income attributable to owners of the company				
Total comprehensive income to the non-controlling interests	1,772,496	4,869,717	1,107,229	5,308,830
	<u>(75,335)</u>	<u>(71,548)</u>	-	-
Total comprehensive income for the year	<u>1,697,161</u>	<u>4,798,169</u>	<u>1,107,229</u>	<u>5,308,830</u>
Dividends paid to non controlling interests	-	-	-	-
Summary of cash flows:				
Net cash out flow from operating activities	(1,036,289)	135,171	(1,116,788)	265,103
Net cash out flow from investing activities	51,445	(1,453,483)	1,666,181	1,107,413
Net cash (out)/in flow from financing activities	<u>(319,593)</u>	<u>105,735</u>	<u>77,295</u>	<u>(449,868)</u>
Net cash out flow	<u>(268,148)</u>	<u>(1,347,748)</u>	<u>1,743,476</u>	<u>657,545</u>

14.5 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.

14.6 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 2020

	Group	Company	Company	Company
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
ii) Payables to related parties				
IGI Pension fund managers Ltd	145,112	145,112	145,112	145,112
Due to Directors	49,138	49,138	49,138	49,138
Industrial and General Insurance Plc	-	(244,575)	-	-
Global trust Savings & Loans Ltd	-	570,675	-	-
	-	-	-	-
	<u>194,250</u>	<u>520,350</u>	<u>194,250</u>	<u>194,250</u>

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.

	Group	Company	Company	Company
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
14. Investment in subsidiaries				
Cost of investments:				
At 1 January	-	-	4,005,195	4,005,195
Addition in the year	-	-	-	-
	-	-	4,005,195	4,005,195
Impairment on investment in subsidiaries (Note 14.1)	-	-	(615,411)	(615,411)
	-	-	<u>3,389,784</u>	<u>3,389,784</u>

14.1 Movements in impairment on investment in subsidiaries:

At 1 January	-	-	615,411	671,276
Write back during the year (Note 45)	-	-	-	(55,865)
Translation adjustment	-	-	-	-
At 31 December	<u>-</u>	<u>-</u>	<u>615,411</u>	<u>615,411</u>

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 2020

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	Cost N	Accumulated Impairment N	Impairment/ Write back during the year N	Carrying Amount N
Monarch communications Ltd	Nigeria	568,600	56.86	Discontinued	568,600	(568,600)	-	-
Global trust Savings & Loans Ltd	Nigeria	1,086,030	98.73	Operational	2,086,000	-	-	2,086,000
All crown Registrars Ltd	Nigeria	134,845	80	Operational	158,500	(11,142)	(13,822)	133,536
Intl Health Mgt Services Ltd	Nigeria	408,048	84.47	Operational	320,000	-	-	320,000
NIC Holdings Limited, Uganda	Uganda	(118,835)	64.95	Operational	721,398	-	-	721,398
IGI Gamstar Ins Co. Ltd, Gambia	Gambia	918,000	60	Operational	128,850	(69,687)	69,687	128,850
					<u>3,983,348</u>	<u>(649,429)</u>	<u>55,865</u>	<u>3,389,784</u>

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 2020

	Group		Company	
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
15. Intangible ssets				
Computer Software (Note 15.1)	21,937	21,797	-	-
	21,937	21,797	-	-
Current	-	-	-	-
Non Current	21,937	21,797	-	-
	21,937	21,797	-	-
15.1 Movement in Computer software				
Cost				
At 1 January	79,304	54,008	52,600	52,600
Additions during the year	27,521	25,296	-	-
Translation adjustment	(0)	0	-	-
At 31 December	106,825	79,304	52,600	52,600
Amortisation and impairment				
At 1 January	57,507	54,008	52,600	52,600
Charged during the year	27,381	3,499	-	-
Translation adjustment	(0)	-	-	-
At 31 December	84,888	57,507	52,600	52,600
Carrying amount	21,937	21,797	-	-

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.

	Group		Company	
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
16. Investment properties				
At valuation:				
At 1 January	24,991,812	21,431,639	24,869,411	17,753,486
Additions	588,757	1,092	-	-
Transfer from Subsidiary	-	-	-	-
Disposals	(1,185,975)	(1,194,829)	(1,100,000)	(362,100)
Transfer to assets held for sale (Note 11)	-	(2,369,807)	-	-
Transfer to property, plant and equipment (Note 17a)	-	(542,562)	-	-
Fair value gain	2,379,672	7,666,279	2,350,000	7,478,025
Translation adjustments	(0)	-	-	0
At 31 December	26,774,266	24,991,812	26,119,411	24,869,411

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
16.1 Of the investment properties, the following relates:				
Policyholder Fund	15,290,197	15,382,316	11,880,786	11,312,206
Shareholders fund	2,999,670	3,017,742	3,719,168	3,541,179
Deposi Administration	5,782,572	5,817,410	7,169,573	6,826,458
Others	2,701,827	2,718,105	3,349,884	3,189,568
Total	26,774,266	26,935,573	26,119,411	24,869,411

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 Land at No. 44E Gerard Road, Ikoyi, Lagos valued at N1,100,000,000.

iii) Rental income for the year on the Group was N328.6 million (31 Dec 2019: N310.5 million) while the Company was N 95.2 million (31 Dec 2019: N132.4 million).

iv) Certain Land and Buildings were revalued in December 2020 by Messrs Ora Egbunike & Associates chartered surveyors and valuers (FRC/2012/NIESV/000000244). The valuation was based on open market value between a willing buyer and seller produced a surplus balance of N2,350 billion (Dec 2019: N7.478 billion) 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.

16.1.2 Summary of Investment Properties and Property, Plant & Equipment - Company

	Land N'000	Building N'000	Total 2020 N'000	Total 2019 N'000
Property, plant & equipment (Note 17.1)	4,247,100	1,688,000	5,935,100	6,335,100
Investment property - local (Note 16.3)	23,512,737	2,199,783	25,712,520	24,462,520
Total real estate properties valuation - local	27,759,837	3,887,783	31,647,620	30,797,620
Investment properties valuation - local	23,512,737	2,199,783	25,712,520	24,462,520
Investment properties valuation - foreign (Note 16.2)	406,891	-	406,891	406,891
Total investment properties	23,919,628	2,199,783	26,119,411	24,869,411

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

16.2 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, 2020

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							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					400,000,000		220,000,000	840,000,000	1,060,000,000
Property at Tourism Zone, near Alpha Beach, Lekki, Lagos.	Lagos State	9,146,900,000	-	9,146,900,000					600,000,000		9,746,900,000	-	9,746,900,000
4.2 Hectares of Land at Mayegun Tourism Scheme, Lekki	Lagos State	2,855,959,500	84,040,500	2,940,000,000							2,855,959,500	84,040,500	2,940,000,000
Onikoyi Road, Parkview Estate, Ikoyi, Lagos	Lagos State	510,000,000	-	510,000,000							510,000,000	-	510,000,000
NO. 44E, Gerrard Road, Ikoyi, Lagos	Lagos State	1,100,000,000	-	1,100,000,000			1,100,000,000				-	-	-
2B Oroke Drive, Ikoyi, Lagos	Lagos State	325,506,490	6,000,000	331,506,490							325,506,490	6,000,000	331,506,490
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
Property along Moshood Abiola Road (formerly Apapa Road) Ijora Basdia, Ijora, Lagos	Lagos State	1,959,785,205	-	1,959,785,205							1,959,785,205	-	1,959,785,205
Property Along Oshodi -Apapa Expressway, Awodiora, Lagos	Lagos State	760,000,000	-	760,000,000					300,000,000		1,060,000,000	-	1,060,000,000
Property Along Oshodi -Apapa Expressway, Awodiora, Lagos	Lagos State	730,000,000	-	730,000,000					500,000,000		1,230,000,000	-	1,230,000,000
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							7,370,000	-	7,370,000
Block Vi, Plot 2, Within Nitel/Mtel Carrier Station, Ikorodu	Lagos State	7,370,000	-	7,370,000							7,370,000	-	7,370,000
Block Vii, Plot 17, Within Nitel/Mtel Carrier Station, Ikorodu	Lagos State	7,370,000	-	7,370,000							7,370,000	-	7,370,000
Block X , Plot 5, Within Nitel/Mtel Carrier Station, Ikorodu	Lagos State	7,370,000	-	7,370,000							7,370,000	-	7,370,000
Block X, Plot 6 Within Nitel/Mtel Carrier Station Ikorodu	Lagos State	7,370,000	-	7,370,000							7,370,000	-	7,370,000
Block Vii, Plot 12 Within Nitel/Mtel Carrier Station Ikorodu	Lagos State	7,370,000	-	7,370,000							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							37,800,000	-	37,800,000
Oi Okuta Area, Igbogbo, Ikorodu, Lagos	Lagos State	450,000,000	-	450,000,000							450,000,000	-	450,000,000

FOR THE YEAR ENDED 31 DECEMBER 2020

16.2 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, 2020

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
43/45, Akinoye Street, Idimu,Lagos	Lagos State	6,600,000	-	6,600,000							6,600,000	-	6,600,000
No.595, Agege Motor Road, Lagos	Lagos State	39,000,000	960,000	39,960,000							39,000,000	960,000	39,960,000
Eputu/Werekun Village Ibeju Lekki Ajah, Lagos	Lagos State	25,000,000	-	25,000,000							25,000,000	-	25,000,000
		19,088,164,841	599,420,500	19,687,585,341	-	-	1,100,000,000	-	1,400,000,000	400,000,000	19,388,164,841	999,420,500	20,387,585,341
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
		129,565,000	-	129,565,000	-	-	-	-	-	-	129,565,000	-	129,565,000
Plot 5 & 6 BLK 1, Ring Road, Ibadan	Oyo State	21,800,000	-	21,800,000							21,800,000	-	21,800,000
No. 24, Awolowo Way, by J. Allen, Dugbe, Ibadan	Oyo State	157,500,000	-	157,500,000					50,000,000		207,500,000	-	207,500,000
		179,300,000	-	179,300,000	-	-	-	-	50,000,000	-	229,300,000	-	229,300,000

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
		34,560,000	-	34,560,000	-	-	-	-	-	-	34,560,000	-	34,560,000
Property at No. 202, Ibeke Road ,Ikot-Abasi	Akwa Ibom	5,280,000	-	5,280,000							5,280,000	-	5,280,000
		5,280,000	-	5,280,000							5,280,000	-	5,280,000
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
		32,640,000	30,000,000	62,640,000							32,640,000	30,000,000	62,640,000

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
		25,450,000	82,200,000	107,650,000	-	-	-	-	-	-	25,450,000	82,200,000	107,650,000
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	2,348,817,410	580,182,590	2,929,000,000						500,000,000	2,348,817,410	1,080,182,590	3,429,000,000
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

FOR THE YEAR ENDED 31 DECEMBER 2020

16.2 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, 2020

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 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
Block A14, Flat 3, Games Villages, Abuja	FCT, Abuja	97,200,000	-	97,200,000							97,200,000	-	97,200,000
		3,667,777,410	588,162,590	4,255,940,000	-	-	-	-	-	500,000,000	3,667,777,410	1,088,162,590	4,755,940,000
TOTAL LOCAL INVESTMENT PROPERTY		23,140,937,251	1,299,783,090	24,440,720,341	-	-	1,100,000,000	-	1,450,000,000	900,000,000	23,512,737,251	2,199,783,090	25,712,520,341
Land at Plot 310 Ubumwe Village, Remera, Kigali City	Foreign	406,890,601	-	406,890,601	-	-	-	-	-	-	406,890,601	-	406,890,601
Total local & foreign investments property		406,890,601	-	406,890,601	-	-	-	-	-	-	406,890,601	-	406,890,601
Total foreign investment property		23,547,827,852	1,299,783,090	24,847,610,942	-	-	1,100,000,000	-	1,450,000,000	900,000,000	23,919,627,852	2,199,783,090	26,119,410,942

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

16.3 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, 2019

Property	Location	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
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)			-	-	-
Property along Moshood 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

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

16.3 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, 2019

Property	Location	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 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
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
		11,713,973,146	899,420,500	12,613,393,646	-	-	-	(300,000,000)	7,374,191,695	-	19,088,164,841	599,420,504	19,687,585,345
Building at No. 1 Bendel Steel Structures Road, Eneehen, Effurun, Warri	Delta State		37,260,000	37,260,000				(37,260,000)			-	-	-
			37,260,000	37,260,000	-	-	-	(37,260,000)	-	-	-	-	-
Building at Property along Oyemekun Road, Akure	Ondo State		24,840,000	24,840,000				(24,840,000)			-	-	-
			24,840,000	24,840,000	-	-	-	(24,840,000)	-	-	-	-	-
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, ABEEKUTA	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
		129,565,000	-	129,565,000	-	-	-	-	-	-	129,565,000	-	129,565,000

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

16.3 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, 2019

Property	Location	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
Plot 5 & 6 BLK 1, Ring Road, Ibadan	Oyo State	21,800,000	-	21,800,000							21,800,000	-	21,800,000
No. 24, Awolowo Way, by J. Allen, Dugbe, Ibadan	Oyo State	157,500,000	-	157,500,000							157,500,000	-	157,500,000
		179,300,000	-	179,300,000	-	-	-	-	-	-	179,300,000	-	179,300,000
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
		34,560,000	-	34,560,000	-	-	-	-	-	-	34,560,000	-	34,560,000
Property at No. 202, Ibekwe Road ,Ikot-Abasi	Akwa Ibom	5,280,000	-	5,280,000							5,280,000	-	5,280,000
		5,280,000	-	5,280,000							5,280,000	-	5,280,000
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
		32,640,000	30,000,000	62,640,000							32,640,000	30,000,000	62,640,000
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
		25,450,000	82,200,000	107,650,000	-	-	-	-	-	-	25,450,000	82,200,000	107,650,000
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
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

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

16.3 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, 2019

Property	Location	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 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 2020

16.4. The Status of perfection for the investment properties are as follows:

Description of properties	Location	Status of perfection	Company	
			2020 N	2019 N
1 Building at 4 H NIG.Maiyegun Property, Lekki	Lagos	Perfected title with acquired SPV	9,746,900,000	9,146,900,000
2 Building at Property at Plot 41/42 Independence Way, Marata Estate, Kaduna	FCT	Perfected	-	97,200,000
3 Land at Plot 310 Ubumwe Village, Remera, Kigali City	Foreign	Perfected	406,890,601	406,890,601
4 Land at Ikorodu Industrial Estate, Ikorodu	Lagos	Perfected	-	215,000,000
5 Land at Property Along Oshodi -Apapa (Mile 2 Apapa) Exp., Awodiora, Lagos	Lagos	Perfected	1,230,000,000	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	660,000,000
			12,553,790,601	11,765,990,601
8 Land at No. 44E Gerard Road, Ikoyi, Lagos	Lagos	Disposed post balance sheet	-	1,100,000,000
			-	1,100,000,000
Total Admissible			12,553,790,601	12,865,990,601
15 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
16 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
17 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
18 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
19 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
20 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
21 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
22 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
23 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
24 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
25 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
26 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
27 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

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

16.4. The Status of perfection for the investment properties are as follows:

Description of properties	Location	Status of perfection	Company	
			2020	2019
28 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
29 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
30 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
31 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
32 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
33 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
34 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
Sub-total			277,425,000	396,435,000
35 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
36 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
37 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
38 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
39 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
40 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
41 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
42 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
43 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
44 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
45 Land at Block V, Plot 11, within Nitel/Mtel Carrier Station, Ikorodu, Lagos	Lagos	Not perfected	7,370,000	7,370,000
46 Land at Block X, Plot 5, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Not perfected	7,370,000	7,370,000
47 Land at Block X, Plot 6, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Not perfected	7,370,000	7,370,000

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

16.4. The Status of perfection for the investment properties are as follows:

Description of properties	Location	Status of perfection	Company	
			2020	2019
48 Land at Block VI Plot 2, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Not perfected	7,370,000	7,370,000
49 Land at Block VIII Plot 12, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Not perfected	7,370,000	7,370,000
50 Land at Alasia Sangotedo in Lekki	Lagos	Not perfected	13,250,000	13,250,000
51 Land at Ajah Village Land	Lagos	Not perfected	18,000,000	18,000,000
52 Land at LASG ALASIA LEKKI-EPE PROPERTY	Lagos	Not perfected	25,000,000	25,000,000
53 Building at Block E11, CBN I & J Estate 1, Garki Abuja	Abuja	Not perfected	37,800,000	37,800,000
54 Building at Ibara/Oke-Ilewo Junction, Ibara, Abeokuta, Ogun State	Ogun	Not perfected	65,000,000	65,000,000
55 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
Sub-total			203,270,000	880,430,400
56 Building at No 6 Okunfolami Str. Anthony village Lagos	Lagos	Not perfected	123,420,000	123,420,000
57 Building at No. 2B, Oroke Drive, Ikoyi, Lagos	Lagos	Not perfected	331,506,490	331,506,490
58 Land at Alejo Family (Purchase of Igbogbo Ikorodu land)	Lagos	Not perfected	450,000,000	450,000,000
59 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
60 Building at Plot 3274, Cadastral Zone A6, Maitama, Abuja	Abuja	Not perfected	693,600,000	693,600,000
61 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
62 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
63 Land at Property along Moshood Abiola Road (Formerly Apapa Road) Ijora Badia, Ijora, Lagos	Lagos	Duly excuted deed of assignment with right to realize or transfer the property	-	1,959,785,205
64 Building at Plot 2186 IBB Way, Wuse Zone 4, Abuja	Abuja	Duly excuted deed of assignment with right to realize or transfer the property	762,639,800	2,929,000,000
Sub-total			3,660,409,399	10,726,554,804
Total Inadmissible			4,141,104,399	12,003,420,204
			16,694,895,000	24,869,410,805

The decrease in the list is of inadmissible properties for solvency capital from N12 billion in 2019 to N4 billion in 2020 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 2020

17.1 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, 2020

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
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
No. 574, Lagos - Abeokuta ExpressWay, Abule Egba	LAGOS STATE	58,400,000	28,000,000	86,400,000.00							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				-	-	-
2. Agoro Odiyan Street, Victoria Island	LAGOS STATE	1,404,640,000	660,000,000	2,064,640,000					350,000,000		1,404,640,000	1,010,000,000	2,414,640,000
		2,266,973,000	688,000,000	2,954,973,000	-	-	750,000,000	-	-	350,000,000	1,516,973,000	1,038,000,000	2,554,973,000
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	126,401,000	40,000,000	166,401,000							126,401,000	40,000,000	166,401,000
		132,401,000	40,000,000	172,401,000	-	-	-	-	-	-	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
Property at Akwu-Oda Aba Road, Rumukrussi, Obio/AkporRU MUKRUSSI P/H	Rivers State	275,662,534	-	275,662,534							275,662,534	-	275,662,534
		286,662,534	-	286,662,534	-	-	-	-	-	-	286,662,534	-	286,662,534

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

17.1 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, 2020

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. 75/3C, YAKUBU GOWON WAY JOS	Plateau State	8,595,694	40,000,000	48,595,694	-	-	-	-	-	-	8,595,694	40,000,000	48,595,694
		8,595,694	40,000,000	48,595,694	-	-	-	-	-	-	8,595,694	40,000,000	48,595,694
No. 21/22 UNIVERSITY ROAD, PHASE 1, GBAGWALAD A, 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	2,282,467,362	560,000,000	2,842,467,362							2,282,467,362	560,000,000	2,842,467,362
		2,302,467,362	570,000,000	2,872,467,362	-	-	-	-	-	-	2,302,467,362	570,000,000	2,872,467,362
		4,997,099,590	1,338,000,000	6,335,099,590	-	-	750,000,000	-	-	350,000,000	4,247,099,590	1,688,000,000	5,935,099,590

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

17.2 - Company PPE : 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

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
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 2020

17.3 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
Cost and/or Valuation									
At 1 January 2019	4,955,228	1,803,222	148,452	1,238,966	541,804	589,633	505,736	79,438	9,862,479
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
Translation adjustment	-	-	-	-	-	-	-	-	-
As 31 December 2019	5,013,601	2,883,859	148,452	1,236,001	545,719	591,012	512,138	122,243	11,053,025
At 1 January 2020	5,013,601	2,883,859	148,452	1,236,001	545,719	591,012	512,138	122,243	11,053,025
Additions	-	6,368	-	43,696	15,173	7,177	30,309	148,310	251,033
Revaluation surplus	68,657	325,932	-	-	-	-	-	-	394,589
Disposal	(750,000)	-	-	-	(16,260)	(7,740)	-	-	(774,000)
Translation adjustment	-	-	-	-	-	-	-	-	-
As 31 December 2020	4,332,258	3,216,159	148,452	1,279,697	544,632	590,449	542,447	270,553	10,924,647
Depreciation and impairment	-	-	-	-	-	-	-	-	-
At 1 January 2019	-	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)	-	-	(798)	-	(24,508)
Translation adjustment	-	-	-	-	-	-	-	-	-
As 31 December 2019	-	498,071	148,452	1,207,272	522,575	588,744	499,860	70,191	3,535,165

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

17.3 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
At 1 January 2020	-	498,071	148,452	1,207,272	522,575	588,744	499,860	70,191	3,535,165
Charged for the year	-	43,080	-	21,720	59,193	1,461	23,552	63,541	212,547
Disposal	-	-	-	-	(10,268)	(52,521)	-	-	(62,789)
Reclassified	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Translation adjustment	-	-	-	-	-	-	-	-	-
As 31 December 2020	-	541,151	148,452	1,228,992	571,500	537,684	523,412	133,732	3,684,923
Carrying amount:									
31 December 2019	5,013,601	2,385,788	-	28,729	23,144	2,268	12,278	52,052	7,517,860
31 December 2020	4,332,258	2,675,008	-	50,705	(26,868)	52,765	19,035	136,821	7,239,725

i) Included in the depreciation charged for the year was N93,693,000 (December 2019 : N74,740,000) in the management /administrative expenses and a charge of Nil (December 2019 : 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 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 2020, 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 N349.084 million (Dec 2019: N594.822 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 2020

17.4 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
Cost and/or Valuation								
At 1 January 2019	<u>1,068,222</u>	<u>4,705,563</u>	<u>148,452</u>	<u>1,034,469</u>	<u>403,349</u>	<u>535,054</u>	<u>399,241</u>	<u>8,294,350</u>
Additions	-	-	-	-	-	-	330	330
Revaluation surplus	58,373	502,942	-	-	-	-	-	561,315
Reclassified	<u>3,870,505</u>	<u>(3,870,505)</u>	-	<u>(1,492)</u>	-	-	-	<u>(1,492)</u>
As 31 December 2019	<u>4,997,100</u>	<u>1,338,000</u>	<u>148,452</u>	<u>1,032,977</u>	<u>403,349</u>	<u>535,054</u>	<u>399,571</u>	<u>8,854,503</u>
At 1 January 2020	<u>4,997,100</u>	<u>1,338,000</u>	<u>148,452</u>	<u>1,032,977</u>	<u>403,349</u>	<u>535,054</u>	<u>399,571</u>	<u>8,854,503</u>
Additions	-	-	-	-	-	-	-	-
Reclassified	-	-	-	-	-	-	-	-
Revaluation surplus	-	350,000	-	-	-	-	-	350,000
Disposal (Note 49.2)	<u>(750,000)</u>	-	-	-	-	-	-	<u>(750,000)</u>
As 31 December, 2020	<u>4,247,100</u>	<u>1,688,000</u>	<u>148,452</u>	<u>1,032,977</u>	<u>403,349</u>	<u>535,054</u>	<u>399,571</u>	<u>8,454,503</u>
Depreciation and impairment								
At 1 January 2019	-	<u>383,618</u>	<u>148,452</u>	<u>1,034,466</u>	<u>401,108</u>	<u>532,098</u>	<u>398,766</u>	<u>2,898,508</u>
Charged for the year	-	26,760	-	-	1,536	2,184	333	30,813
Revaluation adjustment	-	-	-	-	-	-	-	-
Reclassified	-	-	-	<u>(1,492)</u>	-	-	-	<u>(1,492)</u>
As 31 December 2019	-	<u>410,378</u>	<u>148,452</u>	<u>1,032,974</u>	<u>402,644</u>	<u>534,282</u>	<u>399,099</u>	<u>2,927,829</u>
At 1 January 2020	-	<u>410,378</u>	<u>148,452</u>	<u>1,032,974</u>	<u>402,644</u>	<u>534,282</u>	<u>399,099</u>	<u>2,927,829</u>
Charged for the year	-	33,760	-	-	556	351	277	34,944
Disposal	-	<u>(0)</u>	-	-	-	-	-	<u>(0)</u>
As 31 December 2020	-	<u>444,138</u>	<u>148,452</u>	<u>1,032,974</u>	<u>403,200</u>	<u>534,633</u>	<u>399,376</u>	<u>2,962,773</u>
Carrying amount:								
31 December 2019	<u>4,997,100</u>	<u>927,622</u>	-	<u>3</u>	<u>705</u>	<u>772</u>	<u>472</u>	<u>5,926,674</u>
31 December 2020	<u>4,247,100</u>	<u>1,243,862</u>	-	<u>3</u>	<u>149</u>	<u>421</u>	<u>195</u>	<u>5,491,730</u>

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

17.b Analysis of revaluation surplus

Description of properties	31 December 2020					
	At 1 January	Addition	Disposal	Adjustment	Fair value	At 31
	N'000	N'000	N'000	N'000	gain N'000	December N'000
9, Lebanon Street, Ibadan	166,401	-	-	-	-	166,401
Plot 75/3c Yakubu Gowon Way Jos	48,596	-	-	-	-	48,596
Plot 722 Akibo Savage VI Lagos	-	-	-	-	-	-
'Plot 758 Cadestral Zone AO, CBD Abuja(Annex)	2,842,479	-	-	-	-	2,842,479
Commercial Land @ Rumukrussi P/H	275,662	-	-	-	-	275,662
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	2,064,640	-	-	-	350,000	2,414,640
	6,335,111	-	(750,000)	-	350,000	5,935,111
Depreciation and impairment	(458,337)	-	-	(11)	-	(444,149)
	5,876,774	-	(750,000)	(11)	350,000	5,490,962

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

17.b Analysis of revaluation surplus

Description of properties	31 December 2019					At 31 December N'000
	At 1 January N'000	Addition N'000	Transfers from subsidiaries N'000	Disposal N'000	Fair value gain N'000	
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	2,842,479
Commercial Land @ Rumukrussi P/H	217,289	-	-	-	58,373	275,662
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.	1,947,200	-	-	-	117,440	2,064,640
	5,773,796	-	-	-	561,315	6,335,111
Depreciation and impairment	(458,327)	-	-	(10)	-	(458,337)
	5,315,469	-	-	(10)	561,315	5,876,774

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

i) Included in the depreciation charged for the year was N1,183,697 (December 2019 :N4,053,299) 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) No impairment of property, plant and equipment during the year.

iii) 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 2020, 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 N350 million (Dec 2019: N561.315 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.

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
18. Statutory deposits				
At 1 January	555,267	554,608	500,000	500,000
Reclassification of WHT on opening bills	-	(504)	-	-
Additions during the year	85,910	74,652	-	-
Withdrawals during the year	(95,972)	(80,553)	-	-
Interest earned	-	7,129	-	-
Impairment provision on statutory deposit	(89)	(65)	-	-
Translation adjustment	0	-	-	-
At 31 December	545,116	555,267	500,000	500,000
Current	-	7,129	-	-
Non Current	545,116	548,138	500,000	500,000
	545,116	555,267	500,000	500,000

18.1 This represents the amount deposited with the Central Bank of Nigeria as at 31 December 2020 (2019: 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 2020

	Group		Company	
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
19. Share capital				
19.1 Authorised:				
24,000,000,000 ordinary shares of 50 kobo per share	12,000,000	12,000,000	12,000,000	12,000,000
19.2 Issued and fully paid:				
14,231,237,284 ordinary shares of 50 kobo per share				
Movement in issued and fully paid				
At 1 January	7,115,619	7,115,619	7,115,619	7,115,619
At 31 December	7,115,619	7,115,619	7,115,619	7,115,619
19.3 Share premium				
Number (units) of shares issued	14,231,237	14,231,237	14,231,237	14,231,237
Issue price	-	-	-	-
Issue proceeds (in Naira)	8,530,781	8,530,781	8,530,781	8,530,781
Nominal value	-	-	-	-
Issue expenses	-	-	-	-
At 31 December	8,530,781	8,530,781	8,530,781	8,530,781
19.3a Premiums from the issue of shares are reported in share premium.				
20. Assets revaluation reserve				
At 1 January	6,256,758	5,684,590	5,858,892	5,392,050
Gain on valuation of property, plant and equipment	394,589	594,822	350,000	561,315
Deferred tax effect - OCI	(35,000)	(22,654)	(35,000)	(94,473)
Disposal of property, plant & equipment	-	-	(650,300)	-
Transfer to retained earnings (Note 23)	-	-	-	-
Revaluation adjustment	-	-	-	-
Translation adjustment	(650,300)	-	-	-
At 31 December	5,966,047	6,256,758	5,523,592	5,858,892

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 2020

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
21. Fair value reserve				
At 1 January	136,812	608,791	122,231	489,840
Fair value loss for the year (Note 6.2)	(320,735)	(391,540)	(51,688)	(367,607)
Deferred tax effect	-	(80,439)	-	-
Translation adjustment	-	0	0	(2)
At 31 December	<u>(183,923)</u>	<u>136,812</u>	<u>70,543</u>	<u>122,231</u>

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.

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
22. Contingency reserve				
At 1 January	4,218,011	3,184,596	3,707,698	2,884,130
Transfer from retained earnings (Note 23)	(413,853)	1,033,415	257,358	823,568
Share of surplus/transfer from life fund	-	-	146,452	-
Translation adjustment	0	-	-	-
At 31 December	<u>3,804,158</u>	<u>4,218,011</u>	<u>4,111,508</u>	<u>3,707,698</u>

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 2020

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
23. Loss sustained				
At 1 January	(13,308,924)	(17,982,107)	(14,020,283)	(18,406,310)
Gain/(loss) for the year	1,152,004	5,706,598	843,917	5,209,595
Dividend paid / declared	-	-	-	-
Transfer to capital reserve(Note 24)	(11,723)	-	-	-
Transfer to statutory reserve (Note 26)	(14,463)	-	-	-
Transfer to contingency reserve(Note 22)	413,853	(1,033,415)	(257,358)	(823,568)
Transfer from assets revaluation reserve (Note 20)	-	-	-	-
Impact of investment reclassified to available for sale	-	-	-	-
Reclassifications				
Translation adjustment				
At 31 December	(11,769,254)	(13,308,924)	(13,580,176)	(14,020,283)
24. Capital reserve				
At 1 January	134,236	134,236	-	-
Transfer from retained earnings (Note 23)	11,723	-	-	-
Translation adjustment	0	(0)	-	-
At 31 December	145,959	134,236	-	-

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.

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
25. Foreign exchange reserve				
At 1 January	(1,612,692)	(556,027)	-	-
Movement during the year (Note 57.3)	367,650	(1,056,665)	-	-
Translation adjustment	(1)	-	-	-
At 31 December	(1,245,043)	(1,612,692)	-	-
26. Statutory(regulatory) reserve				
At 1 January	182,607	182,607	-	-
Transfer from retained earnings (Note 23)	14,463	-	-	-
Translation adjustment	(0)	(0)	-	-
At 31 December	197,070	182,607	-	-

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
27. Non controlling interest				
The Non-Controlling interest in the subsidiaries is hereby presented below:				
At 1 January	(184,902)	(113,805)	-	-
Loss for the year	(75,335)	(71,548)	-	-
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	(1,271)	12,746	-	-
Share of reversal of revaluation	-	-	-	-
Share of fairvalue reserve	11,768	319	-	-
Share of contingency reserve	2,853	-	-	-
Share of capital reserve	-	-	-	-
Share of foreign exchange reserve	40,417	(10,461)	-	-
Share of statutory(regulatory) reserve	(374)	(244)	-	-
Share of surplus/transfer from life fund	-	-	-	-
Deferred tax effect	-	(3,920)	-	-
Translation adjustment	140,210	2,011	-	-
At 31 December	(66,634)	(184,902)	-	-
28. Insurance contract liabilities				
Reserve for Reported claims by policy holders - Outstanding Claims - Life Business (Note 28.1.i.b)	3,410,039	3,323,038	3,398,292	3,247,354
Reserve for Reported claims by policy holders - Outstanding Claims -Non Life Business (Note 28.1.i.b)	3,034,248	2,486,052	2,773,239	2,486,052
Reserve for Reported claims by policy holders - Outstanding Claims - HMO (Note 28.1.i.b)	365,908	24,335	-	-
Provision for Claims incurred but not reported (IBNR) - Life business (Note 28.1.i.a)	47,926	47,926	47,926	47,926
Provision for Claims incurred but not reported (IBNR) - Non - Life business (Note 28.1.i.a)	230,140	192,616	153,250	148,817
Outstanding Claims Provision (Note 28.1)	7,088,261	6,073,967	6,372,706	5,930,149
Unearned Premium (Note 28.2)	1,744,252	1,703,135	173,549	166,577
Additional Unexpired Risk Reserve (AURR)	-	-	-	484
Reserve for life fund - Unexpired risk/Insurance fund	2,235,887	2,501,518	1,959,695	2,191,418
Unearned Life Insurance Contract (Note 28.2)	151,270	151,754	151,270	151,270
Outstanding Claims - Part Payment	-	-	-	-
Total Insurance Contract Liabilities	11,219,670	10,430,374	8,657,220	8,439,898
Current	5,048,852	4,693,668	3,895,749	3,797,954
Non Current	6,170,819	5,736,706	4,761,471	4,641,944
	11,219,670	10,430,374	8,657,220	8,439,898

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
28.1 Outstanding Claims				
i.a) Incurred but not reported (IBNR)				
General business:				
Fire	50,480	42,856	21,567	35,995
General accident	55,295	61,366	30,565	48,393
Motor	46,570	28,860	28,641	10,566
Aviation and marine	21,950	31,886	16,632	26,215
Agric	-	-	-	-
Engineering	39,292	12,800	39,292	12,800
Oil and Energy	16,553	14,848	16,553	14,848
Health Management Services (HMO)	-	-	-	-
Total	230,140	192,616	153,250	148,817
i.b) Reported claims				
i) General business:				
Fire	293,700	84,420	75,558	84,420
General accident	210,570	178,375	187,205	178,375
Motor	82,834	78,329	63,332	78,329
Aviation and marine	305,028	305,028	305,028	305,028
Agric	-	22,140	-	22,140
Engineering	489,857	489,857	489,857	489,857
Oil and Energy	1,652,259	1,327,903	1,652,259	1,327,903
Total Reported Claims - Non - Life	3,034,248	2,486,052	2,773,239	2,486,052
Health Management Services (HMO)	365,908	24,335	-	-
Total Claims reserve - Non - Life & HMO	3,630,296	2,703,003	2,926,489	2,634,869
ii) Life business				
i.a) Incurred but not reported (IBNR)	47,926	47,926	47,926	47,926
i.b) Reported claims	3,410,039	3,323,038	3,398,292	3,247,354
Total Claims reserve - Life	3,457,965	3,370,964	3,446,218	3,295,280
Total	7,088,261	6,073,967	6,372,707	5,930,149
28.1a The movement in the provision for outstanding claims;				
At 1 January	6,073,967	6,793,046	5,930,148	6,565,353
Movement during the year (Note 37.1b)	1,165,229	(719,079)	442,556	(635,205)
At 31 December	7,239,196	6,073,967	6,372,704	5,930,148

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
28.2 Unearned premium and unexpired risk				
i) General business:				
Fire	87,488	95,057	16,962	24,559
General accident	391,717	250,197	24,174	38,289
Motor	497,600	407,909	120,689	92,726
Aviation and marine	660,400	549,454	8,983	7,067
Agric	-	-	-	-
Engineering	2,468	2,447	2,468	2,447
Oil and Energy	273	1,972	273	1,972
Health Management Services (HMO)	104,306	396,582	-	-
	1,744,252	1,703,618	173,549	167,060
ii) Life business				
Group business	-	-	-	-
Individual business	151,270	151,270	151,270	151,270
	151,270	151,270	151,270	151,270
Total	1,895,522	1,854,888	324,819	318,330

28.2a Movement in the unexpired risks account during the year was as follows:

At 1 January	1,854,888	1,062,817	318,330	342,458
Additions during the year	(49,220)	1,416,284	(556,540)	(1)
Amortised during the year	89,854	(624,213)	6,487	(24,127)
Translation adjustment	-	-	-	-
At 31 December	1,895,522	1,854,888	324,819	318,330

28.2b Movement in Life Insurance Fund

At 1 January	2,501,518	2,325,801	2,191,418	2,189,839
Movement during the year (Note 39)	(265,631)	175,717	(231,723)	1,579
At 31 December	2,235,887	2,501,518	1,959,695	2,191,418

28.3 Actuarial valuation of life fund

The latest available actuarial valuation of the life business funds was as at 31 December 2020. The actuarial value of the net liability of the fund was 1,959,695,000 (31 Dec 2019 : N2,191,418,000) 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 2020

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 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 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 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 used in the valuation is 14.21%.

28.4 Age analysis of Outstanding claims: 31 December 2020

a. age analysis as follows:

Days	Number of	
	Claimants	Amount
	N'000	
0-90 days	127	50,792
91-180 days	16	7,386
181-270 days	41	27,142
271-365 days	22	60,221
365+ days	2,293	6,025,989
	<u>2,499</u>	<u>6,171,531</u>

b. by reason as follows:	0-90 days		91-180 days		181-270 days		271-365 days		365+ days		Total
	QTY	N'000	QTY	N'000	QTY	N'000	QTY	N'000	QTY	N'000	QTY
Discharge voucher signed and returned to policyholders	180	374,870	18	17,187	20	7,391	10	56,601	1396	3,500,863	1,624
Discharge Vouchers not yet signed											-
Claims reported but incomplete documentation	6	12,496		-	7	2,587	12	67,921	850	2,129,115	875
Claims reported but being adjusted											
Total	186	387366	18	17187.3246	27	9978.284	22	124522.4134	2246	5629977.689	2499

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

28.4 Age analysis of Outstanding claims:

31 December 2019

a. age analysis as follows:

Days	Number of	
	Claimants	Amount
0-90 days	20	17,348
91-180 days	8	17,257
181-270 days	17	13,080
271-365 days	12	125,022
365+ days	2,277	5,560,698
Grand Total	2,334	5,733,406

b. by reason as follows:	0-90 days		91-180 days		181-270 days		271-365 days		365+ days		To
	QTY	N'000	QTY	N'000	QTY	N'000	QTY	N'000	QTY	N'000	QTY
Discharge voucher signed and returned to policyholders	9	7,807	4	17,257	11	8,464	4	41,674	1577	3,851,217	1,605
Discharge Vouchers not yet signed	-	-	-	-	-	-	-	-	-	-	-
Claims reported but incomplete documentation	11	9,541	-	-	6	4,617	8	83,348	700	1,709,481	725
Claims reported but being adjusted	-	-	-	-	-	-	-	-	-	-	-
Total	20	17,348	4	17,257	17	13,080	12	125,022	2277	5,560,698	2330

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1,807,712

-

5,735,736

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
29. Investment contract liabilities				
29.1 Deposit administration				
At 1 January	9,502,358	9,819,966	9,116,440	8,626,085
Additions during the year:				
Receipts on deposit administration on Group	50,248	-	21	31
Receipts on Investment premium on Individual life	340,664	593,280	340,664	540,630
Withdrawals during the year:				
Withdrawals - Deposit administration on Group life	(289,267)	-	(58,519)	-
Withdrawals - Investment contracts on Individual life	(835,257)	(1,337,477)	(626,769)	(423,374)
	(733,612)	(744,197)	(344,603)	117,287
	8,768,746	9,075,769	8,771,837	8,743,372
Guaranteed interest:				
Deposit administration on Group and individual life (Note 43)	-	-	-	-
Investment premium on Individual life (Note 43)	547,208	429,111	217,426	375,590
Fee income:				
Deposit administration on Group and individual life (Note 43)	-	-	-	-
Investment premium on Individual life (Note 43)	-	-	-	-
Actuarial surplus/(deficit) during the year (Note 43)	1,609,904	(2,522)	1,660,285	(2,522)
Translation adjustment	(0)	(0)	-	-
At 31 December	10,925,858	9,502,358	10,649,548	9,116,440
29.2 Managed funds	61,565	57,248	-	-
Total Investment Contract Liabilities	10,987,423	9,559,606	10,649,548	9,116,440
Current	-	3,565,598	-	3,510,776
Non Current	10,987,423	5,994,008	10,649,548	5,605,664
	10,987,423	9,559,606	10,649,548	9,116,440

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.

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
30. Trade payables				
Due to Reinsurance	1,150,106	1,614,927	437,830	904,519
Due to Co-insurance	587,946	547,681	587,946	547,680
Commissions and other payables to brokers	342,089	306,362	174,529	135,894
	<u>2,080,141</u>	<u>2,468,970</u>	<u>1,200,305</u>	<u>1,588,093</u>
31. Loans and borrowings				
Bank overdraft (Note 31.2)	163,710	26,129	880,606	811,523
Term loan (Note 31.3)	830,500	1,201,547	5,499	208,918
Debenture loan (Note 31.4)	107,336	107,336	-	-
Total	<u>1,101,546</u>	<u>1,335,012</u>	<u>886,105</u>	<u>1,020,441</u>
31.1 Movement in Loans & borrowings				
At 1 January	1,335,012	1,183,760	1,020,441	486,906
Addition during the year	-	139,786	-	532,257
Repayments during the year	(275,002)	(1,574)	(279,832)	(5,094)
Interest on loan during the year (Note 47)	41,536	13,040	145,496	6,372
Translation adjustment	-	-	-	-
At 31 December	<u>1,101,546</u>	<u>1,335,012</u>	<u>886,105</u>	<u>1,020,441</u>
Current	163,710	26,129	880,606	811,523
Non Current	937,836	1,308,883	5,499	208,918
	<u>1,101,546</u>	<u>1,335,012</u>	<u>886,105</u>	<u>1,020,441</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 xxx p.a respectively.

31.4 Debenture loan

The Group has Debenture liability through Monarch Communications Limited.

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
32. Other payables and accruals				
Payable to related parties (Note 13ii)	194,250	520,350	194,250	194,250
Accrued Expenses (Note 32.1)	2,789,530	2,132,434	1,617,994	1,752,099
Rent received in advance	101,322	184,046	82,697	175,369
Information Technology Levy	76,292	20,686	20,686	20,686
Deposits and other customers' accounts (Note 32.2)	688,567	950,758	-	-
Withholding Tax	394,573	169,647	168,601	169,647
Pension Contributions	833,398	783,456	808,212	765,845
National Housing Fund	81,867	77,792	79,452	76,960
Pay As You Earn	178,453	104,625	116,680	93,121
Health Management Services	38,277	32,798	32,798	32,798
NAICOM supervisory levy	69,763	61,274	69,763	61,274
Other statutory deductions	487,150	498,761	59,733	59,733
Sundry Sum Insured	-	-	-	-
Audit fees	55,583	36,472	31,694	21,694
Deferred acquisition revenue	147,692	5,195	15,399	5,195
Lease liability (Note 32.1)	142,778	43,283	-	-
Dividend payable (Note 32.3)	67,400	57,010	-	-
Provision for litigations (Notes 33.2)	255,716	255,716	255,716	255,716
Sundry creditors (Note 32.4)	681,223	2,193,000	324,083	632,295
	7,283,834	8,127,303	3,877,758	4,316,682
Current	7,283,834	8,127,303	3,877,758	4,316,682
Non Current	-	-	-	-
	7,283,834	8,127,303	3,877,758	4,316,682
32.1 Lease liability				
The analysis of lease liability included in other payables is as follows:				
At 1 January	43,283	37,579	-	-
New leases	130,648	42,805	-	-
Lease interest	42,701	7,288	-	-
Payment of int. on lease	(42,701)	(7,288)	-	-
Repayments Lease liability principal the year	(31,153)	(37,101)	-	-
At 31 December	142,778	43,283	-	-
Current lease liab. Within 1 year	45,167	36,606		
Non-current lease liab. - more than 1 year	97,511	6,677		
	142,678	43,283		

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.

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
32.2 Accrued expenses detailed analysis:				
Accrued Expenses	390,527	446,688	24,411	66,353
Accrued Rent	-	-	-	-
Sundry Accruals	8,454	959	1,329	959
Final Entitlements Account	12,917	8,703	8,703	8,703
Salary and Other deductions	2,377,551	1,676,004	1,583,471	1,676,004
Staff revolving loan	80	80	80	80
	<u>2,789,529</u>	<u>2,132,434</u>	<u>1,617,994</u>	<u>1,752,099</u>
32.2 Deposits and other customers' accounts detailed analysis:				
Savings accounts	21,024	29,030	-	-
Current accounts	387,496	535,046	-	-
Fixed deposits	114,757	158,454	-	-
Interest payables	165,289	228,228	-	-
	<u>688,567</u>	<u>950,758</u>	<u>-</u>	<u>-</u>
32.3 Dividend payable				
At 1 January	57,010	65,403	-	-
Amount declared during the year	-	8	-	-
Payments during the year	(3,055)	(8,401)	-	-
Translation adjustment	13,445	(0)	-	-
At 31 December	<u>67,400</u>	<u>57,010</u>	<u>-</u>	<u>-</u>

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
32.4 Sundry creditors detailed analysis:				
Other Creditor	(445)	1,860,707		
Oando Plc	(28)	(28)	(28)	(28)
Other payable-suspense	-	1,811	-	-
Other Deduction	7,629	10,048	7,574	7,574
Special Salary Deductions	1,225	1,070	1,070	1,070
Salary Payable Account	277	4,422	-	-
Commission Payable Local	-	-	-	-
Premium Deposit	20,184	-	19,884	-
Sundry Creditors (Note 32.4.1)	652,381	314,970	295,582	623,678
	681,223	2,193,000	324,082	632,294

32.4.1 Included in the sum of N295,582,000 above is the sum of N40,929,679.84 that was booked after a reconciliation exercise and the sum of N66,157,007.07 held against unquoted stock fair value reconciliations.

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
33. Deposit for shares				
Movement in the deposit for shares during the year was as follows:				
At 1 January	1,331,735	1,221,804	-	-
Additions during the year	-	109,931	-	-
Utilised in the year	(193,460)	-	-	-
Consolidation adjustments	-	-	-	-
Translation adjustments	-	(0)	-	-
At 31 December	1,138,275	1,331,735	-	-

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

33.1 Provison for Pending Litigations

In line with section 14 of IAS 37, the company makes provision for pending ligations when it is probable that a contractual obligation will be determined against the company and when a reliable estimate can be measured. During the year, provision was made for pending litigation of which the case below is highlighted.

S/N	Title of Case	Judge/Law Firm	Brief Summary of Facts	Provision for pending litigation
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.

33.2 Proceeds of property on pending pitigations

Included in N632,295,000 in the prior tear 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. The deposit amount of N400,000,000.00 have been applied to dispose the property off the books in 2020 as analyzed below:

Proceed on sale of property	N 400,000,000
Revaluation reserve realized	650,300,000
Carrying amount of property	(750,000,000)
Profit on disposal	<u>300,300,000</u>

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

31 December 2020				
	Direct premium N'000	Inward reinsurance premium N'000	Increase/ (decrease) in unearned premium N'000	Gross premium income N'000
34. Gross premium income analysed as follows:				
i) Company				
Fire	31,504	-	7,597	39,101
General accident	27,186	-	14,115	41,301
Motor	282,202	-	(27,963)	254,239
Aviation and marine	21,849	-	(1,915)	19,934
Agric	202,473	-	-	202,473
Engineering	9,816	-	(21)	9,795
Oil and Energy	25	-	1,700	1,725
	<u>575,055</u>	<u>-</u>	<u>(6,487)</u>	<u>568,568</u>
Individual life	24,723	-	-	24,723
Group life	<u>249,165</u>	<u>-</u>	<u>-</u>	<u>249,165</u>
	<u><u>848,943</u></u>	<u><u>-</u></u>	<u><u>(6,487)</u></u>	<u><u>842,456</u></u>
31 December 2019				
	Direct premium N'000	Inward reinsurance premium N'000	Increase/ (decrease) in unearned premium N'000	Gross premium income N'000
Gross premium income analysed as follows:				
ii) Company				
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>(100,075)</u>	<u>146,897</u>
	<u><u>762,516</u></u>	<u><u>-</u></u>	<u><u>24,127</u></u>	<u><u>786,643</u></u>

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
35.Reinsurance costs				
Reinsurance cost is analysed as follows:				
Reinsurance paid (Note 8.1.1)	1,287,785	1,219,371	58,180	83,303
Changes in reinsurance (Note 8.1.1)	218,266	(240,371)	4,572	3,874
	<u>1,506,051</u>	<u>979,000</u>	<u>62,752</u>	<u>87,177</u>
35.1 Reinsurance cost by product				
Fire	68,802	1,247,435	23,522	21,777
General accident	(272,974)	(982,405)	244	400
Motor	8,072	43,125	6,010	34,857
Aviation and marine	11,759	662,810	8,415	22,162
Agric	-	9,437	-	11,860
Engineering	20,212	10,038	20,212	8,517
Oil and Energy	1,647,407	-	-	1,521
Health Management Services (HMO)	-	2,476	-	-
	<u>1,483,278</u>	<u>992,917</u>	<u>58,403</u>	<u>101,094</u>
Individual life	231	-	-	-
Group life	22,542	(13,916)	4,350	(13,916)
	<u>1,506,051</u>	<u>979,001</u>	<u>62,753</u>	<u>87,178</u>
	(0)	0	1	1

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.

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
36. Fees and commission income				
Fire	43,648	46,272	4,153	6,810
General accident	10,996	59,957	181	63
Motor	103,434	141	-	-
Aviation and marine	20,491	111,589	3,274	2,156
Agric	-	-	-	-
Engineering	2,147	2,023	1,639	2,023
Oil and Energy	-	-	-	-
	<u>180,716</u>	<u>219,982</u>	<u>9,247</u>	<u>11,052</u>
36.1 Deferred acquisition revenue				
Fire	-	226	-	226
General accident	-	(31)	-	(31)
Motor	-	1,032	-	1,032
Aviation and marine	-	993	-	993
Engineering	-	(338)	-	(338)
Oil and Energy	-	8,322	-	8,322
	<u>-</u>	<u>10,204</u>	<u>-</u>	<u>10,204</u>
Individual life	15	3,162	-	-
Group life	2,003	1,654	(297)	1,654
	<u>2,018</u>	<u>4,816</u>	<u>(297)</u>	<u>1,654</u>
	<u>182,734</u>	<u>235,002</u>	<u>8,950</u>	<u>22,910</u>

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
37. Claims expenses				
37.1 Claims expenses (Gross)				
Fire	92,267	459,772	28,358	389,756
General accident	103,355	200,601	14,436	124,176
Motor	167,243	186,513	34,197	48,605
Aviation and marine	823	5,283	-	-
Agric	23,311	18,920	23,311	18,920
Engineering	16,434	2,117	16,434	2,117
Oil and Energy	1,938	9,870	1,938	9,870
Health Management Services (HMO)	7,876	537,318	7,440	-
	413,247	1,420,394	126,114	593,444
Individual life	140,392	43,380	81,932	43,380
Group life	137,157	347,295	137,157	265,174
	690,796	1,811,069	345,203	901,998
37.1b Changes in claims reserve				
Fire	183,687	(398,510)	(23,290)	(401,950)
General accident	518,220	(58,181)	(2,467)	(3,290)
Motor	4,131	(57,399)	3,077	(68,022)
Aviation and marine	(28,554)	(27,720)	(9,583)	(2,684)
Agric	(22,140)	22,140	(22,140)	22,140
Engineering	26,492	(4,016)	26,492	(4,016)
Oil and Energy	319,530	(197,940)	319,530	(197,940)
Health Management Services (HMO)	-	-	-	-
	1,001,366	(721,626)	291,619	(655,762)
Individual life	(5,816)	(19,219)	(5,816)	-
Group life	169,679	21,766	156,753	20,557
	1,165,229	(719,079)	442,556	(635,205)
	1,856,025	1,091,990	787,759	266,793
37.2 Reinsurance Claims recoveries				
Fire	264,981	(469,276)	18,944	(479,741)
General accident	77,545	75,464	29,917	76,939
Motor	43,654	396,962	5,101	371,878
Aviation and marine	(19,969)	10,486	(1,845)	7,397
Agric	-	1,334	-	1,334
Engineering	(4,785)	78,516	(4,785)	78,516
Oil and Energy	150,658	91,653	150,658	91,653
	512,084	185,139	197,990	147,976
Individual life	-	-	-	-
Group life	201,872	101,597	201,872	105,380
	713,956	286,736	399,862	253,356
37.2.1 Reinsurance Claims recoveries				
Receipt from reinsurance on claims paid (Note 8.2)	161,848	279,246	8,631	98,174
Changes in estimated reinsurance recoveries on claims (Note 8.2)	565,001	(218,457)	380,388	(189,278)
Changes in reinsurers/co-insurers receivables (Note 8.3.1)	(12,893)	225,947	10,843	344,460
	713,956	286,736	399,862	253,356

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
37.3 Net claims incurred analysis				
Claims Paid during the year	690,796	1,811,069	345,203	1,537,203
Changes in Outstanding Claims reserve	1,165,229	(719,079)	442,557	(635,205)
Gross Claims incurred	1,856,025	1,091,990	787,760	901,998
Reinsurance Recoveries (Note 37.2.1)	(713,956)	(286,736)	(399,862)	(253,356)
Net claims incurred	1,142,069	805,254	387,898	648,642
38. Underwriting expenses				
38.1 Acquisition expenses				
38.1.1 Commissions paid				
Fire	54,653	45,710	6,010	11,482
General accident	101,428	101,831	5,394	14,136
Motor	98,057	86,070	34,350	24,770
Aviation and marine	99,541	72,192	4,370	3,439
Agric	4,196	10,776	4,179	10,776
Engineering	720	2,655	746	2,776
Oil and Energy	31	1,925	5	1,558
Health Management Services (HMO)	-	60	-	-
	358,626	321,219	55,054	68,937
Individual life	23,285	105,147	23,285	80,797
Group life	18,096	18,521	18,096	18,521
	400,007	444,887	96,435	168,255
38.1.2 Movement in deferred acquisition costs				
Fire	3,564	(2,121)	(3,247)	(5,068)
General accident	(1,543)	(5,272)	(3,339)	2,196
Motor	(12,350)	(6,928)	(14,611)	7,678
Aviation and marine	1,223	1,434	(1,797)	2,785
Agric	(219)	(79)	(219)	(79)
Engineering	(364)	4,214	(364)	4,214
Oil and Energy	(5)	469	(5)	469
	(9,694)	(8,283)	(23,582)	12,195
Individual life	-	-	-	-
Group life	25,296	(13,614)	28,000	(13,614)
	15,602	(21,897)	4,418	(1,419)
Total acquisition expenses	415,609	422,990	100,853	166,836

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
38.2 Maintenance expenses				
Fire	611,424	93,437	83,609	193,054
General accident	11,081	12,052	867	3,546
Motor	366,627	48,465	21,363	309,008
Aviation and marine	(298,353)	1,038,169	29,911	196,467
Agric	67,120	-	-	105,139
Engineering	205,572	69,038	71,844	75,503
Oil and Energy	42,134	115,634	-	13,484
Health Management Services (HMO)	6,556	220,969	-	-
	<u>1,012,160</u>	<u>1,597,764</u>	<u>207,594</u>	<u>896,201</u>
Individual life	209,198	515,255	209,198	316,720
Group life	-	-	-	-
Total maintenance expenses	<u>1,221,358</u>	<u>2,113,019</u>	<u>416,792</u>	<u>1,212,921</u>
Total underwriting expenses	<u>1,636,967</u>	<u>2,536,009</u>	<u>517,645</u>	<u>1,379,757</u>
39. Changes in contract liabilities				
Changes in life unexpired risks (Note 28)	-	-	-	-
Changes in life fund (Note 28)	-	-	231,723	-
Changes in life insurance contracts (Note 28)	265,631	(175,717)	231,723	(1,580)
	<u>265,631</u>	<u>(175,717)</u>	<u>231,723</u>	<u>(1,580)</u>
40. Investments incomes				
Rent income from investment properties	328,645	378,819	95,210	132,427
Interest on short term deposits/placement	111,034	103,995	65,236	68,654
Interest on treasury bills and bonds	66,862	49,942	-	-
Interest on policy loan	38,525	39,762	38,525	39,762
Income on other investments	38,643	65,740	38,625	58,031
Dividend Incomes	26,304	30,791	11,881	8,543
	<u>610,013</u>	<u>669,049</u>	<u>249,477</u>	<u>307,417</u>
40.1 Analysis of investments incomes:				
Investment attributable:				
Policyholders' fund	434,939	477,032	177,877	219,188
Shareholders' fund	175,074	192,017	71,600	88,229
	<u>610,013</u>	<u>669,049</u>	<u>249,477</u>	<u>307,417</u>
41. Net interest income				
41.1 Interest income				
Interest on loans and advances to customers - banking operations	(18,076)	40,227	-	-
Interest on policy loans	-	-	-	-
Other interest income (Note 41.3)	8,524	405	-	405
	<u>(9,552)</u>	<u>40,632</u>	<u>-</u>	<u>405</u>
41.2 Interest expenses				
Interest expenses on deposits - banking operations	(18,714)	(27,784)	-	-
	<u>(18,714)</u>	<u>(27,784)</u>	<u>-</u>	<u>-</u>
	<u>(28,266)</u>	<u>12,848</u>	<u>-</u>	<u>405</u>

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
41.3. Other interest income represents interest earned on other financial assets carried at amortised cost.				
42. Other operating incomes				
Profit on disposal of property, plant and equipment	-	-	-	-
Exchange gain	(6,452)	53,897	(10,182)	13,577
Income on salvage	36,822	2,062	-	2,062
Income on staff bus	2,100	353	2,100	353
Gain on disposal of equity investment	-	-	-	-
Fees and commission incomes	5,546	4,327	-	-
Administrative charges on registrar services	-	622	-	-
Bad debt recovered	2,216	-	-	-
Others (Note 42.1)	79,145	55,065	5,034	-
	119,377	116,326	(3,048)	15,992
42.1. Analysis of others				
42.1. Analysis of others				
Other income	74,111	49,638	-	-
Other misc. income	5,034	5,427	5,034	-
Administration Charges On Policy	-	-	-	-
Sale of scraps	-	-	-	-
	79,145	55,065	5,034	-
43. Gain/(loss) on investment contract				
Income on investment contract (Note 29.1)	-	-	-	-
Other income	-	-	-	-
Other misc. income	-	-	-	-
Administration Charges On Policy	-	134,575	-	134,575
Changes in investment contracts (Note 29.1)	(1,609,904)	2,522	(1,660,285)	2,522
Guaranteed interest paid (Note 29.1)	(217,426)	(429,111)	(217,426)	(375,590)
	(1,827,330)	(292,014)	(1,877,711)	(238,493)
44. Fair value gain/(loss) through profit or loss				
Quoted stocks (Note 6.1)	(29,946)	(134,432)	(2,765)	1,021
Investment properties	2,698,964	7,782,236	2,350,000	7,478,025
	2,669,018	7,647,804	2,347,235	7,479,046
This represents any difference arising between the carrying amount and the fair value of the asset as at the date of reporting.				
45. Impairment charge/(write back)				
Impairment of trade receivables (Note 7.1)	29,230	101,446	-	-
Impairment of other receivables & prepayments (Note 12.1)	(417,151)	(439,751)	(423,639)	(13,580)
Impairment of re-insurance asset receivables (Note 8.4)	-	71,699	-	-
Impairment of loans and advances to customer (Note 10.1)	(32,533)	1,763	-	-
Impairment of loans and receivables (Note 6.4.3)	11,908	-	11,908	-
Impairment of short term investments	(1,217)	186,243	117	186,243
Impairment of long term investments	-	-	-	-
Impairment of long term investments (investment in subsidiaries (Note 14.1))	-	-	-	(55,865)
Impairment of cash and bank balances not substantiated	29,179	-	15,787	-
	(380,584)	(78,600)	(395,827)	116,798

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
46. Management and administrative expenses				
Employees costs (Note 46.1)	488,278	1,506,212	297,787	716,739
Directors fees and emoluments	64,251	82,568	-	-
Depreciation of property, plant & equipment (Note 17)	101,576	101,701	1,184	30,813
Audit fee	26,065	10,150	10,000	10,000
Amortisation of intangible assets (Note xx)	-	3,499	-	-
Rent and rates	33,882	24,880	14,428	15,213
Repairs and maintenances	43,065	3,852	18,456	-
Subscriptions	45,970	410	22,596	290
Training and development	1,559	-	-	-
Insurances	46,152	713	-	-
Legal and professional fees	107,157	121,051	57,137	13,493
Loss on disposal of property, plant and equipment	-	-	-	-
Transport and travelling	54,415	752	9,818	-
Postages, telephone and telex	13,050	1,534	1,452	-
Taxes and non deductible duties/ fines	38,485	4,476	37,403	4,476
Bank charges and commissions	21,866	2,725	9,241	-
Power and electricity	43,502	3,730	13,358	-
Advert, publicity and business promotions	96,945	234,813	21,090	115
Safety security and quality control	27,580	100	10,683	100
Other operating expenses (Note 46.2)	117,146	135,450	34,763	25
	<u>1,370,944</u>	<u>2,238,616</u>	<u>559,396</u>	<u>791,264</u>
46.1 Employees costs				
Salaries, wages and allowances	435,271	1,459,174	272,022	699,325
Contributions to pension fund scheme	17,200	22,890	11,786	-
Training, recruitment and canteen expenses	4,949	-	-	-
Medical expenses	18,071	1,046	13,979	1,046
Contract Manpower	2,625	-	-	-
Other personnel expenses	10,162	23,102	-	16,368
	<u>488,278</u>	<u>1,506,212</u>	<u>297,787</u>	<u>716,739</u>
46.2 Other expenses				
Printing	6,159	-	1,461	-
Stationeries	44,392	134,956	25,945	-
Vehicle Tracker Expenses	307	-	307	-
Office Expenses	63,294	487	6,879	24.70
Entertainment Expenses	2,994	7	171	-
	<u>117,146</u>	<u>135,450</u>	<u>34,763</u>	<u>25</u>
47. Finance costs				
Interest expenses	41,536	13,040	145,496	6,372
Inter-bank borrowings	-	-	-	-
	<u>41,536</u>	<u>13,040</u>	<u>145,496</u>	<u>6,372</u>
Individual life	-	-	-	-
Group life	-	-	-	-
	<u>41,536</u>	<u>13,040</u>	<u>145,496</u>	<u>6,372</u>

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
48. Taxation				
48.1 Income tax expense				
Income tax	118,686	68,154	6,106	36,783
Education tax	-	-	-	-
Information technology levy	2,534	61,503	-	61,503
Under/(over) provision of prior years	-	-	-	-
Capital gain tax	-	5,721	-	5,721
	121,220	135,378	6,106	104,007
Deferred taxation expense/(credit) (Note 48.4)	-	712,340	-	712,340
Over provision for deferred tax (Note 48.4)	-	(235,584)	-	-
	121,220	612,134	6,106	816,347
48.2 Income tax payable				
Analysis of movements in the current tax balance during the year:				
At 1 January	2,029,100	1,893,722	1,643,148	1,539,140
Income tax charged for the year	118,686	68,154	6,106	36,783
Education tax	-	-	-	-
Information technology levy	2,534	61,503	-	61,503
Under/(over) provision of prior years	-	-	-	-
Capital gains tax	5,721	5,721	5,721	5,721
Payments during the year	(93,962)	-	(20,439)	-
Withholding tax credit notes	(11,543)	-	-	-
Translation Adjustment	0	-	-	1
At 31 December	2,050,536	2,029,100	1,634,536	1,643,148
48.3 Reconciliation of effective tax rate				
Loss for the year after tax	1,152,004	5,635,052	843,917	5,209,595
Total tax expenses made up of:				
Income	118,686	68,154	6,106	36,783
Education	-	-	-	-
Information technology levy	2,534	61,503	-	61,503
Deferred tax	-	476,756	-	712,340
Others	-	5,721	-	5,721
	121,220	612,134	6,106	816,347
Profit for the year before tax	1,273,224	6,247,186	850,023	6,025,942
Effective tax rate	10	10	1	14

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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.

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
48.4 Deferred taxation				
48.4.1 Deferred tax liabilities				
At 1 January	2,147,964	1,568,211	1,884,056	1,077,223
Deferred taxation expense (Note 48.1)	-	712,340	-	712,340
Under/(over) provision for deferred tax	(48,370)	(235,584)	-	-
Other comprehensive income	35,000	103,093	35,000	94,473
Credit to deposit administration plan	-	-	-	-
Credit to equity	-	-	-	-
Reclassification from deferred tax asset (Note 48.4.2)	-	-	-	20
Translation Adjustment	-	(96)	-	-
At 31 December	2,134,594	2,147,964	1,919,056	1,884,056
48.4.2 Deferred tax assets				
At 1 January	-	-	-	-
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	-	-	-	-
At 31 December	-	-	-	-

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 2020, included in the Group deferred tax was an asset of N44,066,341,181 (31 Dec 2019: N44,066,341,181) not recognised.

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
49. Operating loss				
Operating loss has been arrived after charging:				
Depreciation of property, plant and equipment	101,576	101,701	1,184	30,813
Impairment losses	(380,584)	(78,600)	(395,827)	116,798
Staff costs	488,278	1,506,212	297,787	716,739
Profit on disposal of property, plant and equipment	-	-	-	-
Audit fees	26,065	10,150	10,000	10,000
	235,335	1,539,463	(86,856)	874,350

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
49.1. Profit/(loss) on disposal of Investment properties				
Fairvalue	<u>1,110,465</u>	1,469,830	<u>1,100,000</u>	362,100
Carrying amount of disposals	<u>(1,110,465)</u>	(1,469,830)	<u>(1,100,000)</u>	(362,100)
Proceeds from sales	<u>1,148,930</u>	1,573,895	<u>1,128,000</u>	410,047
Profit/(loss) on disposal	<u><u>38,465</u></u>	<u>104,065</u>	<u><u>28,000</u></u>	<u>47,947</u>
49.2. Profit/(loss) on disposal of properties, plant & equipment				
Carrying amount at disposals	<u>750,000</u>	(3,529)	<u>750,000</u>	-
Initial cost	<u>(99,700)</u>		<u>(99,700)</u>	
Asset revaluation reserve realized	<u>650,300</u>	-	<u>650,300</u>	-
Carrying amount at disposals	<u>(750,000)</u>		<u>(750,000)</u>	
Asset revaluation reserve realized	<u>650,300</u>		<u>650,300</u>	
Proceeds from sales	<u>401,097</u>	-	<u>400,000</u>	460
Profit/(loss) on disposal	<u><u>301,397</u></u>	<u>(3,529)</u>	<u><u>300,300</u></u>	<u>460</u>
50. Profit per share				
Basic profit per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue				
Profit attributable to the equity holders	<u>1,772,496</u>	<u>4,869,717</u>	<u>1,107,229</u>	<u>5,308,830</u>
Weighted average number of ordinary shares in issue	<u>14,231,238</u>	<u>14,231,238</u>	<u>14,231,238</u>	<u>14,231,238</u>
Basic profit per share (kobo)	<u><u>12.45</u></u>	<u>34.22</u>	<u><u>7.78</u></u>	<u>37.30</u>

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
51. Note to the cashflow statement				
Profit for the year before tax		6,247,187	850,023	6,025,942
	1,273,224			
Adjustment for:				
Depreciation of property, plant & equipment		101,701	1,184	30,813
Fair value changes on quoted stocks investment	101,576	(134,432)	(2,765)	(1,021)
Fair value changes on investment properties	(29,946)	(7,782,236)	(2,350,000)	(7,478,025)
Other incomes	(2,698,964)	(116,326)	3,048	(15,992)
(Profit)/loss on disposal of property, plant and equipment	(119,377)	-	-	-
(Profit)/loss on disposal of Investment properties	-	(104,065)	-	-
Impairment charged of financial assets	(614,473)	(2,420,552)	(453,220)	(580,670)
Interest income	(86,787)	(12,848)	-	(405)
Dividend income	-	-	-	-
Interest expenses	-	6,251	-	-
Tax paid	-	-	(20,439)	-
	(93,962)			
		<u>(4,215,320)</u>	<u>(1,972,169)</u>	<u>(2,019,358)</u>
	<u>(2,268,709)</u>			
Changes in:				
Loans and receivables		131,055	(33,597)	148,505
Trade receivables	(15,264)	(307,237)	-	7,047
Reinsurance assets	(173,320)	(247,860)	(395,803)	(151,308)
Deferred acquisition costs	(765,581)	(21,898)	4,418	(1,419)
Other receivables and prepayments	15,603	1,311,611	301,972	(195,702)
Insurance contract liabilities	776,463	248,708	217,323	(657,756)
Investment contract liabilities	789,296	(310,996)	1,533,108	490,355
Trade payables	1,427,817	1,232,231	(387,788)	732,415
Other payables and accruals	(388,829)	952,987	(438,924)	265,330
Deposit for shares	(240,305)	109,931	-	-
	(193,460)			
		<u>3,098,533</u>	<u>800,709</u>	<u>637,467</u>
	<u>1,232,420</u>			
Net cash used in operating activities		<u>(1,116,788)</u>	<u>(1,171,460)</u>	<u>(1,381,891)</u>
	<u>(1,036,289)</u>			

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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 making claims against the company. Provision has been made in these financial statements to the extent that the directors are of the opinion that based on independent legal advice such liability may 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 2020

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 2020

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 2020, the discontinued operation group was stated at carrying amount, which was deemed to be lower of the fair value.

	Company	
	2020	2019
	N'000	N'000
57.1 Classified as discontinued operations		
Investment in Global Trust Bank Limited (the Bank) - Uganda (Note 57.1.1)	5,730,662	5,730,662
Investment in IGI Life Assurance Ghana Limited (Note 57.1.2)	101,840	101,840
Investment in Industrial and General Insurance (Ghana) Company Limited (Note 57.1.2)	138,479	138,479
	5,970,981	5,970,981
Impairment of doubtful - long term inv.	(5,970,981)	(5,970,981)
	-	-

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 2020

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 2020

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 2020			Total N'000
	Global Trust Bank Limited, Uganda N'000	IGI Life Assurance Ghana Ltd N'000	Industrial and General Insurance (Ghana) N'000	
Carrying value of:				
Assets				
Cash and cash equivalents	719,783	-	-	719,783
Financial Assets:				
- 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	-	-	-	-
	<u>5,733,010</u>	<u>-</u>	<u>-</u>	<u>5,733,010</u>
Non-current assets held for sale	-	-	-	-
Total assets classified as discontinued operations	<u><u>5,733,010</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>5,733,010</u></u>
Liabilities				
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
Total liabilities classified as discontinued operations	<u><u>5,197,375</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>5,197,375</u></u>
Net assets directly associated with discontinued operations group	<u><u>535,635</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>535,635</u></u>

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 N'000	2019 N'000
57.3 Movement in Exchange Translation reserve is shown below:		
6.2.1 Movement in unquoted equities	(1)	(4)
7.1 Movement in impairment of trade receivables	(14,409)	(88,958)
11. Non current assets held for sale	60,575	373,965
12.1c Movement in Impairment on other receivables and prepayments	(1,991)	(12,294)
15.1 Computer software	1	6
15.1 Movement in Computer software	(95)	(587)
16. Investment properties	314,850	1,943,758
17. Property plant and equipment	(42,885)	(264,755)
18. Statutory deposits	3,491	21,551
20. Assets revaluation reserve	23,383	144,360
21. Fair value reserve	1	4
22. Contingency reserve	(6,156)	(38,006)
23. Loss sustained	151,719	(251,609)
26. Statutory(regulatory) reserve	3,066	18,930
Non controlling interest	1,694	10,460
29.1 Deposit administration	(70,132)	(432,969)
32.4 Dividend payable	(1,629)	(10,054)
33. Deposit for shares	13,530	83,529
48.2 Income tax payable	(73,988)	(456,775)
	-	-
Subsidiaries	-	-
NIC Holdings Limited Uganda (Net of inter-group elimination)	2,225	13,734
IGI Gamstar Insurance Limited, Gambia	(391)	(2,413)
	<u>362,857</u>	<u>1,051,873</u>

58. Remuneration of key management personnel

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	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
58.1a Directors Costs:				
Directors fees	64,251	82,568	-	-
Salaries and allowances	-	-	-	-
	<u>64,251</u>	<u>82,568</u>	<u>-</u>	<u>-</u>

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
58.1b Emoluments:				
Chairman	-	-	10,929	8,312
Other Directors	-	-	38,960	30,352
Other emolument of executive directors	-	-	-	-
Emolument of highest paid Director	-	-	10,929	8,312
	<u>-</u>	<u>-</u>	<u>10,929</u>	<u>8,312</u>
58.1c The number of Directors excluding the Chairman whose emoluments were within the following ranges were:				
	N	N		
Nil - 100,000	4	4	4	4
100,001 - 200,000	-	-	-	-
200,001 - 300,000	-	-	-	-
Above - 300,000	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
58.1d Number of Directors who have waived their rights to receive emoluments	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
58.2 Employee costs:				
The aggregate employee remuneration is as follows:				
Salaries and wages	466,129	1,483,322	286,001	716,739
Staff training	4,949	-	-	-
Contributions to pension fund scheme	17,200	22,890	11,786	-
	<u>488,278</u>	<u>1,506,212</u>	<u>297,787</u>	<u>716,739</u>

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

58.2c Employee size

	IGI		IHMS		NIC, UGANDA		GTSL		GAMSTAR		ALL CROWN		GROUP	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Managerial	12	12	20	20	12	12	3	3	10	10	1	1	47	47
Senior staff	41	41	30	30	36	36	3	3	3	3	2	2	110	110
Junior staff	97	97	42	42	64	64	9	9	26	26	0	0	212	212
Total no. of staff	150	150	92	92	112	112	15	15	39	39	3	3	369	369

INDUSTRIAL AND GENERAL INSURANCE PLC

FOR THE YEAR ENDED 31 DECEMBER 2020

Other National Disclosures

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 DECEMBER 2020

	Group				Company			
	2020 N'000	%	2019 N'000	%	2020 N'000	%	2019 N'000	%
Net premium income	2,753,417		3,447,671		779,704		699,466	
Fees and commission income	182,734		235,002		8,950		22,910	
Total underwriting expenses	<u>(1,636,967)</u>		<u>(2,536,009)</u>		<u>(517,645)</u>		<u>(1,394,774)</u>	
Underwriting profit	1,299,184		1,146,664		271,009		(672,398)	
Investment and other income	610,013		669,049		249,477		307,417	
Bought in material and services	<u>170,639</u>		<u>6,185,841</u>		<u>807,764</u>		<u>7,144,847</u>	
Value Added	<u>2,079,836</u>	100	<u>8,001,554</u>	100	<u>1,328,250</u>	100	<u>6,779,866</u>	100
Distribution:								
Employees								
Staff costs	552,529	27	1,588,780	20	297,787	22	716,739	11
Government								
Taxes	121,220	6	612,134	8	6,106	0	816,347	12
Provider of Capital								
Finance costs	41,536	2	13,040	-	145,496	11	6,372	-
Retained in the Company								
Depreciation and amortisation	212,547	10	152,548	2	34,944	3	30,813	-
Profit/(loss) for the year	<u>1,152,004</u>	<u>55</u>	<u>5,635,052</u>	<u>70</u>	<u>843,917</u>	<u>65</u>	<u>5,209,595</u>	<u>77</u>
	<u>2,079,836</u>	100	<u>8,001,554</u>	100	<u>1,328,250</u>	100	<u>6,779,866</u>	100

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 - GROUP

31 DECEMBER	2020 N'000	2019 N'000	2018 N'000	2017 N'000	2016 N'000
Statement of financial position					
Assets					
Cash and cash equivalents	933,288	2,094,063	1,477,089	1,033,072	2,038,861
Financial Assets:					
- At fair value through profit or loss	224,542	242,022	288,949	584,918	359,703
- Available for sale	1,007,842	975,385	790,640	859,018	2,882,333
- Held to maturity	859,594	509,431	293,981	457,772	515,488
- Loans and receivables	369,057	365,903	495,030	386,491	393,081
Trade receivables	840,361	725,192	513,254	759,669	1,528,200
Reinsurance assets	4,618,441	3,852,860	3,555,882	3,841,016	3,674,641
Deferred acquisition costs	77,125	92,728	70,830	151,176	204,740
Loans and advances to customers	146,675	77,561	324,661	251,304	175,265
Non-current assets held for sale	6,623,063	6,307,411	4,093,324	4,660,826	3,218,947
Other receivables and prepayments	209,771	569,076	269,726	762,605	861,347
Investment in subsidiaries	-	-	-	-	-
Intangible ssets	21,937	21,797	-	-	64,447
Deferred tax assets	-	-	-	-	28,245
Investment properties	26,774,266	24,991,815	21,431,639	23,239,941	26,401,864
Property plant and equipment	7,239,725	7,517,859	6,418,828	6,422,414	6,933,904
Statutory deposits	545,116	555,267	554,608	575,014	588,175
Total assets	50,490,802	48,898,370	40,578,441	43,985,236	49,869,242
Equity					
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	5,966,047	6,256,758	5,947,790	5,489,812	5,258,209
Fairvalue reserve	(183,923)	136,812	185,628	174,262	629,681
Contingency reserve	3,804,158	4,218,011	3,829,183	3,697,482	3,059,067
Loss sustained	(11,769,254)	(13,308,923)	(18,967,299)	(17,341,333)	(20,118,510)
Capital reserve	145,959	134,236	134,236	131,557	73,619
Foreign exchange reserve	(1,245,043)	(1,612,692)	(556,027)	(340,811)	(55,791)
Statutory (regulatory) reserve	197,070	182,607	182,607	162,473	238,681
Shareholder's fund	12,561,414	11,653,209	6,402,518	7,619,840	4,731,358
Non-controlling interests	(66,634)	(184,902)	(122,255)	39,008	(612,563)
Total equity	12,494,781	11,468,307	6,280,263	7,658,848	4,118,795
Liabilities					
Insurance contract liabilities	11,219,670	10,430,374	10,181,665	10,982,519	16,660,337
Investment contract liabilities	10,987,423	9,559,606	9,870,602	10,466,633	14,068,469
Trade payables	2,080,141	2,468,968	1,157,314	1,216,075	1,178,641
Loans and borrowings	1,101,546	1,335,012	1,183,760	1,779,587	1,578,901
Other payables and accruals	7,283,834	8,127,303	7,110,537	6,812,590	7,149,758
Placements from other banks	-	-	-	-	-
Income tax payable	2,050,536	2,029,100	2,004,286	1,937,098	1,848,709
Deferred tax liabilities	2,134,594	2,147,965	1,568,211	1,876,396	2,121,376
Dividend payable	-	-	-	-	-
Deposit for shares	1,138,275	1,331,735	1,221,804	1,255,489	1,144,256
Total liabilities	37,996,019	37,430,063	34,298,179	36,326,387	45,750,447
Total equity and liabilities	50,490,800	48,898,370	40,578,442	43,985,235	49,869,242

INDUSTRIAL AND GENERAL INSURANCE PLC

FINANCIAL SUMMARY - GROUP

31 DECEMBER	2020 N'000	2019 N'000	2018 N'000	2017 N'000	2016 N'000
Consolidated statement of profit or loss and other comprehensive income					
Gross premium written	<u>4,349,322</u>	<u>3,802,458</u>	<u>4,356,979</u>	<u>5,396,208</u>	<u>7,693,288</u>
Gross premium income	<u>4,259,468</u>	<u>4,426,671</u>	<u>4,970,738</u>	<u>6,069,239</u>	<u>7,533,234</u>
Net premium income	2,753,417	3,447,671	4,014,421	4,065,855	5,803,943
Investments and other income	<u>3,892,438</u>	<u>8,781,565</u>	<u>1,967,413</u>	<u>3,123,439</u>	<u>2,304,637</u>
Total incomes	<u>6,645,855</u>	<u>12,229,236</u>	<u>5,981,834</u>	<u>7,189,294</u>	<u>8,108,580</u>
Net benefits and claims	(1,142,069)	(805,254)	(838,114)	(1,792,151)	(4,721,493)
Other expenses	<u>(4,230,562)</u>	<u>(5,176,796)</u>	<u>2,274,696</u>	<u>3,399,635</u>	<u>1,031,482</u>
Total expenses	<u>(5,372,631)</u>	<u>(5,982,050)</u>	<u>1,436,582</u>	<u>1,607,484</u>	<u>(3,690,011)</u>
Profit/(loss) before income tax	<u>1,273,224</u>	<u>6,247,186</u>	<u>(232,876)</u>	<u>(54,267)</u>	<u>(3,740,109)</u>
Income tax expense	<u>(121,220)</u>	<u>(612,134)</u>	<u>(247,809)</u>	<u>(282,060)</u>	<u>(106,243)</u>
Profit/(loss) from continuing operations	<u>1,152,004</u>	<u>5,635,052</u>	<u>(480,685)</u>	<u>(336,327)</u>	<u>(3,846,352)</u>

INDUSTRIAL AND GENERAL INSURANCE PLC

FINANCIAL SUMMARY - COMPANY

31 DECEMBER	2020 N'000	2019 N'000	2018 N'000	2017 N'000	2016 N'000
Statement of financial position					
Assets					
Cash and cash equivalents	157,747	180,390	146,369	77,970	75,254
Financial Assets:					
- At fair value through profit or loss	7,538	10,303	9,282	13,557	10,555
- Available for sale	460,163	511,852	456,289	456,295	371,627
- Loans and receivables	348,496	326,807	475,312	347,615	359,745
Trade receivables	-	-	-	-	6,684
Reinsurance assets	3,600,393	3,204,590	3,075,863	3,308,544	2,881,837
Deferred acquisition costs	34,675	39,093	37,674	78,224	114,077
Other receivables and prepayments	486,457	364,791	88,143	166,691	375,190
Investment in subsidiaries	3,389,784	3,389,783	3,333,919	3,333,919	3,418,581
Intangible ssets	-	-	-	-	-
Deferred tax assets	-	-	-	-	-
Investment properties	26,119,411	24,869,411	17,753,492	17,379,876	16,856,272
Property plant and equipment	5,491,730	5,926,673	5,395,845	5,263,673	4,942,912
Statutory deposits	500,000	500,000	500,000	500,000	500,000
Total assets	40,596,394	39,323,693	31,272,188	30,926,364	29,912,734
Equity					
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	5,523,592	5,858,891	5,683,941	5,159,421	4,826,118
Fairvalue reserve	70,543	122,231	66,676	66,676	66,676
Contingency reserve	4,111,508	3,707,697	3,205,043	3,028,776	2,771,941
Loss sustained	(13,580,176)	(14,020,283)	(18,947,896)	(18,302,974)	(17,555,730)
Total equity	11,771,867	11,314,936	5,654,164	5,598,299	5,755,406
Liabilities					
Insurance contract liabilities	8,657,220	8,439,897	9,097,652	9,478,377	9,508,891
Investment contract liabilities	10,649,548	9,116,440	8,626,085	8,760,785	8,913,995
Trade payables	1,200,305	1,588,093	776,249	675,600	806,343
Loans and borrowings	886,105	1,020,441	486,906	350,274	5,499
Other payables and accruals	3,877,758	4,316,680	3,988,178	3,536,382	2,633,408
Income tax payable	1,634,536	1,643,148	1,594,422	1,538,202	1,506,626
Deferred tax liabilities	1,919,056	1,884,056	1,048,533	988,445	782,566
Total liabilities	28,824,528	28,008,755	25,618,025	25,328,065	24,157,328
Total equity and liabilities	40,596,395	39,323,691	31,272,189	30,926,364	29,912,734
Consolidated statement of profit or loss and other comprehensive income					
Gross premium written	848,943	762,516	1,397,464	2,580,000	3,020,008
Gross premium income	842,456	786,643	1,742,376	2,937,274	3,481,655
Net premium income	779,704	699,466	1,568,984	1,612,850	2,212,906
Investments and other income	2,930,914	7,874,177	844,316	1,000,266	1,137,735
Total incomes	3,710,618	8,573,643	2,413,300	2,613,116	3,350,641
Net benefits and claims	(387,897)	(13,437)	(358,650)	(763,772)	(1,962,558)
Other expenses	(2,472,698)	(2,534,264)	(1,775,599)	(856,125)	(2,677,186)
Total expenses	(2,860,595)	(2,547,701)	(2,134,249)	(1,619,897)	(4,639,744)
Profit/(loss) before income tax	850,023	6,025,942	(173,307)	(268,637)	(1,382,016)
Income tax expense	(6,106)	(816,347)	(185,609)	(194,220)	(64,918)
Profit/(loss) from continuing operations	843,917	5,209,595	(358,916)	(462,857)	(1,446,934)