

INDUSTRIAL AND GENERAL INSURANCE PLC

**CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021**

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

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INDUSTRIAL AND GENERAL INSURANCE PLC

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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, FClarb
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 0594
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

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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

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REPORT OF THE DIRECTORS FOR THE HALF YEAR ENDED 31 DECEMBER, 2021

The Directors are happy to present 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 2021.

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	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Gross premium	6,012,466	4,259,468	686,937	842,456
Underwriting results	3,430,904	422,746	(209,768)	114,834
Investment income	587,540	570,589	153,561	210,852
Management expenses	(3,042,604)	(1,370,944)	(1,101,639)	(559,396)
Impairment charge	(459,420)	380,584	(607,276)	395,827
Profit/(loss) before income tax	1,884,320	1,273,224	(1,148,742)	850,022
Net Assets	13,211,758	12,494,785	10,560,150	11,771,860

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REPORT OF THE DIRECTORS FOR THE HALF YEAR ENDED 31 DECEMBER, 2021

DIRECTORS AND DIRECTORS' INTERESTS

- a. The names of the current Directors are listed on page 8.
b. Mahmud Yayale Ahmed, CFR and Prof. Oladapo Afolabi, OON, CFR will retire by rotation and being eligible have offered themselves for re-election.

c. Directors'

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	
	2021	2020
Mahmud Yayale Ahmed, CFR	-	-
Prof. Oladapo Afolabi, OON, CFR	-	-
Osten Olorunsola	-	-
Gaffar K. Animashawun Jnr. (indirect)	184,064,556	184,064,556
Kanayo Chuku 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 2019. Her appointment has been ratified by the shareholders at the last Annual General Meeting of the Company held on 8th December 2022..

ANALYSIS OF SHAREHOLDING

The shareholding pattern of the Company is as follows:

INDUSTRIAL AND GENERAL INSURANCE PLC						
	RANGE	RANGE ANALYSIS A	NO. OF	% OF	HOLDING	% HOLDING
			SHAREHOLDERS	SHAREHOLDERS		
1	-	5,000	160	1.56	244,682	0
5,001	-	10,000	35	0.34	274,209	0
10,001	-	50,000	3,522	34.41	110,591,483	0.78
50,001	-	100,000	2,038	19.91	132,735,332	0.93
100,001	-	500,000	2,799	27.35	573,893,660	4.03
500,001	-	1,000,000	673	6.58	435,978,790	3.06
1,000,001	-	99,999,999,999,999	1,008	9.85	12,977,519,128	91.19
	TOTAL		10,235	100	14,231,237,284	100

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, 2021**.

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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

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
1.	Global Trust Savings & Loans Limited	98.73%
2.	NIC Holding Limited, Uganda	64.95%
3.	IGI Gamstar Insurance Company Limited, Gambia	60.00%
4.	All Crown Registrars Limited	93.94%
5.	International Health Management Services Limited	84.47%
6.	Monarch communications Ltd	56.86%

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated results for the year ended **31 December 2021** were prepared in compliance with International Financial Reporting Standards (IFRS).

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

Global Trust Savings & Loans Limited
NIC Holding Limited, Uganda
IGI Gamstar Insurance Company Limited, Gambia
All Crown Registrars Limited
International Health Management Services Limited
Monarch communications Ltd

RELATED PARTY TRANSACTIONS

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

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

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

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

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

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**REPORT OF THE DIRECTORS
FOR THE HALF YEAR ENDED 31 DECEMBER, 2021**

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 2021 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

Date: 15 January 2023


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

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

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

Date: 15 January 2023



Tolu Delano
Chief Finance Officer

Date: 15 January 2023

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REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE IN RESPECT OF THE 2021 AUDITED ACCOUNTS

To the Members of Industrial and General Insurance Plc

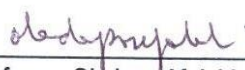
Pursuant to Section 404(3) of the Companies and Allied Matters Act (CAMA) 2020, the Company has a Statutory Audit Committee comprising two Non-Executive directors and three shareholders as follows:

Prof. Oladapo Afolabi, OON, CFR	-	Chairman
Mr. Kanayo Okoye	-	Member
Dr. Gbenga Ogunkoya	-	Member
Mr. Kayode Agboola	-	Member
Mrs. Bukola Komolafe	-	Member

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 2021** 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 2021**.

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

Date: 15 January 2023

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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.
- ii) 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.

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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.	Augustine 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	3
Augustine Olorunsola	4	N/M	3	3
Gaffar K. Animashawun Jnr.	4	N/M	3	N/M
Kanayo Chuks Okoye	3	3	3	3
Rachel Voke Emenike	4	N/M	3	3

*NM - Not a Member

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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 2021, 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	-	Non-Executive Director
Mr. Kanayo Okoye	-	Non-Executive Director
Dr. Gbenga Ogunkoya	-	Shareholder
Mr. Kayode Agboola	-	Shareholder
Mrs. Bukola Komolafe	-	Shareholder

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 the
- 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
Augustine Olorunsola	-	Member
Rachel Voke Emenike	-	Member
Kanayo Okoye	-	Member
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.

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CORPORATE GOVERNANCE REPORT

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

c) ENTERPRISE RISK MANAGEMENT AND GOVERNANCE COMMITTEE (ERMGC)

Membership

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

Duties and Responsibilities

The ERMGC undertakes the following duties and responsibilities:

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

- Harzard risks such as liability, property damage and natural catastrophe;
- Financial risks such as pricing risk, asset risk, currency risk and liquidity risk;
- Operational risks like customer satisfaction, product performance, integrity and reputational risks;
- Strategic risks such as competition, social trend and capital adequacy.

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CORPORATE GOVERNANCE REPORT

- 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 HALF YEAR ENDED 31 DECEMBER 2021

Management 's Discussion and Analysis for the half year ended 31 December, 2021

This management discussion and analysis (MD&A) has been prepared as at 30 JUNE 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		
	2021 N'000	2020 N'000	% Changes	2021 N'000	2020 N'000	% Changes
Gross premium written	5,889,101	4,349,322	35.4	523,058	848,943	(38.4)
Net Premium Income	3,719,121	2,753,417	35.1	670,374	779,704	(14.0)
Underwriting results	3,430,904	422,746	711.6	(209,768)	114,834	(282.7)
Investment income	587,540	570,589	3.0	153,561	210,852	(27.2)
Management expenses	(3,042,604)	(1,370,944)	121.9	(1,101,639)	(559,396)	96.9
Impairment provisions	(459,420)	380,584	(220.7)	(607,276)	395,827	(253.4)
Profit/(loss) before tax	1,884,320	1,273,224	48.0	(1,148,742)	850,022	(235.1)
Profit/(loss) per share (kobo)	11.89	12.45	(4.5)	(8.51)	7.78	(209.4)

The Group experienced a increase of 35.4% (Company reduced by 38.4%) in Gross premium written when compared to prior year's result. This is attributable to external economic factors as well as some changes within the group. We expect a positive change in this trend as structures have been put in place to address this.

Investment income for the group increased by 3.0% from N570.59 million in 2020 to N587.54 million in 2021. Investment income for the company decreased from N210.85 million in 2020 to N153.56 million in 2021 representing an increase of 27.2%.

Management expenses for the group increased by 122% to N3.043 billion from N1.371 billion incurred in 2020.

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

INDUSTRIAL AND GENERAL INSURANCE PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

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

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

The Directors are of the opinion that the consolidated financial statements give a true and fair view of the state of the financial affairs of the Group and of its profit for the hal year ended **31 DECEMBER 2021** 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 Yoke Emenike
Managing Director
FRC/2015/CIIN/00000013299



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

Date: 15 January 2023

Date: 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 2021, 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 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) in compliance with the Financial Reporting Council of Nigeria Act, No. 6, 2011 and with the requirements of the Companies and Allied Matters Act, CAP C20, LFN 2004.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

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

(i) Note 3(a)(vi) which indicates that, as of 31 December, 2021, the Company had deficiencies in asset cover (Hypothecation of assets) for Shareholders' fund for life and General, Policyholders' funds for General Business, Life Business Policyholders' fund and Deposit Administration Fund of N173.64 million (2020: Nil million), Nil million (2020: N99.97 million), N235.94 million (2020: N389.04 million), N1.35 billion (2020 N1.43 billion) and N7.01 billion (2020 N6.92 billion) respectively.

(ii) Note 3(g)(ii) which indicates that, as of 31 December, 2021, the company had a solvency margin of N10.48 billion (2020: N11.14 billion) which was below the minimum requirement of N5 billion for composite (life and general) business by N15.477 billion (2020: N16.14 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.

Our opinion is not modified in respect of this matter.

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 N11.39 billion and N11.42 billion while Company N8.67 billion and N10.65 billion (2020: Group N11.2 billion and N11.4 billion - Company N8.65 billion and N10.78 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. <p>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.</p> <ul style="list-style-type: none"> • 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</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, it 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 2004, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

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

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

Contraventions and Penalties

The Company paid penalties in respect of contravention of the requirements of the National Insurance Commission of Nigeria's Operational Guidelines during the year ended 31 December 2021. Details of penalties paid are disclosed in note 54 to the financial statements.



Benson O. Adejayan, FCA
FRC/2013/ICAN/00000002226
For: PKF Professional Services
FRC/2023/COY/141906
Chartered Accountants
Lagos, Nigeria

Date: 15 January 2023



INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.0 General Information

1.1 Legal form

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

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

1.2 Principal activities

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

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

2 Going concern

The company's solvency margin is below the requirements of the Insurance Act CAP I17, LFN 2004. The Company reported a solvency margin deficit of N10.48 billion for the year ended 31 December, 2021 (2020: N11.14 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 below:

3. Basis of presentation

3.1 Statement of compliance with International Financial Reporting Standards

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the Financial Reporting Council of Nigeria for the financial year starting from 1 January, 2021.

The consolidated and separate financial statements comply with the requirement of the Companies and Allied Matters Act CAP C20 LFN 2004, Insurance Act CAP I17 LFN 2004, the Financial Reporting Council Act, 2011 and the Guidelines issued by the National Insurance Commission to the extent that they are not in conflict with the International Financial Reporting Standards (IFRS).

3.1.1 Currency rounding off

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).

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.

3.2. Basis of measurement

The consolidated and separate financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange transactions except for certain investments whose valuation was based on observable input from asset managers.

These consolidated and separate financial statements are prepared on the historical cost basis except for the following material items in the statement of financial position:

- (i) Financial instruments designated at fair value through profit or loss are measured at fair value;
- (ii) Available for sale financial instruments are measured at fair value;
- (iii) Loans and receivables, held to maturity financial assets and financial liabilities are measured at amortised cost;

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (iv) Land and building are carried at revalued amounts;
- (v) Investment properties are carried at fair value;

These financial statements have being prepared on the going concern basis. The Group has no intention or need to reduce substantially its business operations.

The financial statements for the year ended 31 December 2021 were approved for issue by the Board of Directors on 15 January 2023.

3.3 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 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.

3.5 Consolidation procedures

- i. In line with IFRS 10 on consolidated financial statements, all like items of assets, liabilities, equity, income, expenses and cash flows of the company have been combined with those of all subsidiaries.
- ii. The carrying amount of the company's investments in each subsidiary have been offset or eliminated from the company's portion of equity of each subsidiary.
- iii. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transaction between all entities of the group have been eliminated on consolidation.

3.5.1 Basis of consolidation

- i. Consolidation of the subsidiaries is made only on the basis of the holding company holding 51% equity stake or more.
- ii. The consolidated financial statements was prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- iii. Control and changes in ownership interests while control is maintained are accounted for as transaction between owners as owners in equity.

3.5.2 Fair Value Measurement

After initial recognition, fair values are applied by the group in the financial statements at 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.

Active market

The group adopts valuation from active markets, i.e. markets in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Exit price

Valuations adopted in the financial statements are at the exit price, i.e. the price that would be received to sell an asset or paid to transfer a liability.

Fair value hierarchy

The group seeks to increase consistency and comparability in its fair value measurements and disclosures through a 'fair value hierarchy'. The hierarchy categorises the inputs used in valuation techniques into three levels. The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

If the inputs used to measure fair value are categorised into different levels of the fair value hierarchy, the fair value measurement is categorised in its entirety in the level of the lowest level input that is significant to the entire measurement (based on the application of judgement).

Level 1 inputs

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. The group uses quoted market price at the Nigeria Stock Exchange without adjustment to measure fair value gain on its investments in stocks that are traded on the exchange.

Level 2 inputs

Level 2 inputs include:

- i. quoted prices for similar assets or liabilities in active markets
- ii. quoted prices for identical or similar assets or liabilities in markets that are not active
- iii. inputs other than quoted prices that are observable for the asset or liability, for example:
 - a) interest rates and yield curves observable at commonly quoted intervals
 - b) implied volatilities
 - c) credit spreads

Inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs') such as professional valuers reports.

Level 3 inputs

Level 3 inputs are unobservable inputs for the asset or liability, i.e. inputs used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. The group does not currently adopt Level 3 inputs for its valuations.

Measurement of fair value

The group determines the following in its fair value measurement:

- i. the particular asset or liability that is the subject of the measurement (consistently with its unit of account);
- ii. for a non-financial asset, the valuation premise that is appropriate for the measurement (consistently with its highest and best use);
- iii. the principal (or most advantageous) market for the asset or liability;
- iv. the valuation technique(s) appropriate for the measurement, considering the availability of data with which to develop inputs that represent the assumptions that market participants would use when pricing the asset or liability and the level of the fair value hierarchy within which the inputs are categorised.

Valuation techniques

The group uses valuation techniques appropriate in its circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The group's objective of using a valuation technique is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants and the measurement date under current market conditions. Three widely used valuation techniques are:

- i. market approach – uses prices and other relevant information generated by market transactions involving identical or comparable (similar) assets, liabilities, or a group of assets and liabilities
- ii. cost approach – reflects the amount that would be required currently to replace the service capacity of an asset
- iii. income approach – converts future amounts (cash flows or income and expenses) to a single current (discounted) amount, reflecting current market expectations about those future amounts.

Fair value measurement at the end of the reporting period

- i. Quoted investments reported in note 6.1 are recurring fair value measurements using Level 1 inputs.
- ii. Investment properties reported in note 16 are recurring fair value measurements using Level 2 inputs, i.e. the market observable market corroborated inputs of professional valuers.
- iii. Property, plant and equipment reported in note 17 are recurring fair value measurements using Level 2 inputs, i.e. the observable market corroborated inputs of professional valuers.

Transfers between fair value hierarchy

For assets and liabilities held at the reporting date that are measured at fair value on a recurring basis, no transfers between Level 1 and Level 2 of the fair value hierarchy was made.

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

3.6.1 Summary of Standards and Interpretations effective for the first time

a) IFRIC 23 - Uncertainty over Income Tax Treatments

The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12.

Effective for annual reporting periods beginning on or after January 1, 2021. Earlier application is permitted.

b) IFRS 16 - Leases

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

Effective for annual periods beginning on or after January 1, 2020. Earlier application is permitted, if IFRS 15, Revenue from Contracts with Customers, has also been applied.

c) IFRS 9 - Financial instruments

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

Classification and Measurement

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

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

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

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

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

Impairment Methodology

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

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

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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 Board - IASB- (IFRS 9 Deferral Option)

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

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

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

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

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

The company's liabilities connected with insurance include investment contracts measured at fair value through profit and loss, and liabilities that arise because the company issues, or fulfils obligations arising from, these contracts (such as deferred tax liabilities arising on its insurance contracts). At the temporary exemption commencement date of January 1, 2018, the company's insurance liabilities' predominance test ratio was calculated at 82% as shown underneath. This was in line with the deferral criterial of IFRS 9.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

3.6.3 Predominance Assessment

Using 2017 Financial Report

Insurance liabilities	Group		Company	
	Carrying 2018 N'000	Insurance N'000	Carrying 2018 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	-	-	-
	<u>34,330,820</u>	<u>23,514,202</u>	<u>25,451,032</u>	<u>20,746,753</u>
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 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
	<u>2,817,933</u>	<u>1,217,407</u>	<u>1,600,526</u>

Company 2019 impact analysis on Financial Assets

	2019 Company		
	IAS 39 N'000	IFRS 9 N'000	Impact N'000
Financial Assets:			
At fair value through profit or loss	10303	13557.117	-3254.11703
Available for sale(FVOCI)	511,852	456,295	55,557
Loans and receivables (Amortised Cost)	326,807	-	326,807
Trade receivables	-	-	-
	<u>848,962</u>	<u>469,852</u>	<u>379,110</u>

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

Group 2020 impact analysis on Financial Assets

Financial Assets:
At fair value through profit or loss
Available for sale(FVOCI)
Held to maturity(Amortised Cost)
Loans and receivables (Amortised Cost)
Trade receivables

2020 Group		
IAS 39	IFRS 9	Impact
N'000	N'000	N'000
224542	224542	0
1007842	1007842	0
859,594	-	859,594
369,057	-	369,057
840,361	-	840,361
3,301,396	3,301,396	3,301,396

Company 2020 impact analysis on Financial Assets

Financial Assets:
At fair value through profit or loss
Available for sale(FVOCI)
Loans and receivables (Amortised Cost)
Trade receivables

2020 Company		
IAS 39	IFRS 9	Impact
N'000	N'000	N'000
7,538	13,557	- 6,019
460,163	456,295	3,868
348,496	-	348,496
-	-	-
348,496	-	348,496

Group 2020 impact analysis on Financial Assets

Financial Assets:
At fair value through profit or loss
Available for sale(FVOCI)
At amortized costs
Held to maturity(Amortised Cost)
Loans and receivables (Amortised Cost)
Trade receivables

2021 Group		
IAS 39	IFRS 9	Impact
N'000	N'000	N'000
337,459	337,459	-
5,471,186	5,471,186	-
-	3,535,955	(3,535,955)
2,041,723	-	2,041,723
313,820	-	313,820
1,180,412	-	1,180,412
9,344,600	9,344,600	-

Company 2020 impact analysis on Financial Assets

Financial Assets:
At fair value through profit or loss
Available for sale(FVOCI)
At amortized costs
Loans and receivables (Amortised Cost)
Trade receivables

2021 Company		
IAS 39	IFRS 9	Impact
N'000	N'000	N'000
14,112	14,112	-
1,648,349	1,648,349	-
-	312,967	(312,967)
312,967	-	312,967
-	-	-
1,975,428	1,975,428	-

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

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		
	2021 N'000	2020 N'000	2019 N'000
Premium receivables	1,180,412	840,361	725,192
Loans and receivables	313,820	369,057	365,903
Other receivables net off prepayments	-	28,711	506,202
Short term placement	171,487	647,936	1,327,603
Investment securities:			
Treasury bills	2,041,723	859,594	509,431
Bonds	-	-	-
	<u>3,707,441</u>	<u>2,745,659</u>	<u>3,434,331</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		
	2021 N'000	2020 N'000	2019 N'000
Quoted equity securities	337,459	224,542	242,022
Unquoted equity securities	5,471,186	1,007,842	975,385
	<u>5,808,645</u>	<u>1,232,384</u>	<u>1,217,407</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.

3.6.2 Standards and interpretations issued/amended but not yet effective.

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

3.6.2.1 IAS 1 — Presentation of Financial Statements

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

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

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

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

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

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

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

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

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

3.6.2.3 IFRS 17 — Insurance Contracts

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

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

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

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

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

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

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

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

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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
- 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 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 **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.

9 **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.

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(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.

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.

10 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.

10.1 Measurement of cash and cash equivalents

Cash and cash equivalents held by the company are considered similar to cash because they can be readily convertible to a known amount of cash. The company considers that there are insignificant risks of change in values and, thus, these amounts are measured at amortized cost, i.e. initial recognition plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

10.2 Effect of overdrafts on cash flow statements

Overdrawn amounts are noted as negative cash. Changes in overdrawn amounts that are not repayable on demand are treated as a financing activity and not as a change in cash or cash equivalent.

11 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.

11.1 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.

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.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

11.2 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.

11.3 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.

i 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 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.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

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'.

11.4 **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.

11.5 **Financial assets carried at amortized cost**

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Group about the following events:

Significant financial difficulty of the issuer or debtor;

A breach of contract, such as a default or delinquency in payments;

It is becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganization;

The disappearance of an active market for that financial asset because of financial difficulties; or observable data indicating that there is a measurable decrease in the estimated future cash flow from a company of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Group, including: adverse changes in the payment status of issuers or debtors in the Group; or national or local economic conditions that correlate with defaults on the assets in the Group.

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

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

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For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., on the basis of the Group's grading process that considers asset type, industry, geographical location, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows of such assets by being indicative of the issuer's ability to pay all amounts due under the contractual terms of the debt instrument being evaluated.

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.

11.7 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.

11.8 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

11.9 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.

11.6 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.

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11 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.

11.1 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.

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 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.

13 Staff Loans

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

14 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.

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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.

15 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.

16 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.

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.

17 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.

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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.

18 **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.

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.

19.1 **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.

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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 Company are classified as investment property under non-current assets.

(i) Initial measurement of investment properties

Investment property is initially measured at cost, including transaction costs such as legal cost and costs of perfection of title. Start-up costs, abnormal waste, or initial operating losses incurred before the investment property achieves the planned level of occupancy are not capitalized.

(ii) Fair value model

Investment property is carried at fair value, representing open market value determined 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.

(iii) Valuation frequency

These valuations are reviewed annually by market observation of 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 recognized in the profit or loss.

(iv) Transfers to or from investment property

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

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 and Goodwill

22.1 Intangible Assets

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.

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.

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23 **Property, plant and equipment**

1. Initial measurement

Property, plant and equipment are initially recorded at cost. Cost includes all costs necessary to bring the asset to working condition for its intended use. This includes not only its original purchase price but also costs of site preparation, delivery and handling, installation, related professional fees for architects and engineers, and the estimated cost of dismantling and removing the asset and restoring the site. Proceeds from selling items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management are not deducted from the cost of the item of property, plant and equipment but recognised in profit or loss. When payment for an item of property, plant, and equipment is deferred, interest at a market rate must be recognised or imputed. When property, plant and equipment is acquired in exchange for another asset (whether similar or dissimilar in nature), the cost is measured at the fair value unless (i) the exchange transaction lacks commercial substance or (ii) the fair value of neither the asset received nor the asset given up is reliably measurable. When the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

2. Revaluation gain or loss on property, plant & equipment

Subsequent to initial recognition, revaluation is carried out annually by professional valuers so that carrying amount of property, plant and equipment is not materially from its fair value at the balance sheet date.

The entire class of assets to which that property, plant and equipment belongs is revalued.

Revalued assets are depreciated in line with the depreciation policy. If a revaluation results in an increase in value, it is credited to other comprehensive income and accumulated in equity under the heading "revaluation surplus" unless it represents the reversal of a revaluation decrease of the same asset previously recognised as an expense, in which case it is recognised in profit or loss. A decrease arising as a result of a revaluation is recognised as an expense to the extent that it exceeds any amount previously credited to the revaluation surplus relating to the same asset.

When a revalued asset is disposed of, any revaluation surplus is transferred directly to retained earnings. The transfer to retained earnings is not to be made through profit or loss.

3. Depreciation of property, plant and equipment

Depreciation, except for land that is not depreciated, 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:

	%
Land	Nil
Buildings	2
Leasehold improvements	20
Motor vehicles	25
Furniture and fixtures	15
Office equipment	20
Computer equipment	33 $\frac{1}{3}$
Telecommunication equipment	15

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

The Company has a monetization policy whereby ownership of fully depreciated status motor vehicles is transferred to staff at no cost to them.

4. Derecognition : retirements and disposals of property plant and equipment

Property, plant and equipment item is removed from the statement of financial position on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss on disposal is the difference between the proceeds and the carrying amount and is recognised in profit and loss. When the company rents some assets and then ceases to rent them, the assets is transferred to inventories at their carrying amounts as they become held for sale in the ordinary course of business.

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.

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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).

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.

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.

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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 **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 **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 **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)"

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 **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 **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 unithesed fund. Interest linked investment contracts are measured at amortised cost while unithesed 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.

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CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

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.

28 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.

29 Derecognition of insurance payables

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

30 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.

31 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.

32 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.

33 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.

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

34 **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.

35 **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.

36 **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.

37 **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 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.

38 **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.

39 **Statutory reserves**

39.1 **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.

39.2 **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.

40 **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 2021

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.

41 **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.

42 **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.

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.

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

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.

43 **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 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.

44 **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.

45 **Reinsurance cost**

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

46 **Reinsurance claims**

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

47 **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.

48 **Investment and other income**

48.1 **Interest 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.

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

48.2 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.

48.3 Investment income

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

48.4 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.

49 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.

50 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.

51 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.

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.

Under the defined contribution scheme, employees are entitled to join the scheme on commencement of employment.

Employee and the Company contributions are 8% and 10% each of the employee's annual basic salary, housing and transport allowance respectively. 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.

52 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.

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

53 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.

54 Non Current Assets Held for Sale Assets

Assets (or disposal groups) held for sale or distribution to owners are not depreciated, and are measured at the lower of carrying amount and fair value less costs to sell, and are presented separately in the statement of financial position.

Held-for-sale classification

The group classifies assets as held for sale when it is committed to a plan to sell; the asset is available for immediate sale; an active programme to locate a buyer is initiated; the sale is highly probable, within 12 months of classification as held for sale (subject to limited exceptions); the asset is being actively marketed for sale at a sales price reasonable in relation to its fair value; actions required to complete the plan indicate that it is unlikely that plan will be significantly changed or withdrawn.

Discontinued Operations

The group classifies as discontinued operation a component of its entity that either has been disposed of or meets is criteria as held for sale but is a separate major line of business or a geographical area of its operations.

Cash flow information

The net cash flows attributable to the operating, investing, and financing activities of a discontinued operation is disclosed in the notes.

55 Provisions, Contingent Liabilities and Contingent Assets

The group's policy outlines the accounting for provisions, i.e. liabilities of uncertain timing or amount; together with contingent

Liability: present obligation as a result of past events where settlement is expected to result in payment or an outflow of resources.

Contingent liability: a possible obligation depending on whether some uncertain future event occurs, or a present obligation but payment is not probable or the amount cannot be measured reliably.

Contingent asset: a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group.

Measurement of provisions

The amount recognised as a provision in the financial statements represent the best estimate of the expenditure required to settle the present obligation at the balance sheet date, that is, the amount that an the group has determined its required to pay to settle the obligation at the balance sheet date or to transfer it to a third party.

In reaching its best estimate, the group takes into account the risks and uncertainties that surround the underlying events.

If some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised as a separate asset, and not as a reduction of the required provision, when, and only when, it is virtually certain that reimbursement will be received if the group settles the obligation. The amount recognised is measured not to exceed the amount of the provision.

Use and remeasurement of provisions

The group uses provisions only for the purpose for which they were originally recognised. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources will be required to settle the obligation, the provision is reversed.

Contingent liabilities

The group does not recognise contingent liabilities but discloses them, unless the possibility of an outflow of economic resources is remote.

Contingent assets


The group does recognize contingent assets but discloses them where an inflow of economic benefits is probable. When the realisation of income is virtually certain, the related asset is no longer recognized as a contingent asset and appropriate recognition is made.

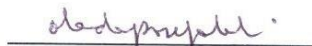
INDUSTRIAL AND GENERAL INSURANCE PLC


CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2021

	Note	Group		Company	
		2021 N'000	2020 N'000	2021 N'000	2020 N'000
Assets					
Cash and cash equivalents	5.	1,413,980	933,288	393,447	157,747
Financial Assets:					
At fair value through profit or loss	6.1	337,459	224,542	14,112	7,538
Available for sale	6.2	5,471,186	1,007,842	1,648,349	460,163
Held to maturity	6.3.	2,041,723	859,594	-	-
Loans and receivables	6.4.	313,820	369,057	312,967	348,496
Trade receivables	7.	1,180,412	840,361	-	-
Reinsurance assets	8.	4,756,932	4,618,441	3,695,136	3,600,393
Deferred acquisition costs	9.	234,845	77,125	16,223	34,675
Loans and advances to customers	10.	-	146,675	-	-
Other receivables and prepayments	12.	-	209,771	-	486,457
Investment in subsidiaries	14.	-	-	3,389,783	3,389,784
Intangible ssets	15.	24,068	21,937	-	-
Deferred tax assets	48.4.	-	-	-	-
Investment properties	16.	30,950,121	26,774,270	24,775,684	26,119,411
Property plant and equipment	17.	7,597,164	7,239,723	5,472,130	5,491,730
Statutory deposits	18.	597,188	545,116	500,000	500,000
		54,918,898	43,867,741	40,217,831	40,596,394
Non-current assets held for sale	11.	-	6,623,063	-	-
Assets classified as discontinued operations	57.	5,735,010	5,733,010	-	-
Total assets		60,653,908	56,223,813	40,217,831	40,596,394
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.	5,905,753	5,966,047	5,613,592	5,523,592
Fair value reserve	21.	(307,341)	(183,923)	(73,858)	70,543
Contingency reserve	22.	4,655,131	3,804,156	4,141,481	4,111,501
Loss sustained	23.	(11,346,389)	(11,769,248)	(14,767,465)	(13,580,176)
Capital reserve	24.	376,890	145,959	-	-
Foreign exchange reserve	25.	343,431	(1,245,043)	-	-
Statutory(regulatory) reserve	26.	237,740	197,070	-	-
Shareholder's fund		15,511,615	12,561,418	10,560,150	11,771,860
Non-controlling interests	27.	(2,299,856)	(66,634)	-	-
Total equity		13,211,758	12,494,785	10,560,150	11,771,860
Liabilities					
Insurance contract liabilities	28.	11,378,929	11,219,669	8,666,751	8,657,220
Investment contract liabilities	29.	11,420,763	10,987,423	10,785,617	10,649,548
Trade payables	30.	3,471,777	2,080,143	1,109,685	1,200,305
Loans and borrowings	31.	301,421	1,101,546	854,483	886,105
Other payables and accruals	32.	9,030,484	7,283,834	4,726,598	3,877,758
Income tax payable	48.2	2,541,378	2,050,536	1,585,494	1,634,536
Deferred tax liabilities	48.4.	2,424,113	2,134,594	1,929,056	1,919,056
Deposit for shares	33.	1,138,275	1,138,275	-	-
		41,707,140	37,996,020	29,657,684	28,824,528
Liabilities classified as discontinued operations	57.	5,735,010	5,733,010	-	-
Total liabilities		47,442,150	43,729,030	29,657,684	28,824,528
Total equity and liabilities		60,653,907	56,223,813	40,217,831	40,596,394

The consolidated financial statements were approved by the Board of Directors on **14 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
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Continuing operations					
Gross premium written	34.	5,889,101	4,349,322	523,058	848,943
Changes in unearned premium	34.	123,365	(89,854)	163,879	(6,487)
Gross Premium Income		6,012,466	4,259,468	686,937	842,456
Reinsurance costs	35.	(2,293,345)	(1,506,051)	(16,563)	(62,752)
Net Premium Income		3,719,121	2,753,417	670,374	779,704
Fees and commission income	36.	322,120	182,734	16,275	8,950
Net underwriting income		4,041,241	2,936,151	686,649	788,654
Claims expenses (Gross)	37.	(2,724,797)	(1,856,025)	(590,898)	(787,760)
Changes in claims recoveries	37.	18,046	713,956	45,318	399,862
Net claims incurred		(2,706,751)	(1,142,069)	(545,580)	(387,898)
Underwriting expenses	38.	2,107,550	(1,636,967)	(420,730)	(517,645)
Changes in contract liabilities	39.	(11,135)	265,631	69,893	231,723
Underwriting profit/(loss)		3,430,904	422,746	(209,768)	114,834
Investments incomes	40.	587,540	570,589	153,561	210,852
(Loss)/profit on disposal of Investment properties	49.1	(422,614)	38,465	(422,614)	28,000
Profit on disposal of properties, plant & equipment	49.2	10,000	301,097	10,000	300,300
Net interest income	41.	152,158	11,158	37,039	38,625
Other operating incomes	42.	389,364	119,377	1,022	(3,048)
(Loss on investment contract	43.	(535,505)	(1,827,330)	(512,685)	(1,877,711)
Fair value gain through Profit or loss	44.	1,892,128	2,669,018	1,600,970	2,347,235
Impairment charge	45.	(459,420)	380,584	(607,276)	395,827
Management and administrative expenses	46.	(3,042,604)	(1,370,944)	(1,101,639)	(559,396)
Net operating profit/(loss)		2,001,952	1,314,760	(1,051,390)	995,518
Finance costs	47.	(117,632)	(41,536)	(97,352)	(145,496)
Profit/(loss) before income tax		1,884,320	1,273,224	(1,148,742)	850,022
Income tax expense	48.1	(220,774)	(121,220)	(8,568)	(6,106)
Profit/(loss) from continuing operations		1,663,546	1,152,004	(1,157,310)	843,916
Attributable to:					
Equity shareholders		1,504,765	1,076,669	(1,157,310)	843,916
Non-controlling interests	27.	158,781	75,335	-	-
		1,663,546	1,152,004	(1,157,310)	843,916

INDUSTRIAL AND GENERAL INSURANCE PLC

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Other Comprehensive income/(loss):					
Items that may be reclassified					
Fairvalue gain on available for sale assets	21 & 27	(113,314)	(320,731)	(144,400)	(51,688)
Exchange differences on translating foreign operations	21 & 25	47,972	408,067	-	-
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	103,813	346,373	100,000	350,000
Income tax relating to item that will not be reclassified subsequently to profit or loss		(10,000)	(35,000)	(10,000)	(35,000)
Other comprehensive income/(loss) for the year, net of tax		28,471	545,161	(54,400)	263,312
Total comprehensive income/(loss) for the year		1,692,017	1,697,165	(1,211,710)	1,107,228
Attributable to:					
Equity shareholders		1,692,017	1,772,496	(1,211,710)	1,107,228
Non-controlling interests	27.	7,354	(75,335)	-	-
		1,699,371	1,697,165	(1,211,710)	1,107,228
Basic and diluted profit/(loss) per share (Kobo)	50.	11.89	12.45	(8.51)	7.78

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 2021

	Note	Group		Company	
		2021 N'000	2020 N'000	2021 N'000	2020 N'000
Cash flows from operating activities					
Premium received on insurance contract	34b	5,889,101	4,349,322	523,058	848,943
Premium deposit	32.4	48,665	20,184	48,665	19,884
Net inflow from deposit Admin contract	29.	(115,515)	(733,612)	(376,616)	(344,603)
Reinsurance premium paid	30.1(i) & 35(a)	57,293	(1,712,341)	(59,436)	(484,603)
Commission received	36.	322,120	182,734	16,275	8,950
Claims paid	37.1a	(2,481,495)	(690,796)	(347,596)	(345,203)
Reinsurance recovery received	37.2.1	(910,671)	161,848	(58,537)	8,631
Commission paid	30(ii) & 38.1.1	(838,918)	(364,280)	(130,270)	(57,800)
Maintenance cost paid	38.2	2,758,725	(1,221,358)	(310,643)	(416,792)
Other Income	42.	389,364	119,377	1,022	(3,048)
Dividend Income	40.	28,019	26,304	28,019	11,881
Investment income	40.	559,521	544,285	125,542	198,971
Operating costs and payments to employee		(2,954,708)	(1,623,994)	(363,656)	(614,973)
Tax paid	48.2	(146,400)	(93,962)	(63,330)	(20,439)
Other operating cashflows		-	-	-	-
Net cash used in operating activities	51.	2,605,101	(1,036,289)	(967,503)	(1,190,201)
Cash flows from investing activities:					
Additions to fair value through profit or loss	6.1	(31,946)	(12,466)	(8,477)	-
Proceed on disposal of fair value through profit or loss		-	-	-	-
Additions to available for sale	6.2	(4,586,762)	-	(1,332,586)	-
Proceeds on disposal of available for sale	6.2	-	38,353	-	-
Held to maturity	6.3.	(1,182,129)	(350,163)	-	-
Additions to loans and receivables	6.4.1 & 6.4.2	(143,777)	6,256	(109,984)	(13,364)
Repayment of loans and receivables	6.4.	163,211	31,518	157,421	18,292
Loans and advances to customers	10.	-	(69,114)	-	-
Addition to non-current assets held for sale	11.	-	(331,199)	-	-
Proceeds on disposal of non-current assets held for sale	11.	1,828,707	20,341	-	-
Acquisition of investment properties	16.	(1,476,362)	(588,757)	-	-
Proceeds on disposal of investment properties	49.1	2,523,986	1,185,975	2,523,986	1,100,000
Other movement in investment properties		-	-	-	-
Purchase of property, plant and equipment	17.	-	(251,033)	-	-
Proceeds from disposal of property, plant & equipment	49.2	784,001	400,000	96,400	400,000
Interest income	41.	152,158	(28,266)	37,039	38,625
Net cash used in investing activities		(1,968,912)	51,445	1,363,799	1,543,553
Cash flows from financing activities:					
Additions to overdraft	31.1	117,632	-	97,352	-
Additions to term loans	31.1	-	-	-	-
Repayment of loans and borrowings	31.1	(180,061)	(275,002)	(128,974)	(279,832)
Dividend paid	32.3.	(311)	(3,055)	-	-
Interest paid	47.	(117,632)	(41,536)	(97,352)	(145,496)
Net cash generated by financing activities		(180,372)	(319,593)	(128,974)	(425,328)
Net increase/(decrease) in cash and cash equivalents					
		455,817	(1,304,437)	267,322	(91,860)
Cash and cash equivalents at 1 January		769,578	2,074,016	(722,859)	(630,999)
Cash and cash equivalents at 31 December	5.3.	1,225,395	769,578	(455,537)	(722,859)

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 2021

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 2020	7,115,619	8,530,781	6,256,758	136,812	4,218,011	(13,308,924)	134,236	(1,612,692)	182,607	(184,902)	11,468,306
Changes in equity for 2020:											
Profit for the year	-	-	-	-	-	1,152,004	-	-	-	75,335	1,227,339
Other comprehensive income;											
Share of revaluation gain in retained earnings	-	-	-	-	-	-	-	-	-	-	-
Loss on valuation of property, plant and equipment	-	-	394,589	-	-	-	-	-	-	(1,271)	393,318
Deferred tax effect	-	-	(35,000)	-	-	-	-	-	-	-	(35,000)
Reversal of revaluation	-	-	(650,300)	-	-	-	-	-	-	-	(650,300)
Loss on available for sale financial assets	-	-	-	(320,731)	-	-	-	-	-	11,768	(308,963)
Transfer from life fund	-	-	-	-	-	-	-	-	-	-	-
Transalation gain/(loss) for the year	-	-	(0)	(4)	(2)	5	0	367,649	(0)	29,957	397,606
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	7,115,619	8,530,781	5,966,047	(183,923)	3,804,156	(11,769,248)	145,959	(1,245,043)	197,070	(66,634)	12,494,785
1 January 2021	7,115,619	8,530,781	5,966,047	(183,923)	3,804,156	(11,769,248)	145,959	(1,245,043)	197,070	(66,634)	12,494,785
Changes in equity for 2021:											
Profit for the year	-	-	-	-	-	1,504,767	-	-	-	(3,735,427)	(2,230,660)
Other comprehensive income;											
Gain on valuation of property, plant and equipment	-	-	100,000	-	-	-	-	-	-	3,813	103,813
Deferred tax effect	-	-	(10,000)	-	-	-	-	-	-	-	(10,000)
Impact of investment reclassified to available for sale	-	-	-	-	-	(820,995)	-	-	-	-	(820,995)
Reversal of revaluation	-	-	(150,294)	-	-	-	-	-	-	-	(150,294)
Gain on available for sale financial assets	-	-	-	(123,418)	-	-	-	-	-	10,104	(113,314)
Transfer from life fund	-	-	-	-	820,995	-	-	-	-	-	820,995
Transalation gain/(loss) for the year	-	-	-	-	-	(2)	(0)	1,588,473	40,670	186,424	1,815,565
Transactions with owners, recorded directly in equity:											
Share of ordinary share capital	-	-	-	-	-	-	-	-	-	872,382	872,382
Share of share premium	-	-	-	-	-	-	-	-	-	160,303	160,303
Transfer (from)/to capital reserve	-	-	-	-	-	(230,931)	230,931	-	-	(12,791)	(12,791)
Transfer (from)/ to statutory reserve	-	-	-	-	-	-	-	-	-	3,058	3,058
Transfer (from)/ to contingency reserve	-	-	-	-	29,980	(29,980)	-	-	-	278,911	278,911
Transfer (from)/to assets revaluation reserve	-	-	-	-	-	-	-	-	-	-	-
Dividend paid / declared	-	-	-	-	-	-	-	-	-	-	-
31 DECEMBER 2021	7,115,619	8,530,781	5,905,753	(307,341)	4,655,131	(11,346,389)	376,890	343,431	237,740	(2,299,856)	13,211,758

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 2021

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 2020	7,115,619	8,530,781	5,858,892	122,230	3,707,698	(14,020,283)	11,314,937
Changes in equity for 2020:							
Profit for the year	-	-	-	-	-	843,916	843,916
Other comprehensive income;							
Gain on valuation of property, plant and equipment	-	-	350,000	-	-	-	350,000
Deferred tax effect	-	-	(35,000)	-	-	-	(35,000)
Reversal of revaluation	-	-	(650,300)	-	-	-	(650,300)
Gain/(loss) on available for sale financial assets	-	-	-	(51,687)	-	-	(51,687)
Transactions with owners, recorded directly in equity:							
Contingency reserve for the year	-	-	-	-	257,358	(257,358)	-
Actuarial surplus/transfer from life fund	-	-	-	-	146,445	-	146,445
Transfer from assets revaluation reserve	-	-	-	-	-	(6)	(6)
31 December 2020	7,115,619	8,530,781	5,523,592	70,543	4,111,501	(13,433,731)	11,918,305
1 January 2021	7,115,619	8,530,781	5,523,592	70,543	4,111,501	(13,433,731)	11,918,305
Changes in equity for 2021:							
Loss for the year	-	-	-	-	-	(1,157,310)	(1,157,310)
Other comprehensive income;							
Gain on valuation of property, plant and equipment	-	-	100,000	-	-	-	100,000
Deferred tax effect	-	-	(10,000)	(1)	-	-	(10,001)
Reversal of revaluation	-	-	-	-	-	-	-
Loss on available for sale financial assets	-	-	-	(144,400)	-	-	(144,400)
Transactions with owners, recorded directly in equity:							
Contingency reserve for the year	-	-	-	-	29,980	(29,980)	-
Actuarial surplus/transfer from life fund	-	-	-	-	-	-	-
Transfer from assets revaluation reserve	-	-	-	-	-	1	1
31 DECEMBER 2021	7,115,619	8,530,781	5,613,592	(73,858)	4,141,481	(14,621,020)	10,706,595

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 2021

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 2021

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

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

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

Fair value of financial assets and liabilities

	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Group				
At 31 DECEMBER 2021				
Financial assets	<u>337,459</u>	<u>-</u>	<u>7,826,729</u>	<u>8,164,188</u>
At 31 December 2020				
Financial assets	<u>224,542</u>	<u>-</u>	<u>2,236,493</u>	<u>2,461,035</u>
Company				
At 31 DECEMBER 2021				
Financial assets	<u>14,112</u>	<u>-</u>	<u>1,961,316</u>	<u>1,975,428</u>
At 31 December 2020				
Financial assets	<u>7,538</u>	<u>-</u>	<u>808,659</u>	<u>816,197</u>

iv) Recoverable amount of loans and receivables

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

v) Valuation of land and buildings

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

vi) Useful lives of property, plant and equipment

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

vii) Income taxes

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

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

3. Management of insurance and financial risk

The Company's activities expose it to a variety of financial risks, including insurance risk, financial risk, credit risk, and the effects of changes in property values, debt and equity market prices, foreign currency exchange rates and interest rates. The Company's overall risk management programme focuses on the identification and management of risks and seeks to minimise potential adverse effects on its financial performance, by use of underwriting guidelines and capacity limits, reinsurance planning, credit policy governing the acceptance of clients, and defined criteria for the

This section summarises the way the Company manages key risks:

a) Insurance risk

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

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

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

b) Data – Nature, Accuracy and Interpretation

The following data was supplied to us by the company:

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

The data covered periods from 1 January 2019 to 31 December 2021.

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 2021

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	125,337	125,337	0%
Engineering	1,988	1,988	0%
Fire	23,739	23,739	0%
Marine	18,474	18,474	0%
Motor	148,407	148,407	0%
Oil and Gas	20	20	0%
Total (31 December, 2021)	317,965	317,965	0%
Total (31 December, 2020)	575,054	575,054	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	207	207	0%
Engineering	3,540	3,540	0%
Fire	2,945	2,945	0%
Marine	-	-	0%
Motor	-	-	0%
Oil and Gas	-	-	0%
Total (31 December, 2021)	6,692	6,692	0%
Total (31 December, 2020)	58,180	58,180	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	138,959	138,959	0%
Engineering	1,916	1,916	0%
Fire	10,453	10,453	0%
Marine	21,558	21,558	0%
Motor	25,800	25,800	0%
Oil and Gas	-	-	0%
Total (31 December, 2021)	198,686	198,686	0%
Total (31 December, 2020)	126,114	126,114	0%

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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	4,082	4,082	0%
Engineering			0%
Fire	4,734	4,734	0%
Marine			0%
Motor	4,075	4,075	0%
Oil and Gas			0%
Total (31 December, 2021)	12,891	12,891	0%
Total (31 December, 2020)	31,641	31,641	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 2018 and 2019 respectively. There was a decrease in premium by all lines of business with significant decrease in Engineering, Marine and Oil & Gas. This resulted in an overall increase in GWP by 62%.

Class of Business	Gross Written Premium as at 31 December, 2021	Gross Written Premium as at 31 December, 2020	Percentage Difference
	Data	Data	
	N'000	N'000	
General Accident	125,337	230,823	-46%
Engineering	1,988	8,651	-84%
Fire	23,739	31,504	-36%
Marine	18,474	21,849	-85%
Motor	148,407	282,202	-35%
Oil and Gas	20	25	-98%
Total (31 December, 2021)	317,965	575,054	-62%

c) Valuation Methodology

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

Premium Reserves

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

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

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

Claims Reserves

The claim reserves comprise of:

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

Reserving method

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

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

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

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

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

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

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The following official inflation indices were adopted:

Table 3.1.1

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

We performed calculations on the following bases:

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

* With no discounting.

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

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

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

Large Losses

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

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

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

The results of the Inflation Adjusted Chain Ladder method (Discounted) and Bornhuetter-Ferguson are dependent upon the stability of the triangulated claims information used to derive the claims development patterns. The triangulations are examined and 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 2019 were updated for all classes of business using claims distribution experience over the past 5 years.

Table 3.1.2

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

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ii) Valuation Results

Inflation Adjusted Chain Ladder Method – Result Table

Table 3.1.3 Discounted Inflation Adjusted Basic Chain Ladder Method

Class of Business	Gross Outstanding Claims N	Estimated Reinsurance Recoveries N	Net Outstanding Claims N
General Accident	219,292,295	(16,171,207)	203,121,088
Engineering	493,043,576	(357,942,482)	135,101,094
Fire	77,274,235	(51,716,071)	25,558,164
Marine	291,488,945	(6,904,116)	284,584,829
Motor	97,209,932	(9,032,477)	88,177,455
Oil & Gas	1,652,258,884	(794,256,083)	858,002,801
TOTAL	2,830,567,867	(1,236,022,436)	1,594,545,431
Accounts (Outstanding C	2,719,871,635	(1,229,447,215)	1,490,424,420
Difference	110,696,232	(6,575,221)	104,121,011
Difference	2,609,175,403	(1,222,871,995)	1,386,303,408

*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 N	Outstanding Reported Claims Reserves N	Incurred But Not Reported (IBNR) N
General Accident	219,292,295	168,245,244	51,047,051
Engineering	493,043,576	489,857,021	3,186,555
Fire	77,274,235	65,549,720	11,724,515
Marine	291,488,945	283,470,010	8,018,935
Motor	97,209,932	60,490,756	36,719,176
Oil & Gas	1,652,258,884	1,652,258,884	-
TOTAL	2,830,567,867	2,719,871,635	110,696,232

Table 3.1.5 Reinsurance IBNR Table

Class of Business	Total Outstanding Reinsurance Recoveries N	Outstanding Reported Reinsurance Recoveries N	Reinsurance IBNR N
General Accident	16,171,207	15,934,932	236,275
Engineering	357,942,482	356,858,998	1,083,484
Fire	51,716,071	49,960,522	1,755,549
Marine	6,904,116	5,915,181	988,935
Motor	9,032,477	6,522,500	2,509,977
Oil and Gas	794,255,083	794,255,082	1
TOTAL	1,236,021,436	1,229,447,215	6,574,221

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Table 3.1.6 UPR (Gross and Reinsurance UPR) Table

Estimated UPR (net of reinsurance)

	Gross UPR	Reinsurance UPR	NET UPR
Class of Business	N	N	N
General Accident	27,240,672	(482,446)	26,758,226
Engineering	733,606	(84,748)	648,858
Fire	9,634,170	(1,823,955)	7,810,215
Marine	6,616,856	(1,020,857)	5,595,999
Motor	37,752,979		37,752,979
Oil and Gas	17,644		17,644
TOTAL	81,995,927	(3,412,006)	78,583,921

Additional Unexpired Risk Reserve (AURR)

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

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

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

Table 3.1.7 Loss Ratio Table

Class of Business	Claims Ratio (Net)	Combined Ratio	AURR
			N
General Accident	31%	139%	10,381,588
Engineering	14%	122%	143,244
Fire	17%	125%	1,990,997
Marine	18%	126%	1,436,019
Motor	17%	125%	9,344,004
Oil and Gas	0%	109%	1,418
Total			23,297,270

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	2,787,307,604	2,842,932,054
IABCL	2,830,567,867	2,870,668,467

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Table 3.1.10 Reinsurance Recoveries

Valuation Method	Discounted	Undiscounted
	N	N
BCL	1,202,009,028	1,228,953,358
IABCL	1,236,021,436	1,264,043,065

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

Conclusion

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

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

Technical Reserves

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

Technical Reserves

Reserves	Gross Reserve	Reinsurance Assets	Net Reserve
	N	N	N
Claims	2,830,567,867	(1,236,021,436)	1,594,546,431
UPR	81,995,926	(3,412,006)	78,583,920
AURR*	-	-	23,297,270
Total	2,912,563,793	(1,239,433,442)	1,696,427,621

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

Appendix 1 : Illustration of Gross Claim Reserving - Fire

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

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Appendix 3 : Illustration of Gross Claim Reserving - Fire

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

3.1 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))

Accident year	Incremental Chain ladder-Yearly Projections (N'000)										
	1	2	3	4	5	6	7	8	9	10	11
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	-	-	-
2010	8,530	45,084	77,857	18,794	17	453	-	-	-	-	1,835
2011	6,410	53,113	25,548	16,956	344	15	1,707	-	-	352	-
2012	43,215	4,963	2,291	3,168	2,760	-	-	-	3,468	-	-
2013	2,602	17,444	8,155	15,078	443	8	-	446	861	-	-
2014	7,694	15,347	3,914	53,201	256	254	465	476	-	-	-
2015	2,680	69,159	58,790	15,266	611	1,914	1,964	-	-	-	-
2016	8,356	7,754	52	-	680	1,878	-	-	-	-	-
2017	9,421	1,070	-	1,228	-	-	-	-	-	-	-
2018	2,883	4,854	15,424	4,000	-	-	-	-	-	-	-
2019	1,983	161	1,031	-	-	-	-	-	-	-	-
2020	113	12	-	-	-	-	-	-	-	-	-
2021	232	-	-	-	-	-	-	-	-	-	-

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

Inflation Adjusted Chain Ladder

Accident year	Inflation Adjusted Chain Ladder - Annual Projections (N'000)										
	1	2	3	4	5	6	7	8	9	10	11
2007	-	54,021	-	-	159	-	-	78	-	-	-
2008	306,600	60,139	20,763	43,609	-	-	-	-	-	-	-
2009	48,334	77,167	42,756	41	118,046	-	-	1,052	-	-	-
2011	20,416	151,040	67,270	41,226	763	29	2,770	-	-	400	-
2012	122,892	13,067	5,571	7,027	5,168	-	-	-	3,949	-	-
2013	6,850	42,411	18,091	28,231	719	11	-	508	861	-	-
2014	18,707	34,044	7,329	86,340	374	333	530	476	-	-	-
2015	5,946	129,490	95,410	22,263	800	2,179	1,964	-	-	-	-
2016	15,646	12,584	76	-	774	1,878	-	-	-	-	-
2017	15,289	1,560	-	1,398	-	-	-	-	-	-	-
2018	4,205	6,356	17,564	4,000	-	-	-	-	-	-	-
2019	2,597	184	1,031	-	-	-	-	-	-	-	-
2020	129	12	-	-	-	-	-	-	-	-	-
2021	232	-	-	-	-	-	-	-	-	-	-

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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
2007	-	54,021	54,021	54,021	54,180	54,180	54,180	54,258	54,258	54,258	54,258
2008	306,600	366,739	387,503	431,112	431,112	431,112	431,112	431,112	431,112	431,112	431,112
2009	48,334	125,501	168,256	168,297	286,343	286,343	286,343	287,394	287,394	287,394	287,394
2010	29,966	173,559	394,967	444,453	444,494	445,500	445,500	445,500	445,500	445,500	447,590
2011	20,416	171,456	238,726	279,952	280,715	280,744	283,514	283,514	283,514	283,914	283,914
2012	122,892	135,959	141,530	148,557	153,725	153,725	153,725	153,725	157,674	157,674	-
2013	6,850	49,261	67,351	95,583	96,302	96,313	96,313	96,821	97,682	-	-
2014	18,707	52,751	60,080	146,420	146,793	147,126	147,656	148,131	-	-	-
2015	5,946	135,436	230,846	253,110	253,910	256,089	258,052	-	-	-	-
2016	15,646	28,230	28,306	28,306	29,080	30,958	-	-	-	-	-
2017	10,209	10,049	10,049	10,247	10,247	-	-	-	-	-	-
2018	4,205	10,560	28,124	32,124	-	-	-	-	-	-	-
2019	2,597	2,781	3,812	-	-	-	-	-	-	-	-
2020	129	141	-	-	-	-	-	-	-	-	-
2021	232	-	-	-	-	-	-	-	-	-	-
Loss Dev Factors (LDF)		2.214	1.376	1.156	1.061	1.002	1.000	1.000	1.000	1.000	1.000
Loss Dev Factors		2.479	1.282	1.043	1.035	1.008	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.

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

3.4 From the combined settlement patterns we project the accumulation amounts payable in future years with allowance for future inflation.

Projected Table

Accident year	Incremental Chain ladder-Yearly Projections (N'000)										
	1	2	3	4	5	6	7	8	9	10	11
2007	-	54,021	54,021	54,021	54,180	54,180	54,180	54,258	54,258	54,258	54,258
2008	306,600	366,739	387,503	431,112	431,112	431,112	431,112	431,112	431,112	431,112	431,112
2009	48,334	125,501	168,256	168,297	286,343	286,343	286,343	287,394	287,394	287,394	287,394
2010	29,966	173,559	394,967	444,453	444,494	445,500	445,500	445,500	445,500	445,500	447,590
2011	20,416	171,456	238,726	279,952	280,715	280,744	283,514	283,514	283,514	283,914	283,914
2012	122,892	135,959	141,530	148,557	153,725	153,725	153,725	153,725	157,674	157,674	160,554
2013	6,850	49,261	67,351	95,583	96,302	96,313	96,313	96,821	97,682	104,024	104,024
2014	18,707	52,751	60,080	146,420	146,793	147,126	147,656	148,131	156,490	156,490	156,490
2015	5,946	135,436	230,846	253,110	253,910	256,089	258,052	280,710	280,710	280,710	280,710
2016	15,646	28,230	28,306	28,306	29,080	30,958	32,079	32,079	32,079	32,079	32,079
2017	15,289	16,849	16,849	18,247	18,247	26,667	26,667	26,667	26,667	26,667	26,667
2018	4,205	10,560	28,124	32,124	41,334	41,467	41,467	41,467	41,467	41,467	41,467
2019	2,597	2,781	3,812	4,407	4,755	4,772	4,772	4,772	4,772	4,772	4,772
2020	129	141	4,711	5,658	6,146	6,170	6,170	6,170	6,170	6,170	6,170
2021	232	2,829	4,198	5,087	5,545	5,567	5,567	5,567	5,567	5,567	5,567

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

Accident year	Discounted Cumulative IABCL - Annual Projections (N'000)										
	1	2	3	4	5	6	7	8	9	10	11
2007	-	54,021	54,021	54,021	54,180	54,180	54,180	54,258	54,258	54,258	54,258
2008	306,600	366,739	387,503	431,112	431,112	431,112	431,112	431,112	431,112	431,112	431,112
2009	48,334	125,501	168,256	168,297	286,343	286,343	286,343	287,394	287,394	287,394	287,394
2010	29,966	173,559	394,967	444,453	444,494	445,500	445,500	445,500	445,500	445,500	447,590
2011	20,416	171,456	238,726	279,952	280,715	280,744	283,514	283,514	283,514	283,914	283,914
2012	122,892	135,959	141,530	148,557	153,725	153,725	153,725	153,725	157,674	157,674	160,554
2013	6,850	49,261	67,351	95,583	96,302	96,313	96,313	96,821	97,682	104,024	104,024
2014	18,707	52,751	60,080	146,420	146,793	147,126	147,656	148,131	156,490	156,490	156,490
2015	5,946	135,436	230,846	253,110	253,910	256,089	258,052	280,710	280,710	280,710	280,710
2016	15,646	28,230	28,306	28,306	29,080	30,958	32,079	32,079	32,079	32,079	32,079
2017	15,289	16,849	16,849	18,247	18,247	26,667	26,667	26,667	26,667	26,667	26,667
2018	4,205	10,560	28,124	32,124	41,334	41,446	41,446	41,446	41,446	41,446	41,446
2019	2,597	2,781	3,812	4,407	4,699	4,712	4,712	4,712	4,712	4,712	4,712
2020	129	141	4,711	5,505	5,870	5,886	5,886	5,886	5,886	5,886	5,886
2021	232	2,829	3,978	4,641	4,944	4,958	4,958	4,958	4,958	4,958	4,958

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3.6 We illustrate our reserves for Fire large loss as follows

Accident Year	Exposure / Earned Premium (N'000)	Total Paid Amounts (N'000)	Reported LG Reserve	No. of Large Losses	Claim Frequency	Average Paid Cost (N'000)	Ult Avg Cost	Ultimate Freq	Ultimate Paid Amounts (N'000)	Large Loss Reserves (N'000)
2007	744,163	-	-	-	0.00000%	-	-	0.00000%	-	-
2008	744,163	-	-	4	0.00054%	-	-	0.00054%	-	-
2009	744,163	-	-	-	0.00000%	-	-	0.00000%	-	-
2010	744,163	-	-	1	0.00013%	-	-	0.00013%	-	-
2011	714,331	-	-	1	0.00014%	-	-	0.00014%	-	-
2012	438,135	384,173	-	3	0.00068%	128,058	128,058	0.00068%	384,173	-
2013	439,703	-	-	20	0.00455%	-	-	0.00455%	-	-
2014	309,580	-	-	1	0.00032%	-	-	0.00032%	-	-
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	153	-	-	0.00000%	-	-	0.00000%	153	-
2021	31,067	-	-	-	0.00000%	-	-	0.00000%	-	-
Total										0
									Discounted	0
									Discounted	0

*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

We have assumed that the pre 2021 claims are fully developed. For 2021 accident year, we used the average of 2018 to 2020

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

Accident Year	Incremental
2022	73,567
2023	2,347
2024	1,040
2025	320
2026	0
2027	0
2028	0
2029	0
2030	0
Attritional Losses	77,274
Large Loss	0
Total	77,274

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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	100,561	41,328	4,458	3,510	1,524	118	-	188	-	-	-	-	-	-
2009	53,098	38,543	68,421	354	2,775	58	211	-	-	-	-	82	987	-
2010	23,887	53,548	2,570	2,019	6,455	50	-	1,378	-	-	-	-	-	-
2011	13,849	22,712	9,650	7,566	1,240	12	596	240	-	106	-	-	-	-
2012	14,444	31,414	29,621	8,974	5,102	81	225	-	892	-	-	-	-	-
2013	19,342	36,842	23,141	2,738	1,397	224	-	434	-	-	-	-	-	-
2014	9,110	15,125	3,975	700	-	1,659	2,920	872	-	-	-	-	-	-
2015	3,493	9,039	7,196	2,705	4,184	3,863	2,260	-	-	-	-	-	-	-
2016	11,399	2,116	7,113	5,505	2,041	-	-	-	-	-	-	-	-	-
2017	6,570	5,889	9,283	-	101	-	-	-	-	-	-	-	-	-
2018	2,557	99,577	731	-	-	-	-	-	-	-	-	-	-	-
2019	3,968	23,844	15,926	-	-	-	-	-	-	-	-	-	-	-
2020	7,440	7,625	-	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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	-	50,973	7,596	579	2,320	-	40	73	-	-	-	-	-	-
2008	449,863	162,321	15,663	11,178	4,334	311	-	417	-	-	-	-	-	-
2009	208,550	135,404	217,921	1,007	7,306	141	468	-	-	-	-	93	987	-
2010	83,915	170,552	7,308	5,317	15,694	111	-	2,236	-	-	-	-	-	-
2011	44,110	64,589	25,410	18,395	2,750	22	968	351	-	121	-	-	-	-
2012	41,074	82,716	72,019	19,907	9,553	131	328	-	1,015	-	-	-	-	-
2013	50,930	89,574	51,335	5,127	2,267	326	-	494	-	-	-	-	-	-
2014	22,148	33,553	7,442	1,136	-	2,172	3,325	872	-	-	-	-	-	-
2015	7,749	16,923	11,678	3,946	5,479	4,399	2,260	-	-	-	-	-	-	-
2016	21,342	3,435	10,374	7,209	2,324	-	-	-	-	-	-	-	-	-
2017	10,663	8,588	12,156	-	101	-	-	-	-	-	-	-	-	-
2018	3,730	130,397	832	-	-	-	-	-	-	-	-	-	-	-
2019	5,197	27,151	15,926	-	-	-	-	-	-	-	-	-	-	-
2020	8,472	7,625	-	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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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	-	50,973	58,569	59,148	61,468	61,468	61,509	61,582	61,582	61,582	61,582	61,582	61,582	61,582
2008	449,863	612,184	627,847	639,025	643,359	643,670	643,670	644,088	644,088	644,088	644,088	644,088	644,088	644,088
2009	208,550	343,954	561,875	562,881	570,188	570,328	570,796	570,796	570,796	570,796	570,796	570,890	570,890	570,890
2010	83,915	254,467	261,775	267,092	282,786	282,897	282,897	285,133	285,133	285,133	285,133	285,133	285,133	285,133
2011	44,110	108,699	134,108	152,503	155,254	155,276	156,244	156,595	156,595	156,716	156,716	157,153	157,153	157,153
2012	41,074	123,791	195,809	215,717	225,270	225,401	225,729	225,729	226,744	226,744	235,946	235,946	235,946	235,946
2013	50,930	140,504	191,839	196,966	199,232	199,559	199,559	200,052	200,052	255,796	255,796	255,796	255,796	255,796
2014	22,148	55,702	63,143	64,279	64,279	66,451	69,776	70,648	103,391	103,391	103,391	103,391	103,391	103,391
2015	7,749	24,673	36,351	40,297	45,775	50,174	52,434	85,760	85,762	85,762	85,762	85,762	85,762	85,762
2016	21,342	24,777	35,151	42,360	44,684	44,684	59,668	59,668	59,669	59,669	59,669	59,669	59,669	59,669
2017	10,663	19,252	31,408	31,408	31,509	38,849	38,849	38,849	38,850	38,850	38,850	38,850	38,850	38,850
2018	3,730	134,126	134,959	134,959	151,902	152,543	152,543	152,543	152,548	152,548	152,548	152,548	152,548	152,548
2019	5,197	32,348	48,274	51,728	53,245	53,500	53,500	53,500	53,502	53,502	53,502	53,502	53,502	53,502
2020	8,472	16,096	21,745	22,604	23,333	23,456	23,456	23,456	23,457	23,457	23,457	23,457	23,457	23,457
2021	-	35,803	45,419	47,224	48,756	49,014	49,014	49,014	49,015	49,015	49,015	49,015	49,015	49,015

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	-	50,973	58,569	59,148	61,468	61,468	61,509	61,582	61,582	61,582	61,582	61,582	61,582	61,582
2008	449,863	612,184	627,847	639,025	643,359	643,670	643,670	644,088	644,088	644,088	644,088	644,088	644,088	644,088
2009	208,550	343,954	561,875	562,881	570,188	570,328	570,796	570,796	570,796	570,796	570,796	570,890	570,890	570,890
2010	83,915	254,467	261,775	267,092	282,786	282,897	282,897	285,133	285,133	285,133	285,133	285,133	285,133	285,133
2011	44,110	108,699	134,108	152,503	155,254	155,276	156,244	156,595	156,595	156,716	156,716	157,153	157,153	157,153
2012	41,074	123,791	195,809	215,717	225,270	225,401	225,729	225,729	226,744	226,744	235,946	235,946	235,946	235,946
2013	50,930	140,504	191,839	196,966	199,232	199,559	199,559	200,052	200,052	255,796	255,796	255,796	255,796	255,796
2014	22,148	55,702	63,143	64,279	64,279	66,451	69,776	70,648	103,391	103,391	103,391	103,391	103,391	103,391
2015	7,749	24,673	36,351	40,297	45,775	50,174	52,434	85,760	85,761	85,761	85,761	85,761	85,761	85,761
2016	21,342	24,777	35,151	42,360	44,684	44,684	59,668	59,668	59,669	59,669	59,669	59,669	59,669	59,669
2017	10,663	19,252	31,408	31,408	31,509	38,849	38,849	38,849	38,849	38,849	38,849	38,849	38,849	38,849
2018	3,730	134,126	134,959	134,959	151,902	152,440	152,440	152,440	152,443	152,443	152,443	152,443	152,443	152,443
2019	5,197	32,348	48,274	51,728	53,001	53,191	53,191	53,191	53,192	53,192	53,192	53,192	53,192	53,192
2020	8,472	16,096	21,745	22,465	23,010	23,091	23,091	23,091	23,091	23,091	23,091	23,091	23,091	23,091
2021	-	35,803	43,869	45,216	46,233	46,385	46,385	46,385	46,385	46,385	46,385	46,385	46,385	46,385

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3.8.5 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	748,944	-	-	-	0.00000%	-	-	0.00000%	-	-
2008	748,944	-	-	4	0.00053%	-	-	0.00053%	-	-
2009	748,944	-	-	1	0.00013%	-	-	0.00013%	-	-
2010	748,944	-	-	1	0.00013%	-	-	0.00013%	-	-
2011	473,732	-	-	3	0.00063%	-	-	0.00063%	-	-
2012	393,774	26	-	2	0.00051%	13	13	0.00051%	-	26
2013	357,261	-	-	1	0.00028%	-	-	0.00028%	-	-
2014	281,014	-	-	2	0.00071%	-	-	0.00071%	-	-
2015	243,484	-	-	-	0.00000%	-	-	0.00000%	-	-
2016	277,299	-	-	-	0.00000%	-	-	0.00000%	-	-
2017	300,575	-	-	-	0.00000%	-	-	0.00000%	-	-
2018	209,467	-	-	-	0.00000%	-	-	0.00000%	-	-
2019	165,903	2,835	-	1	0.00060%	2,835	2,835	0.00060%	-	2,835
2020	244,939	111,189	-	-	0.00000%	-	-	0.00000%	-	111,189
2021	122,722	-	-	-	0.00000%	-	-	0.00000%	-	-
Total			-							114,049
								Discounted		0

We have assumed that the pre 2021 claims are fully developed. For 2021 accident year, we used the average of 2016 to 2019 accident years to derive the Ultimate frequency average of 2015 to 2017 accident years as the average cost.

3.8.6 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	61,582	-	61,582	-	748,944	8%
2008	644,088	-	644,088	-	748,944	86%
2009	571,877	-	570,890	(987)	748,944	76%
2010	285,133	-	287,133	2,000	748,944	38%
2011	156,716	-	157,153	437	473,732	33%
2012	226,744	26	235,946	9,176	393,774	60%
2013	200,052	-	255,796	55,744	357,261	72%
2014	70,648	-	103,391	32,743	281,014	37%
2015	52,434	-	85,761	33,328	243,484	35%
2016	44,684	-	59,669	14,985	277,299	22%
2017	31,509	-	38,849	7,340	300,575	13%
2018	134,959	-	152,443	17,484	209,467	73%
2019	48,274	2,835	53,192	2,083	165,903	32%
2020	16,096	111,189	23,091	(104,194)	244,939	9%
2021	-	-	(67,664)	(67,664)	122,722	-55%
Total				2,475		

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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	19,344	-	-	-	-	-	-	-	-	762	-	-
2011	9,457	-	-	-	-	5,250	-	762	-	-	-	-
2012	3,604	1,201	4,138	-	-	-	-	-	-	-	-	-
2013	704	1,140	1,044	-	-	-	-	-	-	-	-	-
2014	8,187	2,664	-	61	-	-	-	-	-	-	-	-
2015	552	5,463	93	-	-	-	-	-	-	-	-	-
2016	84	6,035	-	-	-	-	-	-	-	-	-	-
2017	-	1,114	1,355	-	-	-	-	-	-	-	-	-
2018	-	4,440	3,636	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-	-

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	-	27	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-	-	-
2010	67,958	-	-	-	-	-	-	-	-	998	-	-
2011	30,121	-	-	-	-	9,830	-	1,111	-	-	-	-
2012	10,249	3,162	10,060	-	-	-	-	-	-	-	-	-
2013	1,855	2,773	2,316	-	-	-	-	-	-	-	-	-
2014	19,906	5,909	-	99	-	-	-	-	-	-	-	-
2015	1,224	10,229	151	-	-	-	-	-	-	-	-	-
2016	157	9,794	-	-	-	-	-	-	-	-	-	-
2017	-	1,624	1,775	-	-	-	-	-	-	-	-	-
2018	-	5,815	4,140	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-	-

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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	-	27	27	27	27	27	27	27	27	27	27	27
2008	-	-	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-	-	-
2010	67,958	67,958	67,958	67,958	67,958	67,958	67,958	67,958	67,958	68,956	68,956	68,956
2011	30,121	30,121	30,121	30,121	30,121	39,951	39,951	41,062	41,062	41,062	41,062	51,313
2012	10,249	13,411	23,471	23,471	23,471	23,471	23,471	23,471	23,471	23,471	25,122	25,122
2013	1,855	4,627	6,943	6,943	6,943	6,943	6,943	6,943	6,943	9,507	9,507	9,507
2014	19,906	25,815	25,815	25,914	25,914	25,914	25,914	25,914	29,903	29,903	29,903	29,903
2015	1,224	11,453	11,604	11,604	11,604	11,604	11,604	14,185	14,185	14,185	14,185	14,185
2016	157	9,950	9,950	9,950	9,950	9,950	12,641	12,641	12,641	12,641	12,641	12,641
2017	-	1,624	3,399	3,399	3,399	4,801	4,801	4,801	4,801	4,801	4,801	4,801
2018	-	5,815	9,954	9,954	9,954	9,954	9,954	9,954	9,954	9,954	9,954	9,954
2019	-	-	-	641	641	641	641	641	641	641	641	641
2020	-	-	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115
2021	-	1,535	1,723	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	-	27	27	27	27	27	27	27	27	27	27	27
2008	-	-	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-	-	-
2010	67,958	67,958	67,958	67,958	67,958	67,958	67,958	67,958	67,958	68,956	68,956	68,956
2011	30,121	30,121	30,121	30,121	30,121	39,951	39,951	41,062	41,062	41,062	41,062	51,313
2012	10,249	13,411	23,471	23,471	23,471	23,471	23,471	23,471	23,471	23,471	25,122	29,882
2013	1,855	4,627	6,943	6,943	6,943	6,943	6,943	6,943	6,943	9,507	9,507	9,507
2014	19,906	25,815	25,815	25,914	25,914	25,914	25,914	25,914	29,903	29,903	29,903	29,903
2015	1,224	11,453	11,604	11,604	11,604	11,604	11,604	14,185	14,185	14,185	14,185	14,185
2016	157	9,950	9,950	9,950	9,950	9,950	12,641	12,641	12,641	12,641	12,641	12,641
2017	-	1,624	3,399	3,399	3,399	4,801	4,801	4,801	4,801	4,801	4,801	4,801
2018	-	5,815	9,954	9,954	9,954	9,954	9,954	9,954	9,954	9,954	9,954	9,954
2019	-	-	-	641	641	641	641	641	641	641	641	641
2020	-	-	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115
2021	-	1,535	1,723	1,724	1,724	1,724	1,724	1,724	1,724	1,724	1,724	1,724

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3.9.5 Reserve for Large losses

Acc Year	Exposure / Earned Premium (N'000)	Total Paid Amounts (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 Amounts (N'000)	Large Loss Reserve (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	23,881	-	1	0.00015%	23,881	23,881	0.00015%	-	23,881
2011	529,540	24	-	1	0.00019%	24	24	0.00019%	-	24
2012	486,725	18,573	-	1	0.00021%	18,573	18,573	0.00021%	-	18,573
2013	222,644	33,000	172,318	2	0.00180%	16,500	16,500	0.00180%	-	205,318
2014	349,275	243,000	-	2	0.00057%	121,500	121,500	0.00057%	-	243,000
2015	579,535	-	-	-	0.00000%	-	-	0.00000%	-	-
2016	345,802	-	273,368	-	0.00058%	-	-	0.00058%	-	273,368
2017	209,495	9,748	17,197	1	0.00095%	9,748	9,748	0.00095%	-	26,945
2018	192,255	19,446	-	-	0.00000%	-	-	0.00000%	-	19,446
2019	43,135	-	-	-	0.00000%	-	-	0.00000%	-	-
2020	8,630	-	-	-	0.00000%	-	-	0.00000%	-	-
2021	3,270	-	-	-	0.00000%	-	-	0.00000%	-	-
Total			462,883							810,555
									Discounted	462,883

We have assumed that the pre 2021 claims are fully developed. For 2021 accident year, we used the frequency of 2017 accident year to derive the Ultimate frequency and the average of 2015 and 2019 accident years as the average cost.

3.9.6 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	27	-	27	-	662,227	0%
2008	-	-	-	-	662,227	0%
2009	-	-	-	-	662,227	0%
2010	68,956	23,881	68,956	(23,881)	662,227	10%
2011	41,062	24	85,822	44,736	529,540	16%
2012	23,471	18,573	25,122	(16,922)	486,725	5%
2013	6,943	33,000	9,507	(30,436)	222,644	4%
2014	25,914	243,000	29,903	(239,011)	349,275	9%
2015	11,604	-	14,185	2,581	579,535	2%
2016	9,950	-	12,641	2,691	345,802	4%
2017	3,399	9,748	4,801	(8,347)	209,495	2%
2018	9,954	19,446	9,954	(19,446)	192,255	5%
2019	-	-	641	641	43,135	1%
2020	-	-	1,115	1,115	8,630	13%
2021	-	-	(345,947)	(345,947)	3,270	-10578%
Total				-632,225		

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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)

Incremental Chain ladder-Yearly Projections (N'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11
2007	-	35,833	6	17	8	-	-	-	-	300	-
2008	51,829	20,911	1,859	1,101	1,036	2,030	-	2,588	6	-	-
2009	82,573	30,079	9,886	1,697	3,052	-	3,672	45	-	-	-
2010	65,665	85,703	17,650	752	-	1,040	120	-	-	-	-
2011	77,708	62,166	7,279	3,555	5,166	52	-	-	-	-	636
2012	59,570	36,723	2,538	12	446	2,016	-	-	607	1,072	-
2013	54,338	29,458	3,400	541	311	-	-	-	-	-	-
2014	36,887	29,558	10,316	102	3,060	2,370	386	1,260	-	-	-
2015	25,235	34,343	1,689	2,942	-	-	-	-	-	-	-
2016	30,867	10,729	2,286	360	-	-	-	-	-	-	-
2017	18,770	8,600	5,914	15	-	-	-	-	-	-	-
Investment properties	17,547	13,934	2,569	989	-	-	-	-	-	-	-
2019	11,687	9,781	219	-	-	-	-	-	-	-	-
2020	7,895	5,879	-	-	-	-	-	-	-	-	-
2021	8,670	-	-	-	-	-	-	-	-	-	-

3.10.2 Inflation Adjusted Chain Ladder Table

Inflation Adjusted Chain Ladder - Annual Projections (N'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11
2007	-	160,300	22	61	27	-	-	-	-	562	-
2008	231,861	82,131	6,530	3,508	2,945	5,344	-	5,740	12	-	-
2009	324,315	105,670	31,487	4,826	8,037	-	8,145	85	-	-	-
2010	230,686	272,965	50,192	1,981	-	2,306	225	-	-	-	-
2011	247,501	176,787	19,166	8,643	11,461	98	-	-	-	-	636
2012	169,404	96,695	6,170	27	836	3,272	-	-	691	1,072	-
2013	143,077	71,621	7,543	1,013	505	-	-	-	-	-	-
2014	89,685	65,570	19,314	166	4,463	3,103	440	1,260	-	-	-
2015	55,980	64,302	2,742	4,291	-	-	-	-	-	-	-
2016	57,793	17,411	3,334	471	-	-	-	-	-	-	-
2017	30,462	12,542	7,744	17	-	-	-	-	-	-	-
2018	25,591	18,247	2,926	989	-	-	-	-	-	-	-
2019	15,305	11,138	219	-	-	-	-	-	-	-	-
2020	8,990	5,879	-	-	-	-	-	-	-	-	-
2021	8,670	-	-	-	-	-	-	-	-	-	-

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3.10.3 Projected Inflation Adjusted Chain Ladder Table

Cumulative Chain ladder-Annual Projections (N'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11
2007	-	160,300	160,322	160,383	160,410	160,410	160,410	160,410	160,410	160,971	160,971
2008	231,861	313,991	320,521	324,029	326,975	332,319	332,319	338,059	338,071	338,071	338,071
2009	324,315	429,985	461,472	466,298	474,335	474,335	482,480	482,565	482,565	482,565	482,565
2010	230,686	503,652	553,843	555,824	555,824	558,130	558,355	558,355	558,355	558,355	558,355
2011	247,501	424,288	443,453	452,097	463,558	463,656	463,656	463,656	463,656	463,656	464,291
2012	169,404	266,099	272,269	272,296	273,131	276,403	276,403	276,403	277,094	278,166	278,196
2013	143,077	214,698	222,241	223,254	223,759	223,759	223,759	223,759	223,759	224,307	224,307
2014	89,685	155,254	174,569	174,734	179,197	182,300	182,740	184,000	187,774	187,774	187,774
2015	55,980	120,282	123,024	127,314	127,314	127,314	127,314	136,734	136,734	136,734	136,734
2016	57,793	75,205	78,538	79,010	79,010	79,010	84,411	84,696	84,696	84,696	84,696
2017	30,462	43,004	50,748	50,764	50,764	58,377	58,610	58,833	58,833	58,833	58,833
2018	25,591	43,838	46,763	47,752	54,159	54,499	54,746	54,982	54,982	54,982	54,982
2019	15,305	26,443	26,662	34,408	34,684	34,927	35,104	35,273	35,273	35,273	35,273
2020	8,990	14,869	30,384	30,712	30,981	31,218	31,391	31,556	31,556	31,556	31,556
2021	8,670	21,310	22,756	23,030	23,254	23,451	23,595	23,732	23,732	23,732	23,732

3.10.4 Projected Inflation Adjusted Chain Ladder Table - Discounted Results

Discounted Cumulative IABCL - Annual Projections (N'000)											
Accident year	1	2	3	4	5	6	7	8	9	10	11
2007	-	160,300	160,322	160,383	160,410	160,410	160,410	160,410	160,410	160,971	160,971
2008	231,861	313,991	320,521	324,029	326,975	332,319	332,319	338,059	338,071	338,071	338,071
2009	324,315	429,985	461,472	466,298	474,335	474,335	482,480	482,565	482,565	482,565	482,565
2010	230,686	503,652	553,843	555,824	555,824	558,130	558,355	558,355	558,355	558,355	558,355
2011	247,501	424,288	443,453	452,097	463,558	463,656	463,656	463,656	463,656	463,656	464,291
2012	169,404	266,099	272,269	272,296	273,131	276,403	276,403	276,403	277,094	278,166	278,196
2013	143,077	214,698	222,241	223,254	223,759	223,759	223,759	223,759	223,759	224,307	224,307
2014	89,685	155,254	174,569	174,734	179,197	182,300	182,740	184,000	187,774	187,774	187,774
2015	55,980	120,282	123,024	127,314	127,314	127,314	127,314	136,734	136,734	136,734	136,734
2016	57,793	75,205	78,538	79,010	79,010	79,010	84,411	84,650	84,650	84,650	84,650
2017	30,462	43,004	50,748	50,764	50,764	58,377	58,573	58,739	58,739	58,739	58,739
2018	25,591	43,838	46,763	47,752	54,159	54,444	54,628	54,785	54,785	54,785	54,785
2019	15,305	26,443	26,662	34,408	34,640	34,821	34,938	35,038	35,038	35,038	35,038
2020	8,990	14,869	30,384	30,659	30,860	31,017	31,119	31,206	31,206	31,206	31,206
2021	8,670	21,310	22,523	22,727	22,876	22,993	23,068	23,132	23,132	23,132	23,132

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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	2,122,784	-	3	0.00030%	707,595	707,595	0.00000%	-	2,122,784
2008	994,754	4,217,716	-	8	0.00080%	527,215	527,215	0.00000%	-	4,217,716
2009	994,754	82,174	-	10	0.00101%	8,217	8,217	0.00000%	-	82,174
2010	994,754	142,768	-	11	0.00111%	12,979	12,979	0.00000%	-	142,768
2011	1,173,862	76,323	-	8	0.00068%	9,540	9,540	0.00000%	-	76,323
2012	1,132,834	60,437	-	10	0.00088%	6,044	6,044	0.00000%	-	60,437
2013	859,016	61,446	4,523	10	0.00128%	6,145	6,145	0.00000%	-	65,969
2014	669,873	21,216	6,800	4	0.00075%	5,304	5,304	0.00000%	-	28,016
2015	518,927	35,546	4,200	2	0.00058%	17,773	7,109	0.00000%	-	39,746
2016	423,105	23,682	-	3	0.00071%	7,894	7,894	0.00000%	-	23,682
2017	439,619	61,436	6,019	4	0.00114%	15,359	15,359	0.00000%	-	67,455
2018	417,626	32,666	-	1	0.00024%	32,666	32,666	0.00000%	-	32,666
2019	263,964	1,369,324	-	2	0.00076%	684,662	684,662	0.00000%	-	1,369,324
2020	254,239	-	-	-	0.00000%	-	-	0.00000%	-	-
2021	231,343	7,075	-	1	0.00043%	7,075	7,075	0.00043%	7,274	14,349
Total			21,542							8,343,410
									Discounted	26,801

We have assumed that the pre 2021 claims are fully developed. For 2021 accident year, we derived the Ultimate frequency as the average frequency from 2018 to 2020 accident years and the ultimate cost as the average of 2019 to 2021 accident years.

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	160,971	2,122,784	160,971	(2,122,784)	994,754	16%
2008	338,071	4,217,716	338,071	(4,217,716)	994,754	34%
2009	482,565	82,174	482,565	(82,174)	994,754	49%
2010	558,355	142,768	558,355	(142,768)	994,754	56%
2011	464,291	76,323	465,322	(75,293)	1,173,862	40%
2012	278,166	60,437	278,196	(60,407)	1,132,834	25%
2013	223,759	61,446	224,307	(60,899)	859,016	26%
2014	184,000	21,216	187,774	(17,442)	669,873	28%
2015	127,314	35,546	136,734	(26,126)	518,927	26%
2016	79,010	23,682	84,650	(18,042)	423,105	20%
2017	50,764	61,436	58,739	(53,462)	439,619	13%
2018	47,752	32,666	54,785	(25,633)	417,626	13%
2019	26,662	1,369,324	35,038	(1,360,948)	263,964	13%
2020	14,869	-	31,206	16,337	254,239	12%

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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)

Incremental Chain ladder-Yearly Projections (N'000)												
Accident year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	-	-	-	-	-	-	-	-	-	-	-
2008	10,500	-	-	-	-	-	-	-	-	-	-	-
2009	312	-	-	-	-	-	-	-	-	-	-	-
2010	51,664	-	-	-	-	-	-	-	-	-	-	-
2011	111,956	-	-	5,610	-	-	-	-	-	-	-	-
2012	26,563	21,882	9,219	-	-	-	-	-	-	-	-	-
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	13,104	-	-	21,558	-	-	-	-	-	-	-
Investment properties	18,147	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-	-

3.11.2 Inflation Adjusted Chain Ladder Table

Inflation Adjusted Chain Ladder - Annual Projections (N'000)												
Accident year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	-	-	-	-	-	-	-	-	-	-	-
2008	46,971	-	-	-	-	-	-	-	-	-	-	-
2009	1,225	-	-	-	-	-	-	-	-	-	-	-
2010	181,499	-	-	-	-	-	-	-	-	-	-	-
2011	356,581	-	-	13,640	-	-	-	-	-	-	-	-
2012	75,539	57,618	22,414	-	-	-	-	-	-	-	-	-
2013	111	35,008	37,982	34,797	-	-	-	-	-	-	-	-
2014	43	11,203	1,004	30,041	-	-	-	-	-	-	-	-
2015	1,283	7,025	28,810	-	-	-	-	-	-	-	-	-
2016	-	2,473	-	-	-	-	-	-	-	-	-	-
2017	32,671	19,110	-	-	21,558	-	-	-	-	-	-	-
2018	26,465	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-	-

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3.11.3 Projected Inflation Adjusted Chain Ladder Table

Accident year	Cumulative Chain ladder-Annual Projections (N'000)											
	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	-	-	-	-	-	-	-	-	-	-	-
2008	46,971	46,971	46,971	46,971	46,971	46,971	46,971	46,971	46,971	46,971	46,971	46,971
2009	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225
2010	181,499	181,499	181,499	181,499	181,499	181,499	181,499	181,499	181,499	181,499	181,499	181,499
2011	356,581	356,581	356,581	370,222	370,222	370,222	370,222	370,222	370,222	370,222	370,222	370,222
2012	75,539	133,157	155,571	155,571	155,571	155,571	155,571	155,571	155,571	155,571	171,688	171,688
2013	111	35,119	73,101	107,898	107,898	107,898	107,898	107,898	107,898	122,190	122,190	122,190
2014	43	11,246	12,249	42,290	42,290	42,290	42,290	42,290	57,486	57,486	57,486	57,486
2015	1,283	8,308	37,118	37,118	37,118	37,118	37,118	71,972	71,972	71,972	71,972	71,972
2016	-	2,473	2,473	2,473	2,473	2,473	37,304	37,304	37,304	37,304	37,304	37,304
2017	32,671	51,781	51,781	51,781	73,339	92,096	92,096	92,096	92,096	92,096	92,096	92,096
2018	26,465	26,465	26,465	26,465	50,412	50,759	50,759	50,759	50,759	50,759	50,759	50,759
2019	-	-	-	2,966	2,990	3,012	3,012	3,012	3,012	3,012	3,012	3,012
2020	-	-	2,399	2,493	2,516	2,537	2,537	2,537	2,537	2,537	2,537	2,537
2021	-	4,129	4,388	4,582	4,629	4,672	4,672	4,672	4,672	4,672	4,672	4,672

3.11.4 Projected Inflation Adjusted Chain Ladder Table - Discounted Results

Accident year	Discounted Cumulative IABCL - Annual Projections (N'000)											
	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	-	-	-	-	-	-	-	-	-	-	-
2008	46,971	46,971	46,971	46,971	46,971	46,971	46,971	46,971	46,971	46,971	46,971	46,971
2009	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225
2010	181,499	181,499	181,499	181,499	181,499	181,499	181,499	181,499	181,499	181,499	181,499	181,499
2011	356,581	356,581	356,581	370,222	370,222	370,222	370,222	370,222	370,222	370,222	370,222	370,222
2012	75,539	133,157	155,571	155,571	155,571	155,571	155,571	155,571	155,571	155,571	171,688	171,688
2013	111	35,119	73,101	107,898	107,898	107,898	107,898	107,898	107,898	122,190	122,190	122,190
2014	43	11,246	12,249	42,290	42,290	42,290	42,290	42,290	57,486	57,486	57,486	57,486
2015	1,283	8,308	37,118	37,118	37,118	37,118	37,118	71,972	71,972	71,972	71,972	71,972
2016	-	2,473	2,473	2,473	2,473	2,473	37,304	37,304	37,304	37,304	37,304	37,304
2017	32,671	51,781	51,781	51,781	73,339	92,096	92,096	92,096	92,096	92,096	92,096	92,096
2018	26,465	26,465	26,465	26,465	50,412	50,703	50,703	50,703	50,703	50,703	50,703	50,703
2019	-	-	-	2,966	2,986	3,003	3,003	3,003	3,003	3,003	3,003	3,003
2020	-	-	2,399	2,478	2,495	2,509	2,509	2,509	2,509	2,509	2,509	2,509
2021	-	4,129	4,347	4,491	4,523	4,548	4,548	4,548	4,548	4,548	4,548	4,548

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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	-	-	1	0.00000%	-	-	0.00000%	-	-
2008	1,040,074	2,018	-	-	0.00000%	-	-	0.00000%	-	2,018
2009	1,040,074	-	-	-	0.00000%	-	-	0.00000%	-	-
2010	1,040,074	-	-	-	0.00000%	-	-	0.00000%	-	-
2011	1,045,561	-	-	-	0.00000%	-	-	0.00000%	-	-
2012	789,139	2,502	-	1	0.00000%	2,502	2,502	0.00000%	-	2,502
2013	618,381	-	-	1	0.00000%	-	-	0.00000%	-	-
2014	462,695	136,060	-	1	0.00000%	136,060	136,060	0.00000%	-	136,060
2015	358,188	-	-	-	0.00000%	-	-	0.00000%	-	-
2016	272,899	-	-	-	0.00000%	-	-	0.00000%	-	-
2017	383,402	4,575	-	-	0.00000%	-	-	0.00000%	-	4,575
2018	164,788	-	132,675	-	0.00000%	-	-	0.00000%	-	132,675
2019	26,952	-	-	-	0.00000%	-	-	0.00000%	-	-
2020	19,450	-	-	-	0.00000%	-	-	0.00000%	-	-
Investment property	20,840	-	-	-	0.00000%	-	-	0.00000%	-	-
Total			132,675							277,830
									Discounted	132,675

We have assumed that the pre 2021 claims are fully developed. For 2021 accident year, we derived the Ultimate frequency as the average claim frequency of 2018 and 2020 accident years and the ultimate average cost as the average cost of 2018 accident year.

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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	46,971	2,018	46,971	(2,018)	1,040,074	5%
2009	1,225	-	1,225	-	1,040,074	0%
2010	181,499	-	181,499	-	1,040,074	17%
2011	370,222	-	370,222	-	1,045,561	35%
2012	155,571	2,502	171,688	13,615	789,139	22%
2013	107,898	-	122,190	14,293	618,381	20%
2014	42,290	136,060	57,486	(120,865)	462,695	12%
2015	37,118	-	71,972	34,855	358,188	20%
2016	2,473	-	37,304	34,831	272,899	14%
2017	73,339	4,575	92,096	14,182	383,402	24%
2018	26,465	-	50,703	24,237	164,788	31%
2019	-	-	3,003	3,003	26,952	11%
2020	-	-	2,509	2,509	19,450	13%
2021	-	-	-	-	20,840	0%
Total				18,640		

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 2020 (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	437,011	-	-	-	0%	0%	-	-
2019	11,718	-	-	-	0%	0%	-	-
2020	1,725	-	-	-	0%	0%	-	-
2021	275	-	-	-	0%	0%	-	-
Total			1,652,259					1,652,259
							Discounted	1,652,259

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Appendix 3.13 – Illustration of Reinsurance Recoveries Reserving

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

3.13.1 General Accident Reinsurance Recoveries

3.13.2 Table of reinsurance recoveries

Accident year	Incremental Chain ladder-Yearly Projections (N'000)									
	1	2	3	4	5	6	7	8	9	10
2008	-	-	-	-	-	-	-	-	-	-
2009	3,863	14,227	-	-	-	-	-	-	-	-
2010	588	-	-	-	841	-	-	-	-	-
2011	8,966	6,304	-	1,855	-	-	-	-	-	-
2012	-	942	8,193	-	2,020	-	-	-	-	-
2013	4,516	-	1,654	-	-	-	-	-	-	-
2014	1,488	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-
2016	2,449	-	-	2,097	-	-	-	-	-	-
2017	660	-	5,725	-	-	-	-	-	-	-
2018	-	61,898	-	-	-	-	-	-	-	-
2019	-	10,439	-	-	-	-	-	-	-	-
2020	-	64,420	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-

3.13.3 Inflation Adjusted Chain Ladder Table

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Accident year	Inflation Adjusted Chain Ladder - Annual Projections (N'000)									
	1	2	3	4	5	6	7	8	9	10
2008	-	-	-	-	-	-	-	-	-	-
2009	17,933	59,077	-	-	-	-	-	-	-	-
2010	2,440	-	-	-	2,416	-	-	-	-	-
2011	33,754	21,190	-	5,331	-	-	-	-	-	-
2012	-	2,932	23,544	-	4,470	-	-	-	-	-
2013	14,054	-	4,338	-	-	-	-	-	-	-
2014	4,277	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-
2016	5,419	-	-	3,246	-	-	-	-	-	-
2017	1,267	-	8,861	-	-	-	-	-	-	-
2018	-	95,808	-	-	-	-	-	-	-	-
2019	-	14,051	-	-	-	-	-	-	-	-
2020	-	64,420	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3.13.4 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
2008	-	-	-	-	-	-	-	-	-	-
2009	17,933	77,010	77,010	77,010	77,010	77,010	77,010	77,010	77,010	77,010
2010	2,440	2,440	2,440	2,440	4,856	4,856	4,856	4,856	4,856	4,856
2011	33,754	54,945	54,945	60,276	60,276	60,276	60,276	60,276	60,276	60,276
2012	-	2,932	26,476	26,476	30,946	30,946	30,946	30,946	30,946	30,946
2013	14,054	14,054	18,392	18,392	18,392	18,392	18,392	18,392	18,392	18,392
2014	4,277	4,277	4,277	4,277	4,277	4,277	4,277	4,277	4,277	4,277
2015	-	-	-	-	-	-	-	-	-	-
2016	5,419	5,419	5,419	8,666	8,666	8,666	8,666	8,666	8,666	8,666
2017	1,267	1,267	10,128	10,128	10,128	10,128	10,128	10,128	10,128	10,128
2018	-	95,808	95,808	95,808	95,808	95,808	95,808	95,808	95,808	103,138
2019	-	14,051	14,051	14,051	14,051	14,051	14,051	14,051	16,997	16,997
2020	-	64,420	64,420	64,420	64,420	64,420	64,420	69,071	69,071	69,071
2021	-	-	-	-	-	-	-	-	-	-

3.13.5. Projected Inflation Adjusted Chain Ladder Table - Discounted Results

Accident year	Discounted Cumulative IABCL - Annual Projections (N'000)									
	1	2	3	4	5	6	7	8	9	10
2008	-	-	-	-	-	-	-	-	-	-
2009	17,933	77,010	77,010	77,010	77,010	77,010	77,010	77,010	77,010	77,010
2010	2,440	2,440	2,440	2,440	4,856	4,856	4,856	4,856	4,856	4,856
2011	33,754	54,945	54,945	60,276	60,276	60,276	60,276	60,276	60,276	60,276
2012	-	2,932	26,476	26,476	30,946	30,946	30,946	30,946	30,946	30,946
2013	14,054	14,054	18,392	18,392	18,392	18,392	18,392	18,392	18,392	18,392
2014	4,277	4,277	4,277	4,277	4,277	4,277	4,277	4,277	4,277	4,277
2015	-	-	-	-	-	-	-	-	-	-
2016	5,419	5,419	5,419	8,666	8,666	8,666	8,666	8,666	8,666	8,666
2017	1,267	1,267	10,128	10,128	10,128	10,128	10,128	10,128	10,128	10,128
2018	-	95,808	95,808	95,808	95,808	95,808	95,808	95,808	95,808	95,808
2019	-	14,051	14,051	14,051	14,051	14,051	14,051	14,051	14,051	14,051
2020	-	64,420	64,420	64,420	64,420	64,420	64,420	64,420	64,420	64,420
2021	-	-	-	-	-	-	-	-	-	-

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3.14 Fire Reinsurance Recoveries

3.14.1 Table of reinsurance recoveries

Incremental Chain ladder-Yearly Projections (N'000)										
Accident year	1	2	3	4	5	6	7	8	9	10
2008	-	-	-	-	-	-	-	-	-	-
2009	8,648	16,518	558	-	4,846	-	-	162	-	-
2010	6,824	66,242	49,878	681	6	435	-	-	-	-
2011	13,533	17,687	4,121	6,552	50	15	927	-	-	-
2012	35,649	3,846	590	330	2,623	-	-	366,911	4,963	-
2013	671	12,584	10,259	9,279	143	2	-	-	180	-
2014	4,138	8,448	122	47,114	51	203	-	145	-	-
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	3,689	-	-	-	-	-	-
2019	703	134	717	-	-	-	-	-	-	-
2020	-	3	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-

3.14.2 Inflation Adjusted Chain Ladder Table

Inflation Adjusted Chain Ladder - Annual Projections (N'000)										
Accident year	1	2	3	4	5	6	7	8	9	10
2008	-	-	-	-	-	-	-	-	-	-
2009	362,633	96,592	19,634	29,152	-	-	-	-	-	-
2010	40,147	68,589	2,103	-	15,083	-	-	358	-	-
2011	28,336	249,380	167,656	2,121	16	1,140	-	-	-	-
2012	50,949	59,451	12,827	18,828	130	33	1,777	-	-	-
2013	119,829	11,971	1,696	865	5,804	-	-	567,918	6,681	-
2014	2,090	36,164	26,901	20,535	274	3	-	-	180	-
2015	11,892	22,152	269	90,378	88	315	-	145	-	-
2016	2,018	118,668	71,129	14,813	14	450	-	-	-	-
2017	15,227	1,105	76	-	492	-	-	-	-	-
2018	7,760	1,262	-	545	-	-	-	-	-	-
2019	3,581	844	9,487	3,689	-	-	-	-	-	-
2020	1,088	181	717	-	-	-	-	-	-	-
2021	-	3	-	-	-	-	-	-	-	-

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3.14.3 Projected Inflation Adjusted Chain Ladder Table

Accident year	Cumulative Chain ladder-Annual Projections (N'000)										
	1	2	3	4	5	6	7	8	9	10	
2008	-	-	-	-	-	-	-	-	-	-	-
2009	40,147	108,737	110,839	110,839	125,922	125,922	125,922	126,281	126,281	126,281	
2010	28,336	277,716	445,372	447,493	447,509	448,649	448,649	448,649	448,649	448,649	
2011	50,949	110,400	123,227	142,056	142,186	142,219	143,996	143,996	143,996	143,996	
2012	119,829	131,801	133,496	134,361	140,165	140,165	140,165	708,083	714,763	714,763	
2013	2,090	38,254	65,155	85,690	85,965	85,967	85,967	85,967	86,147	86,147	
2014	11,892	34,044	34,314	124,691	124,780	125,094	125,094	125,240	125,240	125,240	
2015	2,018	120,686	191,815	206,628	206,641	207,091	207,091	207,091	207,091	207,091	
2016	15,227	16,332	16,408	16,408	16,900	16,900	16,900	16,900	16,900	16,900	
2017	7,760	9,022	9,022	9,567	9,567	9,567	9,567	9,567	9,567	9,567	
2018	3,581	4,424	13,911	17,600	17,600	17,600	17,600	17,600	17,600	17,600	
2019	1,088	1,268	1,985	1,985	1,985	1,985	1,985	1,985	1,985	1,985	
2020	-	3	3	3	3	3	3	3	3	5,039	
2021	-	-	-	-	-	-	-	-	6,937	6,937	

3.14.4 Projected Inflation Adjusted Chain Ladder Table - Discounted Results

Accident year	Discounted Cumulative IABCL - Annual Projections (N'000)									
	1	2	3	4	5	6	7	8	9	10
2008	-	-	-	-	-	-	-	-	-	-
2009	40,147	108,737	110,839	110,839	125,922	125,922	125,922	126,281	126,281	126,281
2010	28,336	277,716	445,372	447,493	447,509	448,649	448,649	448,649	448,649	448,649
2011	50,949	110,400	123,227	142,056	142,186	142,219	143,996	143,996	143,996	143,996
2012	119,829	131,801	133,496	134,361	140,165	140,165	140,165	708,083	714,763	714,763
2013	2,090	38,254	65,155	85,690	85,965	85,967	85,967	85,967	86,147	86,147
2014	11,892	34,044	34,314	124,691	124,780	125,094	125,094	125,240	125,240	125,240
2015	2,018	120,686	191,815	206,628	206,641	207,091	207,091	207,091	207,091	207,091
2016	15,227	16,332	16,408	16,408	16,900	16,900	16,900	16,900	16,900	16,900
2017	7,760	9,022	9,022	9,567	9,567	9,567	9,567	9,567	9,567	9,567
2018	3,581	4,424	13,911	17,600	17,600	17,600	17,600	17,600	17,600	17,600
2019	1,088	1,268	1,985	1,985	1,985	1,985	1,985	1,985	1,985	1,985
2020	-	3	3	3	3	3	3	3	3	3
2021	-	-	-	-	-	-	-	-	-	-

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3.15 Engineering 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	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	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-

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	442	17,933	-	1,568	-	-	-	-	-	-
2010	782	-	-	-	-	-	-	-	-	-
2011	35,791	24,689	-	-	164	136	-	1,098	-	-
2012	14,466	1,917	-	-	29,897	-	-	-	-	-
2013	1,158	8,367	117,118	3,938	-	-	-	-	-	-
2014	2,965	4,077	49,400	76	-	-	-	-	-	-
2015	1,521	8,357	5,303	-	-	-	-	-	-	-
2016	122	4,220	-	-	-	-	-	-	-	-
2017	-	1,453	814	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-

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3.15.3 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
2009	442	18,375	18,375	19,943	19,943	19,943	19,943	19,943	19,943	19,943
2010	782	782	782	782	782	782	782	782	782	782
2011	35,791	60,480	60,480	60,480	60,644	60,780	60,780	61,878	61,878	61,878
2012	14,466	16,383	16,383	16,383	46,280	46,280	46,280	46,280	46,280	46,280
2013	1,158	9,525	126,643	130,581	130,581	130,581	130,581	130,581	130,581	130,581
2014	2,965	7,043	56,442	56,518	56,518	56,518	56,518	56,518	56,518	56,518
2015	1,521	9,878	15,181	15,181	15,181	15,181	15,181	15,181	15,181	15,181
2016	122	4,342	4,342	4,342	4,342	4,342	4,342	4,342	4,342	4,342
2017	-	1,453	2,267	2,267	2,267	2,267	2,267	2,267	2,267	2,267
2018	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-

3.15.4 Projected Inflation Adjusted Chain Ladder Table - Discounted Results

Discounted Cumulative IABCL - Annual Projections (N'000)										
Accident year	1	2	3	4	5	6	7	8	9	10
2009	442	18,375	18,375	19,943	19,943	19,943	19,943	19,943	19,943	19,943
2010	782	782	782	782	782	782	782	782	782	782
2011	35,791	60,480	60,480	60,480	60,644	60,780	60,780	61,878	61,878	61,878
2012	14,466	16,383	16,383	16,383	46,280	46,280	46,280	46,280	46,280	46,280
2013	1,158	9,525	126,643	130,581	130,581	130,581	130,581	130,581	130,581	130,581
2014	2,965	7,043	56,442	56,518	56,518	56,518	56,518	56,518	56,518	56,518
2015	1,521	9,878	15,181	15,181	15,181	15,181	15,181	15,181	15,181	15,181
2016	122	4,342	4,342	4,342	4,342	4,342	4,342	4,342	4,342	4,342
2017	-	1,453	2,267	2,267	2,267	2,267	2,267	2,267	2,267	2,267
2018	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-
2020	-	58	58	58	58	58	58	58	58	58
2021	-	-	-	-	-	-	-	-	-	-

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3.16 Motor 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	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	-	-	-	-	-	-	-	-	-	-
2021	4,075	-	-	-	-	-	-	-	-	-

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	8,652	28,598	-	-	7,856	-	-	-	-	-
2010	12,361	18,093	6,773	-	-	-	-	-	-	-
2011	7,471	5,101	-	3,173	-	-	-	-	-	-
2012	10,425	7,094	5,748	6,175	-	-	-	-	-	-
2013	28,496	16,297	19,060	-	-	-	-	-	-	-
2014	10,851	6,293	89	-	103	-	-	-	-	-
2015	-	2,568	1,141	-	-	-	-	-	-	-
2016	20,706	-	-	-	-	-	-	-	-	-
2017	11,281	7,050	1,548	4,063	-	-	-	-	-	-
2018	-	4,530	4,289	-	-	-	-	-	-	-
2019	140	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-
2021	4,075	-	-	-	-	-	-	-	-	-

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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	8,652	37,250	37,250	37,250	45,105	45,105	45,105	45,105	45,105	45,105
2010	12,361	30,454	37,227	37,227	37,227	37,227	37,227	37,227	37,227	37,227
2011	7,471	12,572	12,572	15,745	15,745	15,745	15,745	15,745	15,745	15,745
2012	10,425	17,518	23,266	29,441	29,441	29,441	29,441	29,441	29,441	29,441
2013	28,496	44,793	63,853	63,853	63,853	63,853	63,853	63,853	63,853	63,853
2014	10,851	17,144	17,232	17,232	17,335	17,335	17,335	17,335	17,335	17,335
2015	-	2,568	3,709	3,709	3,709	3,709	3,709	3,709	3,709	3,709
2016	20,706	20,706	20,706	20,706	20,706	20,706	20,706	20,706	20,706	20,706
2017	11,281	18,331	19,879	23,942	23,942	23,942	23,942	23,942	23,942	23,942
2018	-	4,530	8,820	8,820	8,820	8,820	8,820	8,820	8,820	8,820
2019	140	140	140	140	140	140	140	140	140	140
2020	-	-	-	-	-	-	-	-	-	-
2021	4,075	4,075	4,075	4,075	4,075	4,075	4,075	4,075	4,075	4,075

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	8,652	37,250	37,250	37,250	45,105	45,105	45,105	45,105	45,105	45,105
2010	12,361	30,454	37,227	37,227	37,227	37,227	37,227	37,227	37,227	37,227
2011	7,471	12,572	12,572	15,745	15,745	15,745	15,745	15,745	15,745	15,745
2012	10,425	17,518	23,266	29,441	29,441	29,441	29,441	29,441	29,441	29,441
2013	28,496	44,793	63,853	63,853	63,853	63,853	63,853	63,853	63,853	63,853
2014	10,851	17,144	17,232	17,232	17,335	17,335	17,335	17,335	17,335	17,335
2015	-	2,568	3,709	3,709	3,709	3,709	3,709	3,709	3,709	3,709
2016	20,706	20,706	20,706	20,706	20,706	20,706	20,706	20,706	20,706	20,706
2017	11,281	18,331	19,879	23,942	23,942	23,942	23,942	23,942	23,942	23,942
2018	-	4,530	8,820	8,820	8,820	8,820	8,820	8,820	8,820	8,820
2019	140	140	140	140	140	140	140	140	140	140
2020	-	-	-	-	-	-	-	-	-	-
2021	4,075	4,075	4,075	4,075	4,075	4,075	4,075	4,075	4,075	4,075

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3.17 Marine Reinsurance Recoveries

3.17.1 Table of reinsurance recoveries

Incremental Chain ladder-Yearly Projections (N'000)										
Accident year	1	2	3	4	5	6	7	8	9	10
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	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-

3.17.2 Inflation Adjusted Chain Ladder Table

Inflation Adjusted Chain Ladder - Annual Projections (N'000)										
Accident year	1	2	3	4	5	6	7	8	9	10
2009	39,119	-	-	-	-	-	-	-	-	-
2010	114,316	-	-	-	-	-	-	-	-	-
2011	108,685	-	-	-	572	-	-	-	-	-
2012	14,786	649	-	-	-	-	-	-	-	-
2013	-	2,638	-	-	-	-	-	-	-	-
2014	5,219	209	1,014	56,273	-	-	-	-	-	-
2015	-	163	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-

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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	39,119	39,119	39,119	39,119	39,119	39,119	39,119	39,119	39,119	39,119
2010	114,316	114,316	114,316	114,316	114,316	114,316	114,316	114,316	114,316	114,316
2011	108,685	108,685	108,685	108,685	109,256	109,256	109,256	109,256	109,256	109,256
2012	14,786	15,434	15,434	15,434	15,434	15,434	15,434	15,434	15,434	15,434
2013	-	2,638	2,638	2,638	2,638	2,638	2,638	2,638	2,638	2,638
2014	5,219	5,428	6,442	62,715	62,715	62,715	62,715	62,715	62,715	62,715
2015	-	163	163	163	163	163	163	163	163	163
2016	-	-	-	-	-	-	1,070	1,070	1,070	1,070
2017	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-

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	39,119	39,119	39,119	39,119	39,119	39,119	39,119	39,119	39,119	39,119
2010	114,316	114,316	114,316	114,316	114,316	114,316	114,316	114,316	114,316	114,316
2011	108,685	108,685	108,685	108,685	109,256	109,256	109,256	109,256	109,256	109,256
2012	14,786	15,434	15,434	15,434	15,434	15,434	15,434	15,434	15,434	15,434
2013	-	2,638	2,638	2,638	2,638	2,638	2,638	2,638	2,638	2,638
2014	5,219	5,428	6,442	62,715	62,715	62,715	62,715	62,715	62,715	62,715
2015	-	163	163	163	163	163	163	163	163	163
2016	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-

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3.18 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 2021 (N'000)	Current Incurred (N'000)	Current Loss Ratio	Ultimate Loss Ratio	Ultimate Losses (N'000)	Outstanding RI Reserves (N'000)
2007	19,811	-	-	-	-	-	-	-
2008	19,811	-	-	-	-	-	-	-
2009	1,178,393	453,359	-	453,359	38%	38%	453,359	0
2010	1,178,393	3,978	14,624	18,602	2%	2%	18,602	14,624
2011	1,178,393	551,025	31,942	582,967	49%	49%	582,967	31,942
2012	1,178,393	33,729	2,693	36,422	3%	3%	36,422	2,693
2013	1,138,932	110,868	326	111,194	10%	10%	111,194	326
2014	1,217,854	-	744,670	744,670	61%	61%	744,670	744,670
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%	0%	-	-
2020	-	-	-	-	0%	0%	-	-
2021	-	-	-	-	0%	0%	-	-
Total			794,255					794,255

Appendix 3.19 : Gross Claim Paid-Large Losses

3.19.1 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	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-
2012	26	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-
2019	-	2,835	-	-	-	-	-	-	-	-

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3.20 Gross Claims Paid (Large Losses) - Motor

	Incremental Chain ladder-Yearly Projections (N'000)-Large Losses									
Accident year	1	2	3	4	5	6	7	8	9	10
2007	-	20,887	1,000	-	5,736	-	-	-	-	-
2008	27,885	24	-	-	-	-	-	-	-	-
2009	8,394	24,013	6,598	-	5,500	-	-	-	-	-
2010	13,666	37,816	8,015	-	-	-	-	-	-	-
2011	16,052	9,513	-	4,104	-	-	-	-	-	-
2012	14,069	17,279	5,000	-	-	-	-	-	-	-
2013	25,068	20,822	-	-	-	-	-	-	-	-
2014	6,776	14,441	-	-	-	-	-	-	-	-
2015	13,869	7,160	3,595	-	-	498	-	-	-	-
2016	18,497	-	-	-	-	-	-	-	-	-
2017	12,285	7,089	4,000	6,019	-	-	-	-	-	-
2018	-	4,294	6,187	-	-	-	-	-	-	-
2019	6,046	240	-	-	-	-	-	-	-	-

3.21 Gross Claims Paid(Large Losses)- Fire

	Incremental Chain ladder-Yearly Projections (N'000)-Large Losses									
Accident year	1	2	3	4	5	6	7	8	9	10
2007	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	382,054	2,119	-
2013	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-

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3.22 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	y	10
2007	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	2,502	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-
2014	-	136,060	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-
2017	-	4,575	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-

3.23 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	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-
2010	23,881	-	-	-	-	-	-	-	-	-
2011	24	-	-	-	-	-	-	-	-	-
2012	3,577	-	-	-	14,996	-	-	-	-	-
2013	-	18,000	-	15,000	-	-	-	-	-	-
2014	-	121,500	121,500	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	9,748	-	-	-	-	-	-
2018	-	14,479	3,050	1,916	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-

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Overview of Gross Technical Reserves

Class of Business	2020 O/s Claims Reserves (IBNR+ O/s Reported Claims) A	Paid in 2021 for prior accident years B	Remaining Gross Reserves C = A - B	Outstanding Reported as at 31st December 2021 D	Recalculated Reserves as at 31st December 2021 for prior Accident years E	Actuarial Loss/Gain F = C - E	IBNR & IBNER G = E - D
MOTOR	91,972,493	-	91,972,493	60,490,756	97,436,227	(5,463,733)	36,945,471
General Accident	215,457,843	-	215,457,843	167,945,244	219,292,295	(3,834,452)	51,347,051
Fire	94,850,537	-	94,850,537	66,007,442	77,287,494	17,563,043	11,280,052
Engineering	515,205,400	-	515,205,400	489,857,021	493,043,576	22,161,824	3,186,555
Marine	321,660,165	21,557,916	300,102,249	283,470,010	291,488,945	8,613,304	8,018,935
Oil & Gas	1,647,055,007	-	1,647,055,007	1,652,258,884	1,652,258,884	(5,203,877)	-
Total	2,886,201,445	21,557,916	2,864,643,530	2,720,029,357	2,830,807,421	33,836,108	110,778,064

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iii) Life Valuation Methodology and Assumptions Report 31 December 2021

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

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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.

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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 2021).

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 2021

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:

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 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	N18,480 pp	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 31 December 2021 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.

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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.

The following average loss ratios are proposed for AURR estimation and IBNR reserving purposes, based on Industrial and General Insurance group life coverage for 2021:

	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 2021

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 2021

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		N	N	N	N	N	N	N
<i>Deposit Based Policies</i>								
Dividend Plus Plan-Active	1,006	2,360,075,543	-	39,484,661	-	1,346,878,696	54,041,341	1,400,920,037
Dividend Plus Plan Paid up	5,555	10,001,802,864				3,460,455,988	123,321,000	3,583,776,988
Unsettled Claim						3,632,537,749		3,632,537,749
Total Deposit Based	6,561	12,361,878,407	-	39,484,661	-	8,439,872,433	177,362,341	8,617,234,774
<i>Individual with Participation in Profits</i>								
Anticipated Endowments	2,180	1,846,505,788	431,996,228	206,996,228	-	-	1,470,203,002	1,470,203,002
Educational Endowments	-	-	-	-	-	-	-	-
Endowments Assurances	-	-	-	-	-	-	-	-
Continuous Educational Endowment	-	-	-	-	-	-	-	-
<i>Individual without Participation in profits</i>								
Mortgage	-	-	-	-	-	-	-	-
Term Assurance	-	-	-	-	-	-	-	-
Total risk	2,180	1,846,505,788	431,996,228	206,996,228	-	-	1,470,203,002	1,470,203,002
Total Individual Business	8,741	14,208,384,195	431,996,228	246,480,889	-	8,439,872,433	1,647,565,343	10,087,437,776
Group Deposit Based Business								
Group Deposit Administration	32	2,345,704,682				2,345,704,682		2,345,704,682
Total Group Deposit Based business	32	2,345,704,682				2,345,704,682		2,345,704,682

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021

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	131	40,866,921,419		161,272,692			197,110,599	197,110,599
Total Group Business	163	43,212,626,101		161,272,692		2,345,704,682	197,110,599	2,542,815,281
Additional reserve -expense							73,439,358	73,439,358
Additional reserve - contingency							168,797,449	168,797,449
Unallocated premium							-	-
Grand Total	8,904	57,421,010,296	431,996,228	407,753,581	-	10,785,577,115	2,013,473,391	12,872,489,864

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 2021

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 2021

- 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.
- Investment properties
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	1,647,565,343	0	1,647,565,343
Individual DA	8,439,872,433	0	8,439,872,433
Group DA	2,345,704,682	0	2,345,704,682
Group Life- UPR	55,645,957	(4,562,968)	51,082,989
Group Life- IBNR	141,464,642	(14,146,464)	127,318,178
Additional reserves	242,236,807	0	242,236,807
Outstanding Claims	3,643,976,351	(1,874,536,189)	1,769,440,162
Total	16,516,466,215	(1,893,245,621)	14,623,220,594

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 210%. 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 2021

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

POLICIES INCLUDED IN THE VALUATION AT 31 DECEMBER 2021

	With Profits Sums Assured	Declared Bonus	Without Profits Sums Assured
	N	N	N
<u>ANTICIPATED ENDOWMENT</u>			
<u>Year of Maturity</u>			
2021 -2025	1,506,785,887	375,202,442	-
2026-2030	291,849,507	50,529,617	-
2031-2035	47,870,394	6,264,169	-
2036-2040	-	-	-
TOTAL	1,846,505,788	431,996,228	-
	With Profits Sums Assured	Declared Bonus	Without Profits Sums Assured
	N	N	N
<u>EDUCATION ENDOWMENT ASSURANCES</u>			
<u>Year of Maturity</u>			
2021 -2025	-	-	-
2026-2030	-	-	-
2031-2035	-	-	-
2036-2040	-	-	-
TOTAL	-	-	-
<u>CONTINUOUS EDUCATIONAL ENDOWMENT</u>			
<u>Year of Maturity</u>			
2021 -2025	-	-	-
2026-2030	-	-	-
2031-2035	-	-	-
2036-2040	-	-	-
TOTAL	-	-	-

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

HYPOTHECATION OF ASSETS AS At 31 DECEMBER, 2021

AS AT DECEMBER, 2021	General Business			Life Business				TOTAL
	Shareholders' Fund	Policy Holders' Fund	Others	Shareholders' Fund	Deposit Admin Fund	Policy Holders' Fund	Others	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
COMPANY TOTAL	#REF!	2,935,861	#REF!	#REF!	10,785,617	5,730,889	#REF!	#REF!
ASSETS:								
Investment Property	7,864,028	733,965	6,846,425	2,472,646	3,774,966	2,005,811	1,077,844	24,775,685
Land and Building			2,517,253				2,954,109	5,471,362
Leasehold Improvement								-
Computer and Other Equipment			133				483	616
Motor vehicles			4				0	4
Furniture and Fittings			44				193	149
Trade Receivables								-
Reinsurance Assets		1,801,891				1,893,246		3,695,137
Loans and Receivables-Staff	(319)					309,578		309,259
Loans and Receivables-Field Officers						3,709		3,709
Statutory Deposits	300,000			200,000				500,000
Financial Assets- Fair Value through P or L		11,429				2,684		14,113
- Available for sale			60,633				1,587,716	1,648,349
Cash & Cash equivalents	75,000	152,633				165,814		393,447
Investment in Subsidiaries			262,385				3,127,398	3,389,783
Other Assets			(2,475,780)				2,492,003	16,223
TOTAL	8,238,709	2,699,918	7,211,008	2,672,646	3,774,966	4,380,842	11,239,746	40,217,836
Surplus/(Deficit)	#REF!	(235,943)	#REF!	#REF!	(7,010,651)	(1,350,047)	#REF!	#REF!
Other Aseets:								
		Non-Life		Life		SUMMARY OF DEFICIT		
Loans and Receivables-Staff				0		Geneal Business		
Other Receivables and Prepayment		(2,486,995)		2,486,995		Shareholder -		
Deferred Acquisition Cost		11,215		5,008		Policy Holders Fund Bal. (235,943)		
Deferred Income Tax						Others #REF!		
Intangible Assets						Life Business		
						Shareholder #REF!		
	0					Policy Holders Fund Balance (1,350,047)		
TOTAL				2,492,003		Deposit Admin Balance (7,010,651)		
		(2,475,780)				#REF!		

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 2021

HYPOTHECATION OF ASSETS OF 2020

AS AT DECEMBER, 2020	General Business					Life Business		TOTAL
	Shareholders'	Policy Holders'		Shareholders'	Deposit Admin	Policy Holders'		
	Fund	Fund	Others	Fund	Fund	Fund	Others	
	N'000	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	3,756,141	3,727,342	1,945,014	2,449,370	26,119,411
Land and Building			2,524,053	-			2,966,141	5,490,194
Leasehold Improvement								-
Computer and Other Equipment			427				188	615
Motor vehicles			3			-	15	18
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	300,000	-		200,000		-		500,000
Investment in Subsidiaries	-	-	262,385	-			3,127,398	3,389,783
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	-	114,598			-	43,159		157,757
Other Assets	-		333,206	-			187,926	521,132
TOTAL	8,249,652	2,711,000	9,059,488	3,956,141	3,727,342	4,123,207	8,768,819	40,595,649
Surplus/(Deficit)	(99,974)	(389,037)	489,010	533,901	(6,922,206)	(1,433,976)	7,821,538	
Other Aseets:								
		Non-Life		Life		SUMMARY OF DEFICIT		
Loans and Receivables-Staff		-				Geneal Business		
Other Receivables and Prepayment		309,624		176,833		Shareholder		(99,974)
Deferred Acquisition Cost		23,582		11,093		Policy Holders Fund Bal.		(389,037)
Deferred Income Tax						Life Business		
Intangible Assets						Policy Holders Fund Balance		(1,433,976)
TOTAL		333,206		187,926		Deposit Admin Balance		(6,922,206)
								(8,845,193)

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 2021

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 2021

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 pledged by the Group and is repayable if the contract terminates or the contract's fair value falls.

	Note	Group 2021 N'000	Group 2020 N'000	Company 2021 N'000	Company 2020 N'000
ii) Credit risk (continued)					
Maximum exposure to credit risk					
Cash and cash equivalents (excl. cash on hand)	5.	1,413,980	933,288	393,447	157,747
Investment Securities:					
- At Fair value through Profit or Loss	6.1	337,459	224,542	14,112	7,538
- Available for sale	6.2	5,471,186	1,007,842	1,648,349	460,163
- Held to Maturity	6.3.	2,041,723	859,594	-	-
- Loans and Receivables	6.4.	313,820	369,057	312,967	348,496
Trade receivables	7.	1,180,412	840,361	-	-
Reinsurance Assets	8.	4,756,932	4,618,441	3,695,136	3,600,393
Other receivables and prepayments	12.	-	209,771	-	486,457
Statutory deposits	18.	597,188	545,116	500,000	500,000
Total assets exposed to credit risk		16,112,700	9,608,011	6,564,011	5,560,794

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 2021

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

	2021		2020	
	Group N'000	Company N'000	Group N'000	Company N'000
Trade receivables	1,180,412	-	840,361	-
Reinsurance assets	4,756,932	3,695,136	4,618,441	3,600,393
Loans and receivables	313,820	312,967	369,057	348,496
Other receivables	-	-	209,771	486,457
Deposits with financial institutions	171,487	171,487	477,116	29,598
Cash and bank balances	1,415,305	397,485	473,866	143,936
	7,837,956	4,577,075	6,988,612	4,608,880

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	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Neither past due nor impaired	-	-	3,844,200	3,749,457
Past due but not impaired	-	-	-	-
Impaired	-	-	-	-
Gross	-	-	3,844,200	3,749,457
Less: Allowance for impairment	-	-	-	-
Net	-	-	3,844,200	3,749,457

Financial assets past due but not impaired:

Past due but not impaired:

- by 91 to 180 days

	-	-	-	-
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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 2021

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	
	2021	2020	2021	2020
	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.

	2021			
	Carrying amount N'000	Fixed rate N'000	Floating rate N'000	Non-interest bearing N'000
Assets				
Cash and cash equivalent	393,447	-	-	393,447
Trade receivable	-	-	-	-
Reinsurance Assets	<u>3,695,136</u>	<u>-</u>	<u>-</u>	<u>3,695,136</u>
	<u>4,088,583</u>	<u>-</u>	<u>-</u>	<u>4,088,583</u>
Liabilities				
Non-life insurance liability	2,935,861	-	-	2,935,861
Other liabilities	17,626,191	10,785,617	-	6,840,574
Loans and Borrowings	<u>854,483</u>	<u>854,483</u>	<u>-</u>	<u>-</u>
	<u>21,416,535</u>	<u>11,640,100</u>	<u>-</u>	<u>9,776,435</u>

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

	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 receivables	-	-	-	-
Reinsurance Assets	3,600,393	-	-	3,600,393
	<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	886,105	886,105	-	-
	<u>21,393,178</u>	<u>11,535,653</u>	<u>-</u>	<u>9,857,525</u>

The impact on the Company's profit before tax if interest rates on financial instruments held at amortised cost or at fair value had increased or decreased by 100 basis points, with all other variables held constant are considered insignificant. This is due to the short term nature of the majority of the financial assets measured at amortised cost.

iv) Sensitivity analysis - equity risk

The sensitivity analysis for equity price risk illustrates how changes in the fair value of equity securities will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual equity issuer, or factors affecting all similar equity securities traded in the market.

Management monitors movements of financial assets and equity price risk movements by assessing the expected changes in the different portfolios due to parallel movements of a 10% increase or decrease in the Nigeria All share index with all other variables held constant and all the Company's equity instruments in that particular index moving proportionally.

As at 31 December 2019, the market value of quoted securities held by the Company is N10.3 Million (2018: N9.3 million). If the all share index of the NSE moves by 100 basis points at 31 December 2019, the effect on profit or loss would have been N4.3 million (2018: N4.3 million).

The Company holds a number of investments in unquoted securities with a market value of N446 million as at 31 December 2019 (2018: N456 million).

v) Foreign exchange risk

The Company holds offshore investments and carries out cross-border business transactions, which exposes it to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets.

The Company does not deem this exposure as being significant and manages it through holding USD denominated bank accounts.

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3. Management of insurance and financial risk (continued)

At 31 December 2021, if the Nigeria Naira had weakened/strengthened by 10% against the US dollar with all other variables held constant, pre- tax profit for short term insurance for the year would have been Naira 5.3 billion (2020: Naira 270 million) higher/lower and pre- tax profit for long-term business for the year would have been Naira 6.4 billion (2020: Naira 1.364 million), mainly as a result of US dollar receivables and bank balances.

vi) Price risk

The Company is exposed to equity securities price risk because of investments in quoted securities classified either as available-for-sale or at fair value through profit or loss. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity and debt securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with limits set by the Company. All quoted shares held by the Company are traded on the Nigerian Stock Exchange (NSE).

At 31 December 2021, if the NSE Index had increased/decreased by 10 % with all other variables held constant and all the Company's equity instruments moved according to the historical correlation to the index, pre-tax profit for short term insurance for the year would have been Naira 44 million (2020: N44 million), higher/lower, and equity for long-term business would have been Naira Nil million (2018:Naira Nil)higher/lower.

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet all cash outflow obligations as they come due. The Group mitigates this risk by monitoring cash activities and expected outflows. The Group's current liabilities arise as claims are made. The Group does not have material liabilities that can be called unexpectedly at the demand of a lender or client. It has no material commitments for capital expenditures and there is no need for such expenditures in the normal course of business. Claim payments are funded by current operating cash flow including investment income. Short-term investments are term deposits with an original maturity of less than one year. There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

The table below presents the discounted cash flows payable by the Company under financial and other liabilities by remaining contractual maturities at the balance sheet date.

	1-12 months N'000
General insurance:	
At 31 DECEMBER 2021:	
Liabilities	
Insurance contract liabilities	2,935,861
Other payables	6,645,425
Loans and borrowings	<u>854,483</u>
Total financial liabilities	<u><u>10,435,769</u></u>

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

	1-12 months N'000
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>

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 2021:				
Insurance contract liabilities	5,730,889	-	-	5,730,889
Payable under investment contracts	10,785,617	-	-	10,785,617
Other payables	1,391,754	-	-	1,391,754
Loans and Borrowings	-	-	-	-
Total financial liabilities	<u><u>17,908,260</u></u>	-	-	<u><u>17,908,260</u></u>
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>

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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	2021			2020		
	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	4,388	-	4,388	477,116	-	477,116
Financial Assets	4,478,886	3,685,302	8,164,188	1,574,620	293,981	1,868,601
Trade receivables	1,180,412	-	1,180,412	840,361	-	840,361
Reinsurance Assets	4,756,932	-	4,756,932	4,618,441	-	4,618,441
Deferred acquisition costs	234,845	-	234,845	77,125	-	77,125
Loans and advances to customers	-	-	-	117,340	29,335	146,675
Other receivables and prepayments	-	-	-	209,771	-	209,771
Deferred tax assets	-	-	-	-	-	-
Investment Property	-	30,950,121	30,950,121	-	26,774,270	26,774,270
Property plant and equipment	-	7,597,164	7,597,164	-	7,239,724	7,239,724
Statutory deposits	-	597,188	597,188	-	545,116	545,116
	10,655,463	42,829,775	53,485,238	7,914,774	34,882,426	42,797,200
Non current assets held for sale	-	-	-	-	6,623,063	6,623,063
Assets classified as discontinued operations	-	5,735,010	5,735,010	-	5,733,010	5,733,010
Total assets	10,655,463	48,564,785	59,220,248	7,914,774	47,238,499	55,153,273
Liabilities						
Insurance Contract Liabilities	5,120,518	6,258,411	11,378,929	5,048,851	6,170,818	11,219,669
Investment Contract Liabilities	-	11,420,763	11,420,763	3,340,962	6,529,640	9,870,602
Trade Payable	3,471,777	-	3,471,777	2,080,143	-	2,080,143
Loans and Borrowings	188,585	112,836	301,421	163,710	937,836	1,101,546
Other payables and accruals	9,030,484	-	9,030,484	7,283,834	-	7,283,834
Income tax payable	-	2,541,378	2,541,378	-	2,050,536	2,050,536
Deferred tax liabilities	-	2,424,113	2,424,113	-	2,134,594	2,134,594
Deposit for shares	1,138,275	-	1,138,275	1,138,275	-	1,138,275
	18,949,639	22,757,501	41,707,140	19,055,775	17,823,424	36,879,199
Liabilities classified as discontinued operations	-	5,735,010	5,735,010	-	5,733,010	5,733,010
TB Total liabilities	18,949,639	28,492,511	47,442,150	19,055,775	23,556,434	42,612,209
Gap	(8,294,176)	20,072,274	11,778,098	(11,141,001)	23,682,065	12,541,064

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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).

	2021			2020		
	Current N'000	Non current N'000	Total N'000	Current N'000	Non current N'000	Total N'000
Company						
Assets						
Cash and cash equivalents	1,675	-	1,675	29,598	-	29,598
Financial Assets	1,529,735	445,693	1,975,428	940,890	-	940,890
Trade receivables	-	-	-	-	-	-
Reinsurance Assets	3,695,136	-	3,695,136	3,600,393	-	3,600,393
Deferred acquisition costs	16,223	-	16,223	34,675	-	34,675
Other receivables and prepayments	-	-	-	486,457	-	486,457
Investment in Subsidiaries	-	3,389,783	3,389,783	-	3,389,783	3,389,783
Investment Property	-	24,775,684	24,775,684	-	26,119,411	26,119,411
Property plant and equipment	-	5,472,130	5,472,130	-	5,491,730	5,491,730
Statutory deposits	-	500,000	500,000	-	500,000	500,000
	5,242,769	34,583,290	39,826,059	5,092,013	35,500,924	40,592,937
Assets classified as discontinued operations	-	-	-	-	-	-
Total Assets	5,242,769	34,583,290	39,826,059	5,092,013	35,500,924	40,592,937
Liabilities						
Insurance contract liabilities	3,900,038	4,766,713	8,666,751	3,895,749	4,761,471	8,657,220
Investment contract liabilities	-	10,785,617	10,785,617	3,510,776	7,138,772	10,649,548
Trade payable	1,109,685	-	1,109,685	1,200,305	-	1,200,305
Loans and borrowings	848,984	5,499	854,483	880,606	5,499	886,105
Other payables and accruals	4,726,598	-	4,726,598	3,877,758	-	3,877,758
Income tax payable	-	1,585,494	1,585,494	-	1,634,536	1,634,536
Deferred tax liabilities	-	1,929,056	1,929,056	-	1,919,056	1,919,056
TB total liabilities	10,585,305	19,072,379	29,657,684	13,365,194	15,459,334	28,824,528
Gap	(5,342,536)	15,510,911	10,168,375	(8,273,181)	20,041,590	11,768,409

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

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.

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Quality of Compliance Risk Management Indicators

The following indicators are used when assessing the quality of compliance risk management.

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.

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

- 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.

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 N524.84 million (2020: Deficit of N489.01 million) in respect of general business and N8.53 billion (2020: N8.36 billion) for Life business totalling N9.06 billion (2020: N78.85 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 policyholders 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 by placing some assets for sale and have obtained the permission of the Financial Reporting Council of Nigerian accordingly.

Insurance regulations require each insurance Company to hold the minimum level of paid up capital as follows:

- General insurance business companies 3 billion Naira; and
- Life insurance business companies 2 billion Naira

Composite insurance businesses are required to maintain a solvency margin (admitted assets less admitted liabilities) equivalent to the higher of 15% of net premium or the amount of Minimum Capital Base whichever is higher.

Capital adequacy and solvency margin are monitored regularly by the Board of Directors. The required information is filed with the NAICOM on a quarterly basis.

During the year the Company held the minimum paid up capital required for both general insurance and life businesses.

Minimum Capital Requirement

Industrial and General Insurance Plc complied with the minimum capital requirement of N3 billion for general business. This is shown under Shareholders' fund in the statement of financial Position.

Solvency Margin

Insurance industry regulator measures the financial strength of general business insurers using a solvency margin model, which NAICOM generally expects general business insurers to comply with this capital adequacy requirements.

Section 24 of the Insurance Act 2003 defines Solvency margin of a general business insurer as the difference between the admissible assets and liabilities and this shall not be less than 15% of Net premium income or the minimum capital base (N3 billion) whichever is higher.

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

This test compares insurers' capital against the risk profile. The regulator indicated that insurers should produce a minimum solvency margin of 100%. The company had a solvency margin of N10.48 billion (2020: N11.14 billion) and a shortfall of N15.48 billion (2020: N16.14 billion) in its solvency margin for the year ended 31 December 2021. 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 2021.

	Total N'000	Admissible N'000	Inadmissible N'000
Admissible assets			
Cash and cash equivalents	393,447	344,698	48,749
Financial Assets:-			
- At fair value through profit or loss	14,112	14,112	
- Available for sale	1,648,349	1,648,349	-
- Loans and Receivables	312,967	312,967	
Trade Receivables	-	-	-
Reinsurance assets	3,695,136	3,695,136	
Deferred acquisition cost	16,223	16,223	
Investment in subsidiaries - Foreign	850,248	-	850,248
Investment in subsidiaries - Local	2,539,535	2,539,535	
Investment properties	24,775,685	8,181,409	16,594,276
Statutory deposits with CBN	500,000	500,000	-
Other receivables and prepayments	-	-	-
Property, plant & equipment	5,472,130	-	5,472,130
	<u>40,217,832</u>	<u>17,252,430</u>	<u>22,965,403</u>
Less:			
Admissible liabilities			
Insurance contract liabilities	8,666,751	8,666,751	
Investment Contract Liabilities	10,785,617	10,785,617	
Trade payable	1,109,685	1,109,685	
Other payables and accruals	4,726,598	4,726,598	
income tax payable	1,585,494	1,585,494	
Deferred tax liabilities	1,929,056	-	1,929,056
Loans and Borrowings	854,483	854,483	
	<u>29,657,684</u>	<u>27,728,628</u>	<u>1,929,056</u>
Solvency margin		<u>(10,476,199)</u>	
15% of Net Premium	<u>100,556</u>		
Minimum Capital Base	<u>5,000,000</u>	<u>5,000,000</u>	
Surplus in solvency margin		<u>(15,476,199)</u>	
Solvency ratio		<u>(210)</u>	

INDUSTRIAL AND GENERAL INSURANCE PLC

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 receivables and prepayments	486,457	-	486,457
Property, plant & equipment	5,491,730	1,666,667	3,825,063
	40,596,394	15,762,580	24,833,814
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	
	28,824,528	26,905,472	1,919,056
Solvency margin		(11,142,892)	
15% of Net Premium	76,525		
Minimum Capital Base	5,000,000	5,000,000	
Surplus in solvency margin		(16,142,892)	
Solvency ratio		(223)	
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:			
	2021 N'000	2020 N'000	
Share capital	7,115,619	7,115,619	
Share premium	8,530,782	8,530,781	
Statutory contingency reserve	4,141,481	4,111,508	
Accumulated losses	(14,767,465)	(13,580,176)	
Excess of admissible assets over liabilities	5,020,417	6,177,732	
Less own shares	-	-	
	5,020,417	6,177,732	
Subordinated liabilities approved by the Commission			
Other instruments approved by the Commission	-	-	
Capital Requirements	5,020,417	6,177,732	

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021

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.

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 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 2021

4a SEGMENT INFORMATION-Group

31 DECEMBER 2021

		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.	393,447	453,973	50,832	365,453	70,668	70,057	6,837	2,713	1,413,980
Financial Assets:										
At fair value through profit or loss	6.1	14,112	-	-	-	323,347	-	-	-	337,459
Available for sale	6.2	1,648,349	3,152,388	-	-	670,449	-	-	-	5,471,186
Held to maturity	6.3.	-	-	-	473,713	1,135,974	432,036	-	-	2,041,723
Loans and receivables	6.4.	312,967	-	-	-	-	853	-	1	313,821
Trade receivables	7.	-	-	5,193	77,040	1,098,179	-	-	-	1,180,412
Reinsurance assets	8.	3,695,136	-	-	-	1,061,800	-	-	-	4,756,936
Deferred acquisition costs	9.	16,223	-	-	-	218,622	-	-	-	234,845
Loans and advances to customers	10.	-	456,654	-	-	-	-	-	(456,654)	-
Other receivables and prepayments	12.	-	6,418	-	5,365	222,488	23,442	-	(257,712)	1
Investment in subsidiaries	14.	3,389,783	-	-	-	-	-	-	(3,389,783)	-
Intangible ssets	15.	-	-	-	9,355	14,713	-	-	-	24,068
Deferred tax assets	48.4.	-	-	-	-	-	-	-	-	-
Investment properties	16.	24,775,684	-	115,000	-	6,059,437	-	-	-	30,950,121
Property plant and equipment	17.	5,472,130	8,024	741	329,519	1,403,895	365,926	16,500	425	7,597,160
Statutory deposits	18.	500,000	-	-	-	140,510	-	-	(43,322)	597,188
		40,217,831	4,077,457	171,766	1,260,445	12,420,082	892,314	23,337	(4,144,332)	54,918,900
Non-current assets held for sale	11.	-	-	-	-	-	-	-	-	-
Assets classified as discontinued operations	57.	-	-	-	-	-	-	-	-	-
Total assets		40,217,831	4,077,457	171,766	1,260,445	12,420,082	892,314	23,337	(4,144,332)	54,918,900
Equity										
Ordinary share capital	19.2	7,115,619	1,100,000	168,556	462,676	822,515	156,571	1,000,000	(3,710,318)	7,115,619
Share premium	19.3	8,530,781	1,000,000	-	7,768	419,091	-	-	(1,426,859)	8,530,781
Assets revaluation reserve	20.	5,613,592	-	-	88,667	38,395	288,702	-	(123,603)	5,905,753
Fairvalue reserve	21.	(73,858)	-	-	-	86,810	-	-	(320,293)	(307,341)
Contingency reserve	22.	4,141,481	-	-	-	698,420	94,141	-	(278,911)	4,655,131
Loss sustained	23.	(14,767,465)	195,499	(17,635)	(55,909)	2,047,259	(117,475)	(4,838,469)	6,207,806	(11,346,389)
Capital reserve	24.	-	-	-	-	279,074	-	-	97,816	376,890
Foreign exchange reserve	25.	-	-	-	-	-	-	-	343,431	343,431
Statutory(regulatory) reserve	26.	-	240,798	-	-	-	-	-	(3,058)	237,740
Shareholder's fund		10,560,150	2,536,297	150,921	503,202	4,391,564	421,939	(3,838,469)	786,011	15,511,615
Non-controlling interests	27.	-	(286)	(1,446)	(3,627)	137,705	36,539	-	(2,468,742)	(2,299,857)
Total equity		10,560,150	2,536,011	149,475	499,575	4,529,269	458,478	(3,838,469)	(1,682,731)	13,211,758

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

4a SEGMENT INFORMATION-Group

31 DECEMBER 2021

		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
Liabilities										
Insurance contract liabilities	28.	8,666,751	-	-	129,529	2,396,887	185,762	-	-	11,378,929
Investment contract liabilities	29.	10,785,617	-	-	-	635,146	-	-	-	11,420,763
Trade payables	30.	1,109,685	-	15,241	621,257	892,889	7,704	-	825,001	3,471,777
Loans and borrowings	31.	854,483	-	-	-	-	-	107,336	(660,399)	301,420
Other payables and accruals	32.	4,726,598	1,279,786	4,589	-	2,840,670	183,481	1,791,194	(1,795,834)	9,030,484
Income tax payable	48.2	1,585,494	261,660	2,460	4,718	661,006	26,039	-	1	2,541,378
Deferred tax liabilities	48.4.	1,929,056	-	-	-	464,212	30,845	-	-	2,424,113
Deposit for shares	33.	-	-	-	5,366	-	-	-	1,132,909	1,138,275
		29,657,684	1,541,446	22,290	760,870	7,890,810	433,831	1,898,530	(498,322)	41,707,139
Liabilities classified as discontinued operations	57.	-	-	-	-	-	-	-	-	-
Total liabilities		29,657,684	1,541,446	22,290	760,870	7,890,810	433,831	1,898,530	(498,322)	41,707,139
Total equity and liabilities		40,217,835	4,077,457	171,765	1,260,445	12,420,079	892,309	(1,939,939)	(2,181,053)	54,918,898

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

4.b. SEGMENT INFORMATION-Group

31 DECEMBER 2021		STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME							
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
	523,058	-	-	1,873,571	2,999,933	492,539	-	-	5,889,101
Changes in unearned premium	163,879	-	-	-	(31,747)	(8,767)	-	-	123,365
	686,937	-	-	1,873,571	2,968,186	483,772	-	-	6,012,466
Reinsurance costs	(16,563)	-	-	-	(1,363,643)	(167,020)	-	(746,119)	(2,293,345)
	670,374	-	-	1,873,571	1,604,543	316,752	-	(746,119)	3,719,121
Fees and commission income	16,275	-	1,387	-	240,611	63,846	-	-	322,119
	686,649	-	1,387	1,873,571	1,845,154	380,598	-	(746,119)	4,041,240
Claims expenses (Gross)	(590,898)	-	-	(1,648,423)	(442,718)	(42,756)	-	-	(2,724,795)
Changes in claims recoveries	45,318	-	-	-	(32,532)	5,259	-	-	18,045
	(545,580)	-	-	(1,648,423)	(475,250)	(37,497)	-	-	(2,706,750)
Underwriting expenses	(420,730)	-	-	-	(384,103)	(156,982)	-	3,069,368	2,107,553
Changes in contract liabilities	69,893	-	-	-	(81,028)	-	-	-	(11,135)
	(209,768)	-	1,387	225,148	904,773	186,119	-	2,323,249	3,430,908
Investments incomes	153,561	89,667	2,108	-	321,957	20,247	-	-	587,540
Profit/(loss) on disposal of Investment properties	(422,614)	-	-	-	-	-	-	-	(422,614)
Net interest income	37,039	-	-	-	115,119	-	-	-	152,158
Other operating incomes	1,022	-	-	13,847	330,006	44,489	-	-	389,364
Loss on investment contract	(512,685)	-	-	-	(22,820)	-	-	-	(535,505)
Fair value gain/(loss) through profit or loss	1,600,970	-	-	-	291,157	-	-	-	1,892,127
Impairment charge	(607,276)	-	-	-	38,696	-	-	109,160	(459,420)
Management and administrative expenses	(1,101,639)	(110,196)	(10,726)	(273,869)	(1,421,909)	(124,266)	-	-	(3,042,605)
	(1,061,390)	(20,529)	(7,231)	(34,874)	556,979	126,589	-	2,432,409	1,991,953
Finance costs	(97,352)	-	-	-	(20,280)	-	-	-	(117,632)
	(1,158,742)	(20,529)	(7,231)	(34,874)	536,699	126,589	-	2,432,409	1,874,321
Income tax expense	(8,568)	(2,025)	-	(4,718)	(170,224)	(35,239)	-	-	(220,774)
	(1,167,310)	(22,554)	(7,231)	(39,592)	366,475	91,350	-	2,432,409	1,653,547

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

4c SEGMENT INFORMATION-Group

		STATEMENT OF FINANCIAL POSITION								
		IGI Plc	Global Trust	All Crown	Int'l Health	NIC Holdings	IGI Gamstar	Monarch	Elimination	Total
		Nigeria	Savings &	Registrars	Mgt. Serv Ltd	Ltd	Ins.	Communicati	adjustment	
		N'000	Loans Ltd	Nigeria	Nigeria	Uganda	Company	ons Limited	N'000	N'000
		N'000	Nigeria	N'000	N'000	N'000	Gambia	Nigeria	N'000	N'000
		Note	N'000	N'000	N'000	N'000	N'000	N'000	N'000	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 2021

4c SEGMENT INFORMATION-Group

31 DECEMBER 2020		STATEMENT OF FINANCIAL POSITION								
		IGI Plc Nigeria N'000	Global Trust Savings & Loans Ltd Nigeria N'000	All Crown Registrars Nigeria N'000	Int'l Health Mgt. Serv Ltd Nigeria N'000	NIC Holdings Ltd Uganda N'000	IGI Gamstar Ins. Company Gambia N'000	Monarch Communicati ons Limited Nigeria N'000	Elimination adjustment N'000	Total N'000
Liabilities	Note									
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
Assets 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 2021

4d SEGMENT INFORMATION-Group

		STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME							
		Global Trust	Int'l Health	NIC	IGI Gamstar	Monarch	Elimination	Total	
		Savings & Loans Ltd	All Crown Registrars	Mgt. Serv Ltd	Holdings Ltd	Ins. Company Gambia	Communications Limited	adjustment	
		Nigeria	Nigeria	Nigeria	Uganda	Nigeria	Nigeria	N'000	N'000
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
31 December 2020	Note	IGI Plc Nigeria							
Gross premium written	34.	848,943	-	-	1,837,310	1,275,768	387,303	-	4,349,324
Changes in unearned premium	34.	(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	35.	(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	-	2,753,419
Fees and commission income	36.	8,950	-	-	-	149,492	24,293	-	182,735
Net underwriting income		788,653	-	-	189,903	1,371,950	256,825	-	2,936,154
Claims expenses (Gross)	37.	(787,759)	-	-	1	(516,498)	(29,600)	(522,165)	(1,856,021)
Changes in claims recoveries	37.	399,862	-	-	-	306,174	7,919	-	713,955
Net claims incurred		(387,897)	-	-	1	(210,324)	(21,681)	-	(1,142,066)
Underwriting expenses	38.	(517,645)	-	-	(137,068)	(994,330)	(109,471)	-	(1,636,965)
Changes in contract liabilities	39.	231,723	-	-	-	(48,855)	-	82,764	265,632
Underwriting profit		114,834	-	-	52,836	118,441	125,673	-	422,755
Investments incomes	40.	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	41.	-	110,914	-	-	6,374	-	(145,554)	(28,266)
Other operating incomes	42.	(3,048)	15,559	618	11,779	60,959	34,306	-	119,377
Loss on investment contract	43.	(1,877,711)	-	-	-	50,381	-	-	(1,827,330)
Fair value gain/(loss) through Profit or loss	44.	2,347,235	-	-	-	321,784	-	-	2,669,019
Impairment charge	45.	395,827	32,543	-	-	(34,395)	-	(13,392)	380,583
Management and administrative expenses	46.	(559,396)	(94,904)	(1,755)	(71,998)	(546,272)	(96,616)	-	(1,370,941)
		(559,396)	(94,904)	(1,755)	(71,998)	(546,272)	(96,616)	-	-
Net operating (loss)/income		436,122	(30,792)	(2,892)	(79,381)	(226,022)	(5,230)	-	1,314,772
Finance costs	47.	(145,496)	-	-	-	(41,536)	-	145,496	(41,536)
(Loss)/profit before income tax		290,626	(30,792)	(2,892)	(79,381)	(267,558)	(5,230)	-	1,273,236
Income tax expense	48.1	(6,106)	(4,655)	-	(4,702)	(81,595)	(24,162)	-	(121,220)
(Loss)/profit from continuing operations		284,519	(35,447)	(2,892)	(84,083)	(349,153)	(29,392)	-	1,152,015

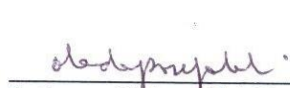
INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

COMPANY STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2021

	Notes	Life Business 2021 N'000	General Business 2021 N'000	Intra company adjustment N'000	Total N'000	2020 N'000
Assets						
Cash and cash equivalents	5.	165,814	227,633	-	393,447	157,747
Financial Assets:						
- At Fair value through Profit or Loss	6.1	2,684	11,429	-	14,113	7,538
- Available for sale	6.2	1,587,716	60,633	-	1,648,349	460,163
- Loans and Receivables	6.4.	313,287	319	-	312,968	348,496
Trade receivables	7.	#REF!	#REF!	-	#REF!	-
Reinsurance Assets	8.	1,893,246	1,801,891	-	3,695,137	3,600,393
Deferred acquisition costs	9.	5,008	11,215	-	16,223	34,675
Other receivables and Prepayments	12.	2,486,995	(2,486,995)	-	-	486,457
Investment in Subsidiaries	14.	3,127,398	262,385	-	3,389,783	3,389,784
Investment Properties	16.	9,331,267	15,444,418	-	24,775,685	26,119,411
Property plant and equipment	17.	2,954,785	2,517,346	-	5,472,131	5,491,730
Statutory deposits	18.	200,000	300,000	-	500,000	500,000
		#REF!	#REF!	-	#REF!	40,596,394
Non-current assets held for sale	11.	-	-	-	-	-
Total assets		#REF!	#REF!	-	#REF!	40,596,394
Liabilities						
Insurance Contract Liabilities	28.	5,730,889	2,935,861	-	8,666,750	8,657,220
Investment Contract Liabilities	29.	10,785,617	-	-	10,785,617	10,649,548
Trade payables	30.	736,318	373,367	-	1,109,685	1,200,305
Loans and Borrowings	31.	-	854,483	-	854,483	886,105
Other payables and Accruals	32.	655,436	4,071,162	-	4,726,598	3,877,758
Income tax payable	48.2	346,675	1,238,819	-	1,585,494	1,634,536
Deferred tax liabilities	48.4.	966,979	962,077	-	1,929,056	1,919,056
Total Liabilities		19,221,914	10,435,769	-	29,657,683	28,824,528
Net assets		#REF!	#REF!	-	#REF!	11,771,866
Equity						
Share capital	19.2	2,650,806	4,464,813	-	7,115,619	7,115,619
Share premium	19.3	3,871,731	4,659,051	-	8,530,782	8,530,781
Assets revaluation reserve	20.	3,727,829	1,885,763	-	5,613,592	5,523,592
Fair value reserve	21.	(184,782)	110,923	-	(73,859)	70,543
Contingency reserve	22.	533,510	3,607,971	-	4,141,481	4,111,501
Loss sustained	23.	(7,752,808)	(7,014,657)	-	(14,767,465)	(13,580,176)
		2,846,287	7,713,867	-	10,560,150	11,771,866


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


Professor Oladapo Afolabi
 Director
 FRC/2017/IPAN/00000015950


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

INDUSTRIAL AND GENERAL INSURANCE PLC

SEPARATE STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

		General Business	Life Business	Company	
	Notes	2021 N'000	2021 N'000	2021 N'000	2020 N'000
Continuing operations					
Gross premium written	34.	317,965	205,093	523,058	848,943
Changes in unearned premium	34.	68,255	95,624	163,879	6,487
Gross Premium Income		386,220	300,717	686,937	842,456
Reinsurance costs	35.	(18,075)	1,512	(16,563)	(62,752)
Net Premium Income		368,145	302,229	670,374	779,704
Fees and commission income	36.	16,350	(75)	16,275	8,950
Net underwriting income		384,495	302,154	686,649	788,654
Claims expenses (Gross)	37.	(102,765)	(488,133)	(590,898)	(787,760)
Claims recoveries	37.	(49,687)	95,005	45,318	399,862
Net claims incurred		(152,452)	(393,128)	(545,580)	(387,898)
Underwriting expenses	38.	(761,852)	341,122	(420,730)	(517,645)
Changes in contract liabilities	39.	-	69,893	69,893	231,723
Underwriting profit/(loss)		(529,809)	320,041	(209,768)	114,834
Investments incomes	40.	35,816	117,746	153,561	210,852
Profit/(loss) on disposal of Investment properties		-	(422,614)	(422,614)	28,000
Profit on disposal of properties, plant & equipment		10,000	-	10,000	300,300
Net interest income	41.	-	37,039	37,039	38,625
Other operating incomes	42.	1,022	-	1,022	(3,048)
(Loss)/gain on investment contract	43.	-	(512,685)	(512,685)	(1,877,711)
Fair value gain/(loss) through Profit or loss	44.	1,205,374	395,596	1,600,970	2,347,235
Impairment charge	45.	(1,002,285)	395,009	(607,276)	395,827
Management and administrative expenses	46.	(980,372)	(121,266)	(1,101,639)	(559,396)
Net operating profit/(loss)		(1,260,254)	208,866	(1,051,390)	995,518
Finance costs	47.	(97,352)	-	(97,352)	(145,496)
Profit/(loss) before income tax		(1,357,606)	208,866	(1,148,742)	850,022
Income tax expense	48.1	(1,767)	(6,800)	(8,568)	(6,106)
Profit/(loss) from continuing operations		(1,359,373)	202,066	(1,157,310)	843,916
Attributable to:					
Equity shareholders		(1,359,373)	202,066	(1,157,310)	843,916
Non-controlling interests	27.	-	-	-	-
		(1,359,373)	202,066	(1,157,310)	843,916

INDUSTRIAL AND GENERAL INSURANCE PLC

SEPARATE STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	General Business	Life Business	Company	
		2021 N'000	2021 N'000	2021 N'000	2020 N'000
Other Comprehensive income/(loss):					
Items that may be reclassified					
Fairvalue gain on available for sale assets	21 & 27	-	(144,400)	(144,400)	(51,688)
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	-	-	-	-
Fairvalue gain on property, plant and equipment	20 & 27	100,000	-	100,000	350,000
Income tax relating to item that will not be reclassified subsequently to profit or loss		(10,000)	-	(10,000)	(35,000)
		<u>(10,000)</u>	<u>-</u>	<u>(10,000)</u>	<u>(35,000)</u>
Other comprehensive income/(loss) for the year, net of tax		<u>90,000</u>	<u>(144,400)</u>	<u>(54,400)</u>	<u>263,312</u>
Total comprehensive income/(loss) for the year		<u>(1,269,373)</u>	<u>57,666</u>	<u>(1,211,710)</u>	<u>1,107,228</u>
Attributable to:					
Equity shareholders		(1,269,373)	57,666	(1,211,710)	1,107,228
Non-controlling interests	27.	-	-	-	-
		<u>(1,269,373)</u>	<u>57,666</u>	<u>(1,211,710)</u>	<u>1,107,228</u>
Basic and diluted profit/(loss) per share (Kobo)	50.	11.89	12.45	(8.51)	7.78

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

INDUSTRIAL AND GENERAL INSURANCE PLC

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

4.2 SEGMENT INFORMATION - Company REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

	Fire	General Accident	Motor	Marine & Aviation	Agric	Engineering	Oil & Energy	General Business	Life Business	2021	2020
	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	23,739	24,664	148,407	18,474	100,693	1,988	0	317,965	205,093	523,058	848,942
Inward reinsurance premium	-	-	-	-	-	-	-	-	-	-	-
Gross premium written	23,739	24,664	148,407	18,474	100,693	1,988	0	317,965	205,093	523,058	848,942
Changes in unearned premium	5,337	(3,067)	73,592	930	(10,382)	1,591	254	68,255	95,624	163,879	(6,487)
Gross Premium Earned	29,076	21,597	221,999	19,404	90,311	3,579	254	386,220	300,717	686,937	842,455
Deduct:											
Outward reinsurance premium	(4,299)	-	-	(2,945)	-	(207)	-	(7,451)	-	(7,451)	(58,180)
Changes in prepaid reinsurance	(8,729)	9,597	-	(8,621)	-	(2,871)	-	(10,624)	1,512	(9,112)	(4,573)
Reinsurance cost	(13,028)	9,597	-	(11,566)	-	(3,078)	-	(18,074)	1,512	(16,563)	(62,753)
Net Premium Earned	16,048	31,194	221,999	7,838	90,311	501	254	368,145	302,229	670,374	779,702
Commission received	3,641	12	1,032	1,063	-	2,280	8,322	16,350	(75)	16,275	8,950
Changes in unearned commission	-	-	-	-	-	-	-	-	-	-	-
Total income	19,689	31,206	223,031	8,901	90,311	2,781	8,576	384,495	302,154	686,649	788,652
Expenses											
Gross claims paid	(10,453)	(123,033)	(25,800)	(21,558)	(15,926)	(1,916)	-	(198,686)	(148,911)	(347,597)	(345,204)
Changes in outstanding claims provision	19,851	(1,522)	(5,237)	30,171	-	36,105	16,553	95,921	(339,223)	(243,302)	(442,557)
Gross claims incurred	9,398	(124,555)	(31,037)	8,613	(15,926)	34,189	16,553	(102,765)	(488,134)	(590,899)	(787,761)
Reinsurance claims recovery	4,734	64,420	4,075	-	-	-	-	73,229	(75)	73,229	(16,959)
Changes in reinsurance recoveries	(29,042)	(19,471)	(2,668)	6,904	(13,240)	(65,340)	(58)	(122,915)	95,005	(27,910)	416,821
Net claims incurred/(recovered)	(14,910)	(79,606)	(29,630)	15,517	(29,166)	(31,151)	16,495	(152,451)	(393,129)	(545,580)	(387,899)
Acquisition expenses	(4,312)	(4,853)	(16,317)	(3,642)	(3,189)	(394)	(4)	(32,711)	(65,009)	(97,720)	(96,435)
Changes in commission expenses	(1,405)	(56)	(10,146)	(503)	(39)	(217)	(1)	(12,367)	(6,085)	(18,452)	(4,418)
Maintenance expenses	(53,961.27)	(40,081.22)	(412,001)	(36,011.30)	(167,605.45)	6,642	(471.39)	(716,774)	482,109	(234,665)	(185,069)
Total expenses	(74,588)	(124,596)	(468,094)	(24,639)	(199,999)	(38,404)	16,019	(914,303)	17,886	(896,417)	(673,821)
Underwriting results	(54,899)	(93,390)	(245,063)	(15,738)	(109,688)	(35,623)	24,595	(529,808)	320,040	(209,768)	114,831

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Cash in hand	4	2,552	4	-
Bank balances (Note 5.1)	1,415,301	471,314	397,481	143,936
Impairment of bank balances	(5,713)	(17,694)	(5,713)	(15,787)
Total bank balances	<u>1,409,592</u>	<u>456,172</u>	<u>391,772</u>	<u>128,149</u>
Short term deposits/placements with banks (Note 5.2)	171,487	647,936	171,487	188,933
Impairment of short term deposits/ placements with banks	(167,099)	(170,820)	(169,812)	(159,335)
	<u>4,388</u>	<u>477,116</u>	<u>1,675</u>	<u>29,598</u>
	<u><u>1,413,980</u></u>	<u><u>933,288</u></u>	<u><u>393,447</u></u>	<u><u>157,747</u></u>

5.1 Included In the above Group amount was N21.7 million (Dec 2018 : N21.7 million) representing cash reserve requirement with the central bank of Nigeria.

5.2 The placement with banks have a short term maturity of 30-90 days and thus, the effect of discounting is immaterial.

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Cash in hand	4	2,552	4	-
Bank balances	1,409,588	453,620	391,768	128,149
Short term deposits/placements with banks	4,388	477,116	1,675	29,598
	<u>1,413,980</u>	<u>933,288</u>	<u>393,447</u>	<u>157,747</u>
Bank overdrafts (Note 31)	(188,585)	(163,710)	(848,984)	(880,606)
	<u><u>1,225,395</u></u>	<u><u>769,578</u></u>	<u><u>(455,537)</u></u>	<u><u>(722,859)</u></u>

5.4 Movement of Impairment of short term placement with banks

At 1 January	188,514	159,335	175,122	159,218
Addition during the year (Note 45)	(12,989)	29,179	403	15,904
At 31 December	<u><u>175,525</u></u>	<u><u>188,514</u></u>	<u><u>175,525</u></u>	<u><u>175,122</u></u>

6. Financial assets

6.1 Fair value through Profit or Loss-FVTPL

Quoted Equities:

Movement in FVTPL

At 1 January	224,542	242,022	7,538	10,303
Additions in the year	31,946	12,466	8,477	-
Disposal during the year	-	-	-	-
	<u>256,488</u>	<u>254,488</u>	<u>16,015</u>	<u>10,303</u>
Fair value (loss)/gain(Note 44)	80,971	(29,946)	(1,903)	(2,765)
Translation adjustment	-	-	-	-
At 31 December	<u><u>337,459</u></u>	<u><u>224,542</u></u>	<u><u>14,112</u></u>	<u><u>7,538</u></u>
Current	337,459	224,542	14,112	7,538
Non Current	-	-	-	-
	<u><u>337,459</u></u>	<u><u>224,542</u></u>	<u><u>14,112</u></u>	<u><u>7,538</u></u>

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
6.2 Available for sale-AFS				
Unquoted equities (Note 6.2.1)	5,471,186	1,007,842	1,648,349	460,163
Treasury bills (Note 6.2.2)	-	-	-	-
	<u>5,471,186</u>	<u>1,007,842</u>	<u>1,648,349</u>	<u>460,163</u>
6.2.1 Movement in unquoted equities				
At 1 January	1,007,842	1,366,926	460,163	511,850
Additions in the year	4,586,762		1,332,586	-
Disposal during the year	-	(38,353)	-	-
	<u>5,594,604</u>	<u>1,328,573</u>	<u>1,792,749</u>	<u>511,850</u>
Fair value loss (Note 21)	(123,418)	(320,731)	(144,400)	(51,687)
Translation Adjustment	-	-	-	-
	<u>5,471,186</u>	<u>1,007,842</u>	<u>1,648,349</u>	<u>460,163</u>
At 31 December	<u>5,471,186</u>	<u>1,007,842</u>	<u>1,648,349</u>	<u>460,163</u>
Current	3,827,607	(635,737)	1,202,656	3,867
Non Current	1,643,579	1,643,579	445,693	456,296
	<u>5,471,186</u>	<u>1,007,842</u>	<u>1,648,349</u>	<u>460,163</u>
6.2.2 Movement in treasury bills				
At 1 January	-	-	-	-
Additions in the year	-	-	-	-
Disposal during the year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fair value gain/(loss) (Note 21)	-	-	-	-
Translation adjustment	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Current	-	-	-	-
Non Current	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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.

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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.

	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
6.3 Held to Maturity-HTM				
Government Securities	2,041,723	859,594	-	-
Corporate Securities	-	-	-	-
	<u>2,041,723</u>	<u>859,594</u>	<u>-</u>	<u>-</u>
Current	-	-	-	-
Non Current	<u>2,041,723</u>	<u>859,594</u>	<u>-</u>	<u>-</u>
	<u>2,041,723</u>	<u>859,594</u>	<u>-</u>	<u>-</u>
6.3.1. Amortized Cost				
<u>Treasury Bills</u>				
At 1 January	859,594	509,431	-	-
Additions	1,226,295	776,374	-	-
Maturities	1,203,804	(467,314)	-	-
Interests Received	(111,995)	-	-	-
Accrued interests	108,022	41,627	-	-
Less: expected credit losses (Note 6.3.2)	(17,702)	(524)	-	-
At 31 December	<u>2,041,723</u>	<u>859,594</u>	<u>-</u>	<u>-</u>

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	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
6.3.2. Movement of expected credit losses of Treasury Bills				
At 1 January	524	400	-	-
Additions	<u>17,178</u>	<u>123</u>	<u>-</u>	<u>-</u>
At 31 December	<u>17,702</u>	<u>524</u>	<u>-</u>	<u>-</u>

6.3.3. 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	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
6.4 Loans and Receivables				
Staff Loans (Note 6.4.1)	231,059	258,242	231,059	240,541
Loan to field officers (Note 3.4.3)	3,709	2,746	3,709	2,746
Policy loans (Note 6.4.2)	<u>310,431</u>	<u>355,049</u>	<u>309,578</u>	<u>348,496</u>
	545,199	616,037	544,346	591,783
Impairment of loans and receivables (Note 6.4.4)	<u>(231,379)</u>	<u>(246,980)</u>	<u>(231,379)</u>	<u>(243,287)</u>
	<u>313,820</u>	<u>369,057</u>	<u>312,967</u>	<u>348,496</u>
Current	313,820	369,057	312,967	348,496
Non Current	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>313,820</u>	<u>369,057</u>	<u>312,967</u>	<u>348,496</u>

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	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
6.4.1 Movement in staff loans				
At 1 January	260,988	274,364	243,287	238,110
Additions in the year	29,406		-	5,327
Repayments	(14,309)	(13,376)	(8,519)	(150)
	<u>276,085</u>	<u>260,988</u>	<u>234,768</u>	<u>243,287</u>
Translation Adjustment	- 41,317	-	-	-
At 31 December	<u>234,768</u>	<u>260,988</u>	<u>234,768</u>	<u>243,287</u>
6.4.2 Movement in policy loans				
At 1 January	341,966	327,840	348,496	320,076.00
Additions in the year	114,371	(6,256)	109,984	8,037
Interest charged	7,382	38,525	-	38,525
Repayments	(148,902)	(18,142)	(148,902)	(18,142)
	<u>314,817</u>	<u>341,966</u>	<u>309,578</u>	<u>348,496</u>
Translation Adjustment	(4,387)	13,083	-	-
At 31 December	<u>310,431</u>	<u>355,049</u>	<u>309,578</u>	<u>348,496</u>
6.4.3 Movement in loan against policies				
At 1 January	2,746	1,598	2,746	1,598
Additions in the year	963	1,298	963	1,298
Repayments	-	(150)	-	(150)
	<u>3,709</u>	<u>2,746</u>	<u>3,709</u>	<u>2,746</u>
Translation Adjustment	-	-	-	-
At 31 December	<u>3,709</u>	<u>2,746</u>	<u>3,709</u>	<u>2,746</u>
	3,709	2,746	3,709	2,746
6.4.4 Movement in impairment of loans and receivables				
At 1 January	246,980	234,872	243,287	231,379
Charge for the year (Note 45)	(11,908)	11,908	(11,908)	11,908
Written back	(3,693)	200	-	-
Translation Adjustment	-	-	-	-
	<u>231,379</u>	<u>246,980</u>	<u>231,379</u>	<u>243,287</u>
At 31 December	<u>231,379</u>	<u>246,980</u>	<u>231,379</u>	<u>243,287</u>
Total Financial assets	<u>8,164,188</u>	<u>2,461,035</u>	<u>1,975,428</u>	<u>816,197</u>

6.4.4 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 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.

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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	
	2021	2020	2021	2020
	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	1,180,412	1,287,888	-	-
	1,180,412	1,296,698	-	-
Impairment of trade receivables (Note 7.1)	-	(456,337)	-	-
	1,180,412	840,361	-	-
Current	1,180,412	840,361	-	-
Non Current	-	-	-	-
	1,180,412	840,361	-	-
7.1 Movement in impairment of trade receivables				
At 1 January	456,337	398,186	-	-
Additions during the year (Note 45)	-	29,230	-	-
Recoveries	-	28,921	-	-
Written off	(456,337)	-	-	-
Translation adjustment	-	-	-	-
At 31 December	-	456,337	-	-
7.2 Movement in trade receivables				
At 1 January	1,296,698	1,123,378	-	-
Gross premium written	5,889,101	4,349,322	-	-
Premium received/recovered	(6,005,387)	(4,176,002)	-	-
At 31 December	1,180,412	1,296,698	-	-
8. Reinsurance assets				
Prepaid Reinsurance (Note 8.1)	17,558	760,550	17,558	26,670
Estimated reinsurance recoveries on claims (Note 8.2)	4,176,917	3,309,929	3,115,121	3,083,769
Receivables from re-insurers (Note 8.3)	711,521	697,026	711,521	639,018
	4,905,996	4,767,505	3,844,200	3,749,457
Impairment of reinsurance assets (Note 8.4)	(149,064)	(149,064)	(149,064)	(149,064)
	4,756,932	4,618,441	3,695,136	3,600,393
Current	4,756,932	4,618,441	3,695,136	3,600,393
Non Current	-	-	-	-
	4,756,932	4,618,441	3,695,136	3,600,393

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	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
8.1 Prepaid reinsurance - UPR				
Fire	1,824	64,108	1,824	6,253
General accident	482	39,401	482	653
Motor	-	8,985	-	-
Aviation	-	-	-	-
Marine	1,021	633,938	1,021	5,646
Agric	-	-	-	-
Engineering	85	1,714	85	1,714
Oil and Energy	-	-	-	-
	3,412	748,146	3,412	14,266
Life business				
Group business	14,146	12,404	14,146	12,404
Individual business	-	-	-	-
	14,146	12,404	14,146	12,404
Total Prepaid reinsurance	17,558	760,550	17,558	26,670
8.1.1 Movement in prepaid reinsurance				
At 1 January	770,367	552,101	26,670	22,098
Movement in the year (Note 35)	(752,809)	218,266	(9,112)	4,572
At 31 December	17,558	770,367	17,558	26,670

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	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
8.2 Estimated reinsurance recoveries on claims				
Fire	49,961	264,932	49,961	56,097
General accident	1,077,731	37,644	15,935	26,218
Motor	6,523	10,498	6,523	6,523
Aviation	-	-	-	-
Marine	5,915	7,839	5,915	5,915
Agric	-	-	-	-
Engineering	356,859	356,859	356,859	356,859
Oil and Energy	794,255	794,255	794,255	794,255
	2,291,244	1,472,027	1,229,448	1,245,867
Life business				
Individual business	-	-	-	-
Group business	1,874,536	1,779,531	1,874,536	1,779,531
	4,165,780	3,251,558	3,103,984	3,025,398
8.2.1. Estimated reinsurance IBNR				
Fire	1,756	12,330	1,756	12,330
General accident	236	4,712	236	4,712
Motor	2,510	2,589	2,510	2,589
Aviation	-	-	-	-
Marine	989	705	989	705
Agric	-	-	-	-
Engineering	1,083	33,212	1,083	33,212
Oil and Energy	-	29	-	29
	6,574	53,578	6,574	53,578
Life business				
Individual business	-	-	-	-
Group business	4,563	4,793	4,563	4,793
	4,563	4,793	4,563	4,793
Total Estimated Reinsurance Recoveries				
	4,176,917	3,309,929	3,115,121	3,083,769
8.2.2 Movement in reinsurance				
At 1 January	3,305,136	2,740,135	3,083,769	2,703,381
Increase/(decrease) (Note 37.2.1)	914,222	565,001	31,352	380,388
At 31 December	4,219,358	3,305,136	3,115,121	3,083,769

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	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
8.3 Receivables from reinsurance companies				
Receivables from reinsurance companies	711,521	697,026	711,521	639,018
	<u>711,521</u>	<u>697,026</u>	<u>711,521</u>	<u>639,018</u>
Life business				
Group business	-	-	-	-
Individual business	-	-	-	-
	<u>711,521</u>	<u>697,026</u>	<u>711,521</u>	<u>639,018</u>
8.3.1 Movement in receivables from reinsurers/co-insurers				
At 1 January	697,026	709,919	639,018	628,175
Movement during the year	14,495	(12,893)	72,503	10,843
At 31 December	<u>711,521</u>	<u>697,026</u>	<u>711,521</u>	<u>639,018</u>
8.4 Movement in Impairment of reinsurance assets				
At 1 January	149,064	149,064	149,064	149,064
Addition in the year (Note 45)	-	-	-	-
Recoveries	-	-	-	-
Written off	-	-	-	-
Translation adjustment	-	-	-	-
At 31 December	<u>149,064</u>	<u>149,064</u>	<u>149,064</u>	<u>149,064</u>

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8.2.1 AGE ANALYSIS OF OUTSTANDING CLAIMS RECOVERABLE AS AT 31ST DECEMBER 2021

a. age analysis as follows:

Days	Number of	
	Claimants	Amount
0-90 days	71	391,400
91-180 days	9	44,443
181-270 days	21	9,641
271-365 days	15	11,839
365+ days	2,045	2,646,662
Grand Total	2,161	3,103,984

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	26	134,100	6	23,943	12	4,428	4	4,614	1332	1,647,217	1,380	1,814,301
Discharge Vouchers not yet signed	-	-	-	-	-	-	-	-	-	-	-	-
Claims reported but incomplete documentation	45	257,300	3	20,500	9	5,213	11	7,225	713	999,445	781	1,289,683
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	71	391,400	9	44,443 #	21	9,641	15	11,839	2,045	2,646,662	2,161	3,103,984

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

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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	18832.33521	15	10385.25268	8	15103.098	2121	2671047.672	2217	3,078,976

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8.5i 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.

8.5ii 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	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
9.1 Movement in deferred acquisition costs				
At 1 January	77,125	92,727	34,675	78,224
Acquisition cost for the year	808,895	400,007	91,635	57,304
Translation adjustment	-	-	-	-
Total acquisition cost for the year	886,020	492,734	126,310	135,528
Amortization during the year (Note 38.1)	(651,175)	(415,609)	(110,087)	(100,853)
At 31 December	234,845	77,125	16,223	34,675
Current	234,845	77,125	16,223	34,675
Non Current	-	-	-	-
	234,845	77,125	16,223	34,675
9.2 Deferred acquisition costs analysis				
Fire	1,842	357	1,842	3,247
General accident	221,905	36,535	3,283	3,339
Motor	4,465	46,611	4,465	14,611
Aviation	-	(19,856)	-	-
Marine	1,294	1,797	1,294	1,797
Agric	180	219	180	219
Engineering	147	364	147	364
Oil and Energy	4	5	4	5
	229,837	66,032	11,215	23,582
Life business				
Individual Life	-	-	-	-
Group Life	5,008	11,093	5,008	11,093
	234,845	77,125	16,223	34,675

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	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
10. Loans and advances customers				
Overdrafts	(32,137)	-	-	-
Term loans	31,393	898	-	-
Mortgage loans	744	145,777	-	-
Staff loans	-	-	-	-
	<u>-</u>	<u>146,675</u>	<u>-</u>	<u>-</u>
Impairment on loans and advances to customers (Note 10.1)	-	-	-	-
	<u>-</u>	<u>146,675</u>	<u>-</u>	<u>-</u>
Current	-	117,340	-	-
Non Current	-	29,335	-	-
	<u>-</u>	<u>146,675</u>	<u>-</u>	<u>-</u>
10.1 Movements in impairment on loans and advances to customers:				
At 1 January	-	-	-	-
Additions in the year (Note 45)	-	(32,533)	-	-
Reclassified	-	-	-	-
Recovery in the year	-	32,533	-	-
	<u>-</u>	<u>32,533</u>	<u>-</u>	<u>-</u>
At 31 December	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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'.

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	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
11. Non current assets held for sale				
At 1 January	6,623,063	6,307,411	-	-
Additions during the year (Note 11.2)	-	21,902	-	-
Disposal during the year	(2,251,321)	(20,341)	-	-
Transfer from investment properties (Note 16)	(4,371,741)	-	-	-
Fair value gain on revaluation	-	314,091	-	-
Translation adjustment	(0)	(0)	-	-
At 31 DECEMBER	-	6,623,063	-	-
Current	-	-	-	-
Non Current	-	6,623,063	-	-
	-	6,623,063	-	-

11.1 Company

Selected investment properties owned by the company have been classified as non-current assets held for sale. It is expected that the carrying amount will be recovered principally through sale rather than from continuing use. Accordingly, the properties have been designated for immediate sale in their present conditions subject only to terms that are usual and customary for sale of such property. Active marketing is in place and their sale are highly probable. Under the non-current assets held for sale scheme, 70% of sale proceeds will be applied to discharge obligations that are due to policyholders and 30% will be applied to other liquidity requirements of the company. The scheme will restore the required asset cover in the actuarial valuation results of the company.

11.2 Group

A landed property owned by 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.

11.2 This represents approval by the board to sale a plot of land at 3A Mackinnon road valued at Ushs 4 billion, plot 2 Porttal Avenue property valued at Ushs 10.09 billion and the remaining two (2) empty plot at Kansanga.

*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.

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	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
12. Other receivables and prepayments				
Receivable from related parties (Note 13di)	1,436,812	1,088,957	3,984,155	3,984,155
Commission receivable on reinsurance ceded	17,374	21,033	17,374	9,995
Deposit for shares	500,000	500,000	500,000	500,000
Accrued income	84,446	83,741	84,446	71,770
Withholding tax receivables	-	54,623	-	-
Other receivables	1,332,278	1,166,950	1,400,667	1,287,936
Prepaid rents and rates	-	181,060	-	462
	3,370,910	3,096,364	5,986,642	5,854,318
Impairment on other receivables and prepayments (Note 12.1)	(3,370,910)	(2,886,593)	(5,986,642)	(5,367,861)
	-	209,771	-	486,457
12.1 Movement in Impairment on other receivables and prepayments				
At 1 January	2,886,593	3,303,744	5,367,861	5,791,500
(Write back)/additions during the year (Note 45)	484,317	(417,151)	618,781	(423,639)
Translation adjustments	-	-	-	-
At 31 December	3,370,910	2,886,593	5,986,642	5,367,861

12.2 Analysis of impairment loss by assets

Group	2021				
	Assets At 31 December N'000	At 1 Jan N'000	Impairment (Write back) N'000	At 31 December N'000	Net N'000
Description of assets					
Receivable from related parties	1,436,812	1,373,979	62,833	1,436,812	-
Commission receivable on reinsurance ceded	17,374		17,374	17,374	-
Deposit for shares	500,000	500,000	-	500,000	-
Accrued income	84,446	48,814	35,632	84,446	-
Other receivables	1,332,278	963,800	368,478	1,332,278	-
	3,370,910	2,886,593	484,317	3,370,910	-

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2020					
Group	Assets		Impairment		
	At 31 December N'000	At 1 Jan N'000	(Write back) N'000	At 31 December N'000	Net N'000
Description of assets					
Receivable from related parties	1,088,957	1,791,130	-	417,151	1,373,979
Commission receivable on reinsurance ceded	21,033				(285,022)
Deposit for shares	500,000	500,000	-	500,000	21,033
Accrued income	83,741	48,814	-	48,814	-
Withholding tax receivables	54,623				34,927
Other receivables	1,166,950	963,800		963,800	54,623
Prepaid rents and rates	181,060				203,150
	<u>3,096,364</u>	<u>3,303,744</u>	<u>(417,151)</u>	<u>2,886,593</u>	<u>181,060</u>
					<u>209,771</u>

2021					
Company	Assets		Impairment		
	At 31 December N'000	At 1 Jan N'000	(Write back) N'000	At 31 December N'000	Net N'000
Description of assets					
Receivable from related parties	3,984,155	3,984,155	-	3,984,155	-
Commission receivable on reinsurance ceded	17,374	9,995	7,379	17,374	-
Deposit for shares	500,000	500,000	-	500,000	-
Accrued income	84,446	71,770	12,676	84,446	-
Withholding tax receivables	-	-	-	-	-
Other receivables	1,400,667	801,940	598,726	1,400,666	-
Prepaid rents and rates	-	-	-	-	-
Translation adjustment	-	-	-	-	-
	<u>5,986,642</u>	<u>5,367,860</u>	<u>618,781</u>	<u>5,986,641</u>	<u>-</u>

2020					
	Assets		Impairment		
	At 31 December N'000	At 1 Jan N'000	(Write back) N'000	At 31 December 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	-	-	-	-	-
Other receivables (Note 12.4)	1,287,936	754,404	47,536	801,940	485,996
Prepaid rents and rates	462				462
Translation adjustment	-				-
	<u>5,854,318</u>	<u>5,791,499</u>	<u>(423,639)</u>	<u>5,367,860</u>	<u>486,458</u>

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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	
	2021 N'000	2020 N'000	2021 N'000	2020 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	-	-	-	-
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>-</u>	<u>-</u>	<u>-</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	2,547,343
Global trust Savings & Loans Ltd	174,101	478	174,101	174,101
IGI Pension Fund Managers Ltd	92,983	93,181	92,983	92,983
All crown Registrars Ltd	56,407	-	56,407	56,407
Intl Health Mgt Services Ltd	90,110	-	90,110	90,110
NIC Holdings Limited, Uganda	1	11,772	1	1
Global Trust Bank Ltd, Uganda	-	-	-	-
IGI Gamstar Ins Co. Ltd, Gambia	27,235	-	27,235	27,235
Sonarwa (Rwanda)	-	-	-	-
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	5,535	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.	-	-	-	-
Others	194,568	205,817	194,568	194,568
	<u>1,436,812</u>	<u>1,088,957</u>	<u>3,984,155</u>	<u>3,984,155</u>

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	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 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
Others	-	-	-	-
	<u>194,250</u>	<u>194,250</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.

	2021 N'000	2020 N'000	2021 N'000	2020 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)	-	-	(615,412)	(615,412)
	<u>-</u>	<u>-</u>	<u>3,389,783</u>	<u>3,389,783</u>

14.1 Movements in impairment on investment in subsidiaries:

At 1 January	-	-	615,412	615,411
Write back during the year (Note 45)	-	-	-	-
Translation adjustment	-	-	-	1
At 31 December	<u>-</u>	<u>-</u>	<u>615,412</u>	<u>615,412</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.

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14.3 Subsidiaries disclosures

All shares in subsidiary undertakings are ordinary shares.

Name of subsidiaries	Country of incorporation	Held by (Units) in thousand	Holdings (%)	Status	Cost N	Accumulated Impairment	Impairment/ Write back during the year N	Carrying Amount
Monarch communications Ltd	Nigeria	568,600	56.86	Discontinued	590,447	(590,447)	-	-
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	-	-	128,850
					<u>4,005,195</u>	<u>(601,589)</u>	<u>(13,822)</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 60% 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.

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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	Subsidiaries	Group	Subsidiaries
	2021	2021	2020	2020
	N'000	N'000	N'000	N'000
Summary of results:				
Summary of financial position:				
Total assets	60,653,908	20,436,077	56,223,813	15,627,420
Total liabilities	<u>(47,442,150)</u>	<u>(17,784,466)</u>	<u>(43,729,030)</u>	<u>(14,904,502)</u>
Equity attributable to owners of the company	13,211,758	2,651,611	12,494,784	722,918
Non-controlling interests	<u>(2,299,856)</u>	<u>(168,885)</u>	<u>(66,634)</u>	<u>168,359</u>
Summary of statement of profit or loss and other comprehensive income:				
Revenue	6,012,466	5,325,529	4,259,468	3,417,012
Other operating incomes	3,350,221	1,426,143	4,532,463	1,298,264
Expenses	<u>(7,709,141)</u>	<u>(4,538,092)</u>	<u>(7,941,024)</u>	<u>(4,012,158)</u>
Loss for the year	<u>1,653,546</u>	<u>2,213,580</u>	<u>850,907</u>	<u>703,118</u>
Loss attributable to owners of the company	1,504,765	2,662,075	1,076,669	232,752
Loss attributable to the non-controlling interests	<u>158,781</u>	<u>158,781</u>	<u>75,335</u>	<u>75,335</u>
Loss for the year	<u>1,663,546</u>	<u>2,820,855</u>	<u>1,152,004</u>	<u>308,087</u>
Other comprehensive income/(loss) attributable to owners of the company	187,252	241,652	695,827	432,515
Other comprehensive loss to the non-controlling interests	<u>(151,427)</u>	<u>(151,427)</u>	<u>(150,670)</u>	<u>(150,670)</u>
Other comprehensive income for the year	<u>35,825</u>	<u>90,225</u>	<u>545,157</u>	<u>281,845</u>
Total comprehensive income attributable to owners of the company	1,692,017	2,903,726	1,772,496	665,268
Total comprehensive income to the non-controlling interests	<u>158,781</u>	<u>158,781</u>	<u>75,335</u>	<u>75,335</u>
Total comprehensive income for the year	<u>1,850,797</u>	<u>3,062,507</u>	<u>1,847,831</u>	<u>740,603</u>
Dividends paid to non controlling interests	-	-	-	-
Summary of cash flows:				
Net cash out flow from operating activities	2,605,101	3,572,604	(1,036,289)	153,912
Net cash out flow from investing activities	(1,968,912)	(3,332,711)	51,445	(1,492,108)
Net cash (out)/in flow from financing activities	<u>(180,372)</u>	<u>(51,398)</u>	<u>(319,593)</u>	<u>105,735</u>
Net cash out flow	<u>(2,149,284)</u>	<u>(3,384,109)</u>	<u>(268,148)</u>	<u>(1,386,373)</u>

14.5 Change in the Group's ownership interest in a subsidiary

There was a changes in the Group's ownership interest in the Sonarwa only during the year. See Note 14.3.8.

14.6 Significant restrictions

There are no significant restrictions on the company's or subsidiary's ability to access or use the assets and settle the liabilities of the Group.

14.7 Financial support

The Group has not given any financial support to a consolidated structured entity.

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	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
15. Intangible ssets				
Computer Software (Note 15.1)	24,068	21,937	-	-
	24,068	21,937	-	-
Current	-	-	-	-
Non Current	24,068	21,937	-	-
	24,068	21,937	-	-
15.1 Movement in Computer software				
Cost				
At 1 January	106,825	117,047	52,600	52,600
Additions during the year	(30,157)	(10,222)	-	-
Translation adjustment	0	-	-	-
At 31 December	76,668	106,825	52,600	52,600
Amortisation and impairment				
At 1 January	84,888	53,615	52,600	52,600
Charged during the year	(32,288)	9,914	-	-
Translation adjustment	0	21,359	-	-
At 31 December	52,600	84,888	52,600	52,600
Carrying amount	24,068	21,937	-	-

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	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
16. Investment properties				
At valuation:				
At 1 January	26,774,270	24,991,812	26,119,411	24,869,411
Additions	1,476,362	588,757	-	-
Disposals	(2,946,600)	(1,185,975)	(2,946,600)	(1,100,000)
Transfer from assets held for sale (Note 11)	4,371,741	-	-	-
Transfer to property, plant and equipment (Note 17a)	(536,809)	-	-	-
Fair value gain (Note 44)	1,811,157	2,379,672	1,602,873	2,350,000
Translation adjustments	(0)	4	(0)	-
At 31 December	30,950,121	26,774,270	24,775,684	26,119,411

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	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
16.1 Of the investment properties, the following relates:				
Policyholder Fund	8,395,416	8,395,416	4,325,306	4,294,100
Shareholders fund	3,017,742	3,017,742	3,541,179	3,515,630
Deposi Administration	5,817,410	5,817,410	6,826,458	6,777,206
Others	2,718,105	2,718,105	3,189,568	3,166,556
Total	19,948,673	19,948,673	17,882,511	17,753,492

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 43/45, Akinoye Street, Idimu, Lagos valued at N6.6 million and property 4.2 Hectares of Land at Mayegun Tourism Scheme, Lekki valued at N2.94 billion.

iii) Rental income for the year on the Group was N328.65 million (31 Dec 2020: N378.82 million) while the Company was N 95.21 million (31 Dec 2020: N132.43 million)

iv) Certain Land and Buildings were revalued in December 2021 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 N1.60 billion(Dec 2020: N2.35 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 2021 N'000	Total 2020 N'000
Property, plant & equipment (Note 17.1)	4,288,700	1,660,000	5,948,700	5,935,100
Investment property - local (Note 16.3)	22,261,398	2,115,743	24,377,140	25,712,520
Total real estate properties valuation - local	26,550,097	3,775,743	30,325,840	31,647,620
Investment properties valuation - local	22,261,398	2,115,743	24,377,140	25,712,520
Investment properties valuation - foreign (Note 16.2)	398,544	-	398,544	406,891
Total investment properties	23,919,628	2,199,783	24,775,684	26,119,411

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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, 2021

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	840,000,000	1,060,000,000					150,000,000		370,000,000	840,000,000	1,210,000,000
Property at Tourism Zone, near Alpha Beach, Lekki, Lagos.	Lagos State	9,746,900,000	-	9,746,900,000					1,200,000,000		10,946,900,000	-	10,946,900,000
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			-	-	-
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	-	-	0							-	-	-
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	1,060,000,000	-	1,060,000,000							1,060,000,000	-	1,060,000,000
Property Along Oshodi -Apapa Expressway, Awodiora, Lagos	Lagos State	1,230,000,000	-	1,230,000,000							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
43/45, Akinoye Street, Idimu, Lagos	Lagos State	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
		19,388,164,841	999,420,500	20,387,585,341	-	-	2,862,559,500	84,040,500	1,350,000,000	-	17,875,605,341	915,380,000	18,790,985,341
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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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, 2021

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
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					11,220,000		76,220,000	-	76,220,000
		129,565,000	-	129,565,000	-	-	-	-	11,220,000	-	140,785,000	-	140,785,000
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	207,500,000	-	207,500,000					50,000,000		257,500,000	-	257,500,000
		229,300,000	-	229,300,000	-	-	-	-	50,000,000	-	279,300,000	-	279,300,000

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	2,348,817,410	1,080,182,590	3,429,000,000					200,000,000		2,548,817,410	1,080,182,590	3,629,000,000
PLOT 3274, Cadastral Zone A6, Maitama, Abuja	FCT, Abuja	693,600,000	-	693,600,000							693,600,000	-	693,600,000
Block SB3, Flat 14, NNPC Quarters, Garki Abuja	FCT, Abuja	51,840,000	-	51,840,000							51,840,000	-	51,840,000
Block SB5, Flat 14, NNPC Quarters, Garki Abuja	FCT, Abuja	51,840,000	-	51,840,000							51,840,000	-	51,840,000
Block SB2, Flat 16, NNPC Quarters, Garki Abuja	FCT, Abuja	51,840,000	-	51,840,000							51,840,000	-	51,840,000
Block SB4, Flat 16, NNPC Quarters, Garki Abuja	FCT, Abuja	51,840,000	-	51,840,000							51,840,000	-	51,840,000
Block SB9, Flat 16, NNPC Quarters, Garki Abuja	FCT, Abuja	51,840,000	-	51,840,000							51,840,000	-	51,840,000
Block SB10, Flat 16, NNPC Quarters, Garki Abuja	FCT, Abuja	51,840,000	-	51,840,000							51,840,000	-	51,840,000
Block 1, Flat 22, Lukulu Street, Wuse Abuja	FCT, Abuja	16,200,000	-	16,200,000							16,200,000	-	16,200,000
Block 3, Flat 4, Lukulu Street, Wuse, Abuja	FCT, Abuja	16,200,000	-	16,200,000							16,200,000	-	16,200,000
Block 9, Flat 9, Sassandra Street, Wuse Abuja	FCT, Abuja	19,400,000	-	19,400,000							19,400,000	-	19,400,000
Block 9, Flat 10, Sassandra Street, Wuse Abuja	FCT, Abuja	19,400,000	-	19,400,000							19,400,000	-	19,400,000
Block 6(3) Flat 22, Jos Street, Area 3, Garki Abuja	FCT, Abuja	23,760,000	-	23,760,000							23,760,000	-	23,760,000

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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, 2021

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 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	1,088,162,590	4,755,940,000	-	-	-	-	200,000,000	-	3,867,777,410	1,088,162,590	4,955,940,000
TOTAL LOCAL INVESTMENT PROPERTY		23,512,737,251	2,199,783,090	25,712,520,341	-	-	2,862,559,500	84,040,500	1,611,220,000	-	22,261,397,751	2,115,742,590	24,377,140,341
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	-	-	-	-	(8,346,508)	-	398,544,092	-	398,544,092
Total foreign investment property		23,919,627,852	2,199,783,090	26,119,410,942	-	-	2,862,559,500	84,040,500	1,602,873,492	-	22,659,941,843	2,115,742,590	24,775,684,433

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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
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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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
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, 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	2,348,817,410	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
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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 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

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The breakdown of Investment properties for which perfection is on going are as follows:

16.3 Status of perfection of investment properties are as follows:

Description of properties	Location	Status of perfection	Company	
			2021 N'000	2020 N'000
Building at 4 H NIG.Maiyegun Property, Lekki	Lagos	Perfected title with acquired SPV	10,946,900,000	9,746,900,000
Building at Property at Plot 41/42 Independence Way, Marata Estate, Kaduna	FCT	Perfected	97,200,000	97,200,000
Land at Plot 310 Ubumwe Village, Remera, Kigali City	Foreign	Perfected	398,544,092	406,890,601
Land at Ikorodu Industrial Estate, Ikorodu	Lagos	Perfected	215,000,000	215,000,000
Land at Property Along Oshodi -Apapa (Mile 2 Apapa) Exp., Awodiora, Lagos	Lagos	Perfected	1,230,000,000	1,230,000,000
Land at Onikoyi Road Parkview Estate, ikoyi Lagos	Lagos	Perfected	510,000,000	510,000,000
UTC Building at 119 Broad Street, Lagos	Lagos	Perfected	1,210,000,000	1,060,000,000
			14,607,644,092	13,265,990,601
Land at Plot 28, Bk. 34, Isheri Olofin, Lagos	Lagos	Duely excuted deed of assignment with right to realize or transfer the property	3,960,000	3,960,000
Land at Plot 10, Block 15 Area 5 Opic Estate Agbara Abeokuta	Lagos	Duely excuted deed of assignment with right to realize or transfer the property	4,510,000	4,510,000
Land at Property at No. 202, Ibeke Road, Ikot-Abassi, Akwa Ibom	Rivers	Duely excuted deed of assignment with right to realize or tra	5,280,000	5,280,000
Land at Block XXV111, Plot 1 & 2 , Mainland Park Estate, Ogun State	Ogun	Duely excuted deed of assignment with right to realize or tra	5,500,000	5,500,000
Building at Idi-Iroko-pokia Road, Owode, Idi roko, Ogun State	Ogun	Duely excuted deed of assignment with right to realize or transfer the property	5,775,000	5,775,000
Land at 43/45 Akinoye street, Idimu, Lagos	Lagos	Duely excuted deed of assignment with right to realize or transfer the property	-	6,600,000
Land at Plot N. A. C. 10 Abubakar, kigo Road, Kaduna	Kaduna	Duely excuted deed of assignment with right to realize or transfer the property	10,450,000	10,450,000
Building at Block 1, Flat 22, Lukulu Street, Wuse Abuja	Abuja	Duely excuted deed of assignment with right to realize or transfer the property	16,200,000	16,200,000
Building at Block 3, Flat 4, Lukulu Street, Wuse, Abuja	Abuja	Duely excuted deed of assignment with right to realize or transfer the property	16,200,000	16,200,000
Building at Block 9, Flat 9, Sassandra Street, Wuse Abuja	Abuja	Duely excuted deed of assignment with right to realize or transfer the property	19,400,000	19,400,000
Building at Block 9, Flat 10, Sassandra Street, Wuse Abuja	Abuja	Duely excuted deed of assignment with right to realize or transfer the property	19,400,000	19,400,000
Building at House 14 Road C Karu Housing Estate. Karu, Abuja	Rivers	Duely excuted deed of assignment with right to realize or transfer the property	19,980,000	19,980,000
Land at Plot 5 & 6 BLK 1, Ring Road, Ibadan	Kaduna	Duely excuted deed of assignment with right to realize or transfer the property	21,800,000	21,800,000
Building at Block 6(3) Flat 22, Jos Street, Area 3, Garki Abuja	Abuja	Duely excuted deed of assignment with right to realize or transfer the property	23,760,000	23,760,000
Building at Block 39 (3), Flat 7, Eleme Close, Area 2, Section 1, Garki Abuja	Abuja	Duely excuted deed of assignment with right to realize or transfer the property	23,760,000	23,760,000
Land at Property at Off Trinity Avenue, Okota, Isolo Lagos	Lagos	Duely excuted deed of assignment with right to realize or transfer the property	32,940,000	32,940,000
Land at Property at Gas Area, Off Airport Rd, Rumuodomaya Port Harcourt	Rivers	Duely excuted deed of assignment with right to realize or transfer the property	34,560,000	34,560,000
Land at Block XVI, Plot 9-14, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Duely excuted deed of assignment with right to realize or transfer the property	37,800,000	37,800,000
Building at 595 Agege Motor Road, Lagos	Lagos	Duely excuted deed of assignment with right to realize or transfer the property	39,960,000	39,960,000
Building at Block 1, Flat 5, Gombe Close, Garki Abuja	Abuja	Duely excuted deed of assignment with right to realize or transfer the property	48,600,000	48,600,000
Land at Plot 3C Blk IV Ibara, GRA, Abeokuta	Ogun	Duely excuted deed of assignment with right to realize or transfer the property	48,780,400	48,780,400
Building at Block SB3, Flat 14, NNPC Quarters, Garki Abuja	Abuja	Duely excuted deed of assignment with right to realize or transfer the property	51,840,000	51,840,000
Building at Block SB5, Flat 14, NNPC Quarters, Garki Abuja	Abuja	Duely excuted deed of assignment with right to realize or transfer the property	51,840,000	51,840,000
Building at Block SB2, Flat 16, NNPC Quarters, Garki Abuja	Abuja	Duely excuted deed of assignment with right to realize or transfer the property	51,840,000	51,840,000
Building at Block SB4, Flat 16, NNPC Quarters, Garki Abuja	Abuja	Duely excuted deed of assignment with right to realize or transfer the property	51,840,000	51,840,000
Building at Block SB9, Flat 16, NNPC Quarters, Garki Abuja	Abuja	Duely excuted deed of assignment with right to realize or transfer the property	51,840,000	51,840,000
Building at Block SB10, Flat 16, NNPC Quarters, Garki Abuja	Abuja	Duely excuted deed of assignment with right to realize or transfer the property	51,840,000	51,840,000
Building at Plot 498 Shiroro Road Tunga, Minna	Abuja	Duely excuted deed of assignment with right to realize or transfer the property	62,640,000	62,640,000
Building at No. 24, Awolowo Way, by J. Allen, Dugbe, Ibadan)	Ibadan	Duely excuted deed of assignment with right to realize or transfer the property	257,500,000	207,500,000
Land at Block VII Plot 17, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Duely excuted deed of assignment with right to realize or transfer the property	7,370,000	7,370,000
Building at Block A14, Flat 3 Games Village, Abuja	Abuja	Duely excuted deed of assignment with right to realize or transfer the property	97,200,000	97,200,000
Land at No. 3, GLOVER ROAD, Ikoyi, Lagos	Lagos	Duely excuted deed of assignment with right to realize or transfer the property	539,243,109	539,243,109
Land at Monarch Comm. Awodiora Landed Property	Lagos	Duely excuted deed of assignment with right to realize or transfer the property	1,060,000,000	1,060,000,000
Land at Property of 4.2 Hectares At Tourism Zone Goshen Estate, Lekki, Lagos	Lagos	Duely excuted deed of assignment with right to realize or transfer the property	-	2,940,000,000
Land at Property along Moshood Abiola Road (Formerly Apapa Road) Ijora Badia, Ij	Lagos	Duely excuted deed of assignment with right to realize or transfer the property	1,959,785,205	1,959,785,205
Building at Plot 2186 IBB Way, Wuse Zone 4, Abuja	Abuja	Duely excuted deed of assignment with right to realize or transfer the property	3,629,000,000	3,429,000,000
			8,362,393,714	11,058,993,714
Land at Block V, Plot 11, within Nitel/Mtel Carrier Station, Ikorodu, Lagos	Lagos	Under dispute	7,370,000	7,370,000
Land at Block X, Plot 5, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Under dispute	7,370,000	7,370,000
Land at Block X, Plot 6, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Under dispute	7,370,000	7,370,000
Land at Block VI Plot 2, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Under dispute	7,370,000	7,370,000
Land at Block VIII Plot 12, within NITEL/MTEL Carrier station, Ikorodu	Lagos	Under dispute	7,370,000	7,370,000
Land at Alasia Sangotedo in Lekki	Lagos	Under dispute	13,250,000	13,250,000
Land at Ajah Village Land	Lagos	Under dispute	18,000,000	18,000,000
Land at LASG ALASIA LEKKI-EPE PROPERTY	Lagos	Under dispute	25,000,000	25,000,000
Building at Block E11, CBN I & J Estate 1, Garki Abuja	Abuja	Under dispute	37,800,000	37,800,000
Building at Ibara/Oke-Ilewo Junction, Ibara, Abeokuta, Ogun State	Ogun	Under dispute	76,220,000	65,000,000
Building at No 6 Okunfolami Str. Anthony village Lagos	Lagos	Under dispute	123,420,000	123,420,000
Building at No. 2B, Oroke Drive, Ikoyi, Lagos	Lagos	Under dispute	331,506,490	331,506,490
Land at Alejo Family (Purchase of Igboabo Ikorodu land)	Lagos	Under dispute	450,000,000	450,000,000
Building at Plot 3274, Cadastral Zone A6, Maitama, Abuja	Abuja	Under dispute	693,600,000	693,600,000
			1,805,646,490	1,794,426,490
			10,168,040,204	12,853,420,204

Included in investment properties are land and buildings amounting to N10.168 billion (2020: N12.853 billion) for which title documents perfection are ongoing. The documents were filed at the land registry, some payments were made on the assessment received. The processes are continuing and will be completed within reasonable time.

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

17. Property plant and equipment-Group

	Land N'000	Buildings N'000	Leasehold improvement N'000	Motor Vehicles N'000	Furniture and fittings N'000	Office equipment N'000	Computer equipment N'000	Right of use assets N'000	Total N'000
Cost and/or Valuation									
At 1 January 2020	5,013,601	2,883,859	148,452	1,236,404	545,719	591,012	512,138	122,243	11,053,429
Additions	-	6,368	-	43,293	15,173	7,177	30,309	148,310	250,631
Revaluation surplus	68,657	325,932	-	-	-	-	-	-	394,589
Disposal	(750,000)	-	-	-	(16,260)	(7,741)	-	0	(774,001)
Translation adjustment	(0)	1	-	0	(0)	0	1	(2)	(0)
As 31 December 2020	4,332,258	3,216,160	148,452	1,279,697	544,632	590,449	542,448	270,552	10,924,647
At 1 January 2021	4,332,258	3,216,160	148,452	1,279,697	544,632	590,449	542,448	270,552	10,924,647
Additions	482,965	135,633	-	75,041	82,060	14,217	23,826	135,191	948,934
Revaluation surplus	100,000	-	-	-	-	-	-	-	100,000
Disposal	(330,465)	(637,468)	-	(1,345)	(7,320)	-	-	(56,585)	(1,033,183)
Transfer from investment property (Note 16)	239,124	297,685	-	-	-	-	-	-	536,809
Translation adjustment	-	0	0	(1)	0	0	(2)	0	(2)
As 31 December 2021	4,823,882	3,012,010	148,452	1,353,393	619,372	604,666	566,272	349,158	11,477,205
Depreciation and impairment									
At 1 January 2020	-	498,071	148,452	1,207,272	522,575	588,744	499,860	70,191	3,535,164
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)
Translation adjustment	-	1	-	(0)	0	0	0	0	2
As 31 December 2020	-	541,152	148,452	1,228,991	571,500	537,684	523,412	133,732	3,684,923

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

17. Property plant and equipment-Group

	Land N'000	Buildings N'000	Leasehold improvement N'000	Motor Vehicles N'000	Furniture and fittings N'000	Office equipment N'000	Computer equipment N'000	Right of use assets N'000	Total N'000
At 1 January 2021	-	541,152	148,452	1,228,991	571,500	537,684	523,412	133,732	3,684,923
Charged for the year	-	(6,426)	-	60,888	31,875	52,974	25,197	74,260	238,768
Disposal	-	-	-	(1,092)	(6,043)	(0)	0	(36,512)	(43,647)
Translation adjustment	-	(1)	0	(1)	(0)	(0)	(0)	(0)	(4)
As 31 December 2021	-	534,724	148,452	1,288,786	597,331	590,657	548,609	171,480	3,880,040
Carrying amount:		(1)	-	1	0	(0)	1	0	
31 December 2020	4,332,258	2,675,008	-	50,706	(26,868)	52,765	19,036	136,819	7,239,724
As 31 December 2021	4,823,882	2,477,285	0	64,606	22,041	14,009	17,663	177,678	7,597,164

i) Included in the depreciation charged for the year was N238,768,000 (December 2020 :N101,576,000) in the management /administrative expenses and a charge of Nil (December 2020 : Nil) to underwriting expenses in the statement of profit or loss and other comprehensive income for the Group.

ii) There is an Asset Debenture Security (Landed property at Plott 7A and 7B, block 6, Lekki Peninsula scheme, Eti Osa, Lagos state covering 26,510sq meters with professional value at N800 million by Ora Egbunike & Associate (Estate Surveyors & Valuers) for the overdraft secured from Global Trust Savings & Loans limited by the Holding Company while legal mortgage charge over landed and property on plot 13B Kmapala road (Included as part of investment properties) while overdraft from Guranty Trust Bank was secured by Lien on 2,068,172 units of New Vision shares (presented as FVTPL) by NIC Holdings.

iii) No impairment of property, plant and equipment during the year

iv) Fair Values of Land and Building

On a determined basis, the Group engages the services of external, independent and qualified valuers to determine the fair value of the Group's Land and Buildings. At December 2021, the fair values of the Land and Buildings have been determined 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 N100 million (Dec 2020: N394.59 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 2021

17. Property plant and equipment-Company

	Land N'000	Buildings N'000	Leasehold improvement N'000	Motor Vehicles N'000	Furniture and fittings N'000	Office equipment N'000	Computer equipment N'000	Total N'000
Cost and/or Valuation								
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	-	-	-	-	-	-	-	-
Revaluation surplus	-	350,000	-	-	-	-	-	350,000
Disposal	<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>
At 1 January 2021	<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>
Additions	-	-	-	-	-	-	-	-
Revaluation surplus	100,000	-	-	-	-	-	-	100,000
Disposal	<u>(58,400)</u>	<u>(28,000)</u>	-	-	-	-	-	<u>(86,400)</u>
As 31 December 2021	<u>4,288,700</u>	<u>1,660,000</u>	<u>148,452</u>	<u>1,032,977</u>	<u>403,349</u>	<u>535,054</u>	<u>399,571</u>	<u>8,468,103</u>
Depreciation and impairment								
At 1 January 2020	-	410,378	148,452	1,032,974	402,644	534,282	399,099	2,927,829
Charged for the year	-	33,760	-	-	556	351	277	34,944
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>
At 1 January 2021	-	444,138	148,452	1,032,974	403,200	534,633	399,376	2,962,773
Charged for the year	-	33,200	-	-	-	-	-	33,200
Disposal	-	-	-	-	-	(0)	0	(0)
As 31 December 2021	-	<u>477,338</u>	<u>148,452</u>	<u>1,032,974</u>	<u>403,200</u>	<u>534,633</u>	<u>399,376</u>	<u>2,995,973</u>
Carrying amount:								
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>
As 31 December 2021	<u>4,288,700</u>	<u>1,182,662</u>	-	<u>3</u>	<u>149</u>	<u>421</u>	<u>195</u>	<u>5,472,130</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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, 2021

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)			-	-	-
PLOT 2, BLOCK 1, ONIRU CHIEFTANCY LAND, LEKKI	LAGOS STATE	-	-	0							-	-	-
2, Agoro Odiyan Street, Victoria Island	LAGOS STATE	1,404,640,000	1,010,000,000	2,414,640,000					100,000,000		1,504,640,000	1,010,000,000	2,514,640,000
		1,516,973,000	1,038,000,000	2,554,973,000	-	-	(58,400,000)	(28,000,000)	100,000,000	-	1,558,573,000	1,010,000,000	2,568,573,000
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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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, 2021

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
		4,247,099,590	1,688,000,000	5,935,099,590	-	-	(58,400,000)	(28,000,000)	100,000,000	-	4,288,699,590	1,660,000,000	5,948,699,590

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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
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
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 CAESTRAL 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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

17.b Analysis of revaluation surplus

Description of properties	31 December 2021					At 31 December
	At 1 January	Addition	Disposal	Adjustment	Fair value gain	
	N'000	N'000	N'000	N'000	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)	-	-	-	-	-	-
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	2,414,640	-	-	-	100,000	2,514,640
	5,935,111	-	-	(86,400)	100,000	5,948,711
Depreciation and impairment	(444,149)	-	-	(11)	-	(477,349)
	5,490,962	-	-	(86,411)	100,000	5,471,362

17.b Analysis of revaluation surplus

Description of properties	31 December 2020					At 31 December
	At 1 January	Addition	Transfers from subsidiaries	Disposal	Fair value gain	
	N'000	N'000	N'000	N'000	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)	-	-	(10)	-	(444,149)
	5,876,774	-	-	(750,010)	350,000	5,490,962

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i) Included in the depreciation charged for the year was N33,200,000 (December 2018 :N34,944,051) in the management/administrative expenses and a charge of Nil(December 2018 : Nil) to underwriting expenses in the statement of profit or loss and other comprehensive income for the Company.

ii) There is an Asset Debenture Security (Landed property at Plot 7A and 7B, block 6, Lekki Peninsula scheme, Eti Osa, Lagos state covering 26,510sq meters with professional value at N800 million by Ora Egbunike & Associate (Estate Surveyors & Valuers) for the overdraft secured from Global Trust Savings & Loans Limited.

iii) No impairment of property, plant and equipment during the year.

iv) Fair Values of Land and Building

On a determined basis, the Company engages the services of external, independent and qualified valuers to determine the fair value of the Group's Land and Buildings. At December 2021, 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 N100 million (Dec 2020: N350 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	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
18. Statutory deposits				
At 1 January	545,116	555,267	500,000	500,000
Accrued interest	8,989	-	-	-
Additions during the year	137,425	85,910	-	-
Withdrawals during the year	(85,716)	(95,972)	-	-
Interest earned	(8,486)	-	-	-
Impairment provision on statutory deposit	(141)	(89)	-	-
Translation adjustment	(0)	0	-	-
At 31 December	597,188	545,116	500,000	500,000
Current	-	-	-	-
Non Current	597,188	545,116	500,000	500,000
	597,188	545,116	500,000	500,000

18.1 This represents the amount deposited with the Central Bank at 31 December 2021 N597.2 million (2020: N545.1 million) while the Company was N500 million (2020: N500 million), 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

	Group		Company	
	2021	2020	2021	2020
	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	0.60	0.60	0.60	0.60
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	5,966,047	6,256,758	5,523,592	5,858,892
Gain on valuation of property, plant and equipment	100,000	394,589	100,000	350,000
Deferred tax effect	(10,000)	(35,000)	(10,000)	(35,000)
Reversal of revaluation	(150,294)	(650,300)	-	(650,300)
Translation adjustment	-	(0)	-	-
At 31 December	5,905,753	5,966,047	5,613,592	5,523,592

20.1 Additions and decreases in assets revaluation arises as a result of revaluation and disposal of assets.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
21. Fair value reserve				
At 1 January	(183,923)	136,812.00	70,543	122,230
Loss on available for sale (Note 6.2.1)	(123,418)	(320,731)	(144,400)	(51,687)
Deferred tax effect	-	-	-	-
Translation adjustment	-	(4)	(1)	-
At 31 December	(307,341)	(183,923)	(73,858)	70,543

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	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
22. Contingency reserve				
At 1 January	3,804,156	4,218,011	4,111,501	3,707,698
Transfer from/(to) retained earnings (Note 23)	29,980	(413,853)	29,980	257,358
Reclassification from retained earnings	820,995	-	-	146,445
Translation adjustment	-	(2)	-	-
At 31 December	4,655,131	3,804,156	4,141,481	4,111,501

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
23. Loss sustained				
At 1 January	(11,769,248)	(13,308,924)	(13,580,176)	(14,020,283)
Gain/(loss) for the year	1,504,767	1,152,004	(1,157,310)	843,916
Dividend paid / declared	-	-	-	-
Transfer to capital reserve(Note 24)	(230,931)	(11,723)	-	-
Transfer to statutory reserve (Note 26)	-	(14,463)	-	-
Transfer to contingency reserve(Note 22)	(29,980)	413,853	(29,980)	(257,358)
Reclassification to Contingency Reserve	(820,995)	-	-	(146,445)
Translation adjustment	(2)	5	1	(6)
At 31 December	(11,346,389)	(11,769,248)	(14,767,465)	(13,580,176)
24. Capital reserve				
At 1 January	145,959	134,236	-	-
Transfer from retained earnings (Note 23)	230,931	11,723	-	-
Translation adjustment	(0)	0	-	-
At 31 December	376,890	145,959	-	-

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	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
25. Foreign exchange reserve				
At 1 January	(1,245,043)	(1,612,692)	-	-
Movement during the year(Note 57.3)	1,588,473	367,650	-	-
Translation adjustment	0	(1)	-	-
At 31 December	343,431	(1,245,043)	-	-
26. Statutory(regulatory) reserve				
At 1 January	197,070	182,607	-	-
Transfer from retained earnings (Note 23)	-	14,463	-	-
Translation adjustment	40,670	(0)	-	-
At 31 December	237,740	197,070	-	-

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
27. Non controlling interest				
The Non-Controlling interest in the subsidiaries is hereby presented below:				
At 1 January	(66,634)	(184,902)	-	-
Loss for the year	(3,735,427)	75,335	-	-
Share of revaluation gain in retained earnings	-	-	-	-
Share of dividend paid / declared	-	-	-	-
Share of ordinary share capital	872,382	-	-	-
Share of share premium	160,303	-	-	-
Share of assets revaluation reserve	3,813	(1,271)	-	-
Share of reversal of revaluation	-	-	-	-
Share of fairvalue reserve	10,104	11,768	-	-
Share of contingency reserve	278,911	2,853	-	-
Share of capital reserve	(12,791)	-	-	-
Share of foreign exchange reserve	-	40,417	-	-
Share of statutory(regulatory) reserve	3,058	(374)	-	-
Share of surplus/transfer from life fund	-	-	-	-
Deferred tax effect	-	-	-	-
Translation adjustment	186,424	(10,460)	-	-
At 31 December	(2,299,856)	(66,634)	-	-
28. Insurance contract liabilities				
Reserve for Reported claims by policy holders - Outstanding Claims	9,076,026	6,810,195	6,363,848	6,171,530
Provision for Claims incurred but not reported (IBNR)	252,161	278,065	252,161	201,176
Outstanding Claims Provision (Note 28.1)	9,328,187	7,088,260	6,616,009	6,372,706
Unearned Premium (Note 28.2i)	81,997	1,744,252	81,997	173,549
Additional Unexpired Risk Reserve AURR (Note 28.21)	23,297	-	23,297	-
Reserve for life fund (Note 39) - Unexpired risk/Insurance fund	1,889,802	2,235,887	1,889,802	1,959,695
Unexpired Life Insurance Contract fund (Note 28.2ii)	55,646	151,270	55,646	151,270
Total Insurance Contract Liabilities	11,378,929	11,219,669	8,666,751	8,657,220
Current	5,120,518	5,048,851	3,900,038	3,895,749
Non Current	6,258,411	6,170,818	4,766,713	4,761,471
	11,378,929	11,219,669	8,666,751	8,657,220

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	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
28.1 Outstanding Claims				
i.a) Incurred but not reported (IBNR)				
General business:				
Fire	11,725	50,480	11,725	21,567
General accident	51,047	55,295	51,047	30,565
Motor	36,719	46,570	36,719	28,641
Aviation and marine	8,019	21,950	8,019	16,632
Agric	-	-	-	-
Engineering	3,187	39,292	3,187	39,292
Oil and Energy	-	16,553	-	16,553
Health Management Services (HMO)	-	-	-	-
	110,697	230,140	110,697	153,250
i.b) Reported claims				
i) General business:				
Fire	65,550	293,700	65,550	75,558
General accident	2,750,894	210,570	168,245	187,205
Motor	60,491	82,834	60,491	63,332
Aviation and marine	283,470	305,028	283,470	305,028
Agric	-	-	-	-
Engineering	489,857	489,857	489,857	489,857
Oil and Energy	1,652,259	1,652,259	1,652,259	1,652,259
Health Management Services (HMO)	129,529	365,908	-	-
	5,432,050	3,400,156	2,719,872	2,773,239
Total Claims reserve - Non life	5,542,747	3,630,296	2,830,569	2,926,489
ii) Life business				
Group business	3,612,530	59,674	3,612,530	47,926
Individual business	172,911	3,398,292	172,911	3,398,292
	3,785,441	3,457,966	3,785,441	3,446,218
Total	9,328,188	7,088,262	6,616,010	6,372,707

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	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
28.1a The movement in the provision for outstanding claims;				
At 1 January	7,088,262	7,308,128	6,372,707	6,789,712
Movement during the year	<u>2,239,926</u>	<u>(219,866)</u>	<u>243,303</u>	<u>(417,005)</u>
At 31 December	<u>9,328,188</u>	<u>7,088,262</u>	<u>6,616,010</u>	<u>6,372,707</u>
28.2 Unearned premium and unexpired risk				
i) General business:				
Fire	9,634	87,488	9,634	16,962
General accident	27,241	391,717	27,241	24,174
Motor	37,753	497,600	37,753	120,689
Aviation and marine	6,617	660,400	6,617	8,983
Agric	-	-	-	-
Engineering	734	2,468	734	2,468
Oil and Energy	18	273	18	273
Health Management Services (HMO)	-	104,306	-	-
	<u>81,997</u>	<u>1,744,252</u>	<u>81,997</u>	<u>173,549</u>
28.21 Additional Unexpired Risk Reserve (AURR)				
i) General business:				
Fire	1,991		1,991	
General accident	10,382		10,382	
Motor	9,344		9,344	
Aviation and marine	1,436		1,436	
Agric				
Engineering	143		143	
Oil and Energy	1		1	
Health Management Services (HMO)				
	<u>23,297</u>	<u>-</u>	<u>23,297</u>	<u>-</u>
ii) Life business				
Group business	-	-	-	-
Individual business	<u>55,646</u>	<u>151,270</u>	<u>55,646</u>	<u>151,270</u>
	<u>55,646</u>	<u>151,270</u>	<u>55,646</u>	<u>151,270</u>
Total	<u>137,643</u>	<u>1,895,522</u>	<u>137,643</u>	<u>324,819</u>

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	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
28.22 Movement in the unexpired risks account during the year was as follows:				
At 1 January	1,895,522	1,621,687	324,819	630,749
Additions during the year	4,254,587	4,355,056	499,761	536,525
Amortised during the year	(6,012,466)	(4,081,221)	(686,937)	(842,455)
Translation adjustment	-	-	-	-
At 31 December	<u>137,643</u>	<u>1,895,522</u>	<u>137,643</u>	<u>324,819</u>

28.3 Actuarial valuation of life fund

The latest available actuarial valuation of the life business funds was as at 31 December 2021. The actuarial value of the net liability of the fund was xxxx (31 Dec 2020 : N2,403,282,000) which has been provided for. The valuation of the Company's life business fund as at 31 December 2020 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.

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An unexpired premium was included for Group business policies. An allowance was made for IBNR (Incurred But Not Reported) claims in Group Life to take care of the delay in reporting claims. For Individual policies, the valuation age has been taken as Age Last Birthday at the valuation date. The period to maturity has been taken as the full term of the policy less the expired term. Full credit has been taken for premiums due between the valuation date and the end of the premium term. The valuation of the liabilities was made on the assumption that premiums have been credited to the accounts as they fall due, according to the frequency of the particular payment.

There were no policies subject to substandard terms in force at the valuation date. The Mortality Table used in the valuation is the UK's Mortality of Assured Lives Table (A6770). The rate of interest used in the valuation is 14.21%.

28.4 Age analysis of Outstanding claims:

31 December 2021

a. age analysis as follows:

Days	Number of Claimants		Amount N'000
0-90 days	176	383,970	
91-180 days	22	17,225	
181-270 days	38	9,978	
271-365 days	21	124,522	
365+ days	2,113	5,828,152	
	<u>2,370</u>	<u>6,363,848</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	N'000
Discharge voucher signed and returned to policyholders	163	371,280	22	17,225	23	7,391	8	56,601	1348	3,684,569	1,564	4,137,066
Discharge Vouchers not yet signed											-	-
Claims reported but incomplete documentation	13	12,690		-	15	2,587	13	67,921	765	2,143,584	806	2,226,782
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												-
Total	176	383970	22	17225	38	9978.284	21	124522.413	2113	5828152.3	2370	6,363,848.00

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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	N'000
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	3,958,537
Discharge Vouchers not yet signed											-	-
Claims reported but incomplete documentation	6	12,496		-	7	2,587	12	67,921	850	2,129,115	875	2,212,994
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												-
Total	186	387366	18	17187.325	27	9978.284	22	124522.413	2246	5629977.69	2499	6,171,531

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An unexpired premium was included for Group business policies. An allowance was made for IBNR (Incurred But Not Reported) claims in Group Life to take care of the delay in reporting claims. For Individual policies, the valuation age has been taken as Age Last Birthday at the valuation date. The period to maturity has been taken as the full term of the policy less the expired term. Full credit has been taken for premiums due between the valuation date and the end of the premium term. The valuation of the liabilities was made on the assumption that premiums have been credited to the accounts as they fall due, according to the frequency of the particular payment.

There were no policies subject to substandard terms in force at the valuation date. The Mortality Table used in the valuation is the UK's Mortality of Assured Lives Table (A6770). The rate of interest used in the valuation is 14.21%.

	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
29. Investment contract liabilities				
29.1 Deposit administration				
At 1 January	10,925,858	9,935,327	10,649,548	9,116,440
Additions during the year:				
Receipts on deposit administration on Group life	-	50,248	-	21
Receipts on Investment premium on Individual life	504,951	340,664	243,519	340,664
Withdrawals during the year:				
Withdrawals - deposit administration on Group life	(50,519)	(289,267)	(50,188)	(58,519)
Withdrawals - on Individual life	(569,947)	(835,257)	(569,947)	(626,769)
Net inflow from deposit Admin contract	(115,515)	(733,612)	(376,616)	(344,603)
	10,810,343	9,201,715	10,272,932	8,771,837
Guaranteed interest:				
Guaranteed Interest (Note 43)	535,505	217,426	512,685	217,426
Fee income:				
Actuarial surplus/(deficit) during the year (Note 43)	-	1,609,904	-	1,660,285
Translation adjustment	-	(103,187)	(0)	-
At 31 December	11,345,848	10,925,858	10,785,617	10,649,548
29.2 Managed funds	74,915	61,565	-	-
Total Investment Contract Liabilities	11,420,763	10,987,423	10,785,617	10,649,548
Current	-	3,565,598	-	3,510,776
Non Current	11,420,763	7,421,825	10,785,617	7,138,772
	11,420,763	10,987,423	10,785,617	10,649,548

i) Managed Funds above relate to funds managed by a subsidiary in Uganda on behalf its clients. They attract a minimum guaranteed Interest of 5% per annum and has been included in the financial statements.

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	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
30. Trade payables				
Due to Reinsurance	459,564	1,150,108	459,564	437,830
Due to Co-insurance	2,876,319	587,946	514,227	587,946
Commissions and other payables to brokers	135,894	342,089	135,894	174,529
	3,471,777	2,080,143	1,109,685	1,200,305
30.1 Movement in trade payables				
i) Reinsurance & Co-insurance				
At 1 January	1,738,054	424,556	1,025,776	1,452,199
Movement during the year	1,597,829	1,313,498	(51,985)	(426,423)
At 31 December	3,335,883	1,738,054	973,791	1,025,776
ii) Commissions and other payables to brokers				
At 1 January	342,089	306,362	174,529	135,894
Movement during the year	(206,195)	35,727	(38,635)	38,635
At 31 December	135,894	342,089	135,894	174,529
At 31 December	3,471,777	2,080,143	1,109,685	1,200,305
31. Loans and borrowings				
Bank overdraft (Note 31.2)	188,585	163,710	848,984	880,606
Term loan (Note 31.3)	5,500	830,500	5,499	5,499
Debenture loan (Note 31.4)	107,336	107,336	-	-
Total	301,421	1,101,546	854,483	886,105
31.1 Movement in Loans & borrowings				
At 1 January	1,101,546	1,335,012	886,105	1,020,441
Addition during the year	-	-	-	-
Repayments during the year	(180,061)	(275,002)	(128,974)	(279,832)
Interest on loan during the year(Note 47)	117,632	41,536	97,352	145,496
Translation adjustment	(737,696)	-	-	-
At 31 December	301,421	1,101,546	854,483	886,105
Current	188,585	163,710	848,984	880,606
Non Current	112,836	937,836	5,499	5,499
	301,421	1,101,546	854,483	886,105

31.2 Bank Overdraft:

The Group has overdraft facilities with Global Trust Savings & Loans limited to supplement working capital & finance operational expenses for a tenor of 12 months with 26% interest rate per annum. The facility is renewable.

Also, overdraft facilities with Guaranty Trust bank for N30.1 million.

31.3 Term Loans

Term Loans were obtained from Access Bank Plc by the Parent Company , Guaranty Trust Bank Uganda & Bank of Africa Uganda by National Insurance Company Limited,Uganda, Skye bank (Now Polaris Bank) by Global Trust Savings and Loans and International Health Management Services Ltd with xxxx p.a respectively.

31.4 Debenture loan

The Group has Debenture liability through Monarch Communications Limited.

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	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
32. Other payables and accruals				
Payable to related parties (Note 13ii)	194,250	194,250	194,250	194,250
Accrued Expenses	1,885,108	2,789,530	1,885,108	1,617,994
Rent received in advance	82,697	101,322	82,697	82,697
Information Technology Levy	20,686	76,292	20,686	20,686
Deposits and other customers' accounts (Note 32.2)	686,276	688,567	-	-
Withholding Tax	168,884	394,573	168,884	168,601
Pension Contributions	831,534	833,398	831,534	808,212
National Housing Fund	81,994	81,867	81,994	79,452
Pay As You Earn	193,461	178,453	184,895	116,680
Health Management Services	30,485	38,277	30,485	32,798
NAICOM supervisory levy	66,766	69,763	66,766	69,763
Other statutory deductions	122,330	487,150	121,236	59,733
Sundry Sum Insured	-	-	-	-
Audit fees	20,944	55,583	20,944	31,694
Deferred acquisition revenue	-	147,692	-	15,399
Lease liability (Note 32.1)	163,862	142,778	-	-
Dividend payable (Note 32.3)	67,089	67,400	-	-
Provision for litigations	255,716	255,716	255,716	255,716
Sundry creditors (Note 32.4)	4,158,402	681,223	781,403	324,083
	9,030,484	7,283,834	4,726,598	3,877,758
Current	9,030,484	7,283,834	4,726,598	3,877,758
Non Current	-	-	-	-
	9,030,484	7,283,834	4,726,598	3,877,758
32.1 Lease liability				
The analysis of lease liability included in other payables is as follows:				
At 1 January	142,778	43,283	-	-
New leases	105,120	130,648	-	-
Terminated leases	(46,485)	-	-	-
Lease interest	20,613	42,701	-	-
Payment of int. on lease	(20,613)	(42,701)	-	-
Repayments Lease liability principal the year	(37,552)	(31,153)	-	-
At 31 December	163,862	142,778	-	-
Current lease liab. Within 1 year	68,439	45,167	-	-
Non-current lease liab. - more than 1 year	102,408	97,511	-	-
	170,848	142,678	-	-

The Group entered into various lease agreements for its branches and outlets. Payment for these leases are usually made in advance. Most of the leases are for two years, while some are for more than two years but less than five years.

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	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
32.2 Accrued expenses detailed analysis:				
Accrued Expenses	142,559	390,527	142,559	24,411
Accrued Rent		-		-
Sundry Accruals	70,850	8,454	70,850	1,329
Final Entitlements Account	9,325	12,917	9,325	8,703
Salary and Other deductions	1,662,373	2,377,551	1,662,373	1,583,471
Staff revolving loan	-	80	-	80
	1,885,108	2,789,529	1,885,108	1,617,994
32.2 Deposits and other customers' accounts detailed analysis:				
Savings accounts	31,743	28,165	-	-
Current accounts	542,470	535,753	-	-
Term deposit	112,061	124,649	-	-
Interest payables	-	-	-	-
	686,274	688,567	-	-
32.3 Dividend payable				
At 1 January	67,400	57,010	-	-
Amount declared during the year	-	-	-	-
Payments during the year	(311)	(3,055)	-	-
Translation adjustment	(0)	13,445	-	-
At 31 December	67,089	67,400	-	-
32.4 Sundry creditors detailed analysis:				
Other Creditor	390,925	(445)	344,558	
Oando Plc	(28)	(28)	(28)	(28)
Trade creditors	133,027	-	15,832	-
Other Deductions	8,287	7,629	8,287	7,574
Staff premium deduction	15,832			
Special Salary Deductions	1,070	1,225	1,070	1,070
Salary Payable Account	(21,285)	277	(21,285)	-
Commission Payable Local	45,319	-	45,319	-
Premium Deposit	48,665	20,184	48,665	19,884
Sundry Creditors (Note 32.4.1)	3,536,589	652,381	338,983	295,582
	4,158,402	681,223	781,403	324,082
33. Deposit for shares				
Movement in the deposit for shares during the year was as follows:				
At 1 January	1,138,275	1,331,735	-	-
Additions during the year	-	-	-	-
Utilized during the year	-	(193,460)	-	-
Translation adjustments	-	-	-	-
At 31 December	1,138,275	1,138,275	-	-

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	31 December 2021			
	Direct premium	Inward reinsurance premium	Increase/ (decrease) in unearned premium	Gross premium income
	N'000	N'000	N'000	N'000
34. Gross premium income analysed as follows:				
i) Group				
Fire	23,739	-	5,337	29,076
General accident	5,390,707	-	(43,581)	5,347,126
Motor	148,407	-	73,592	221,999
Aviation and marine	18,474	-	930	19,404
Agric	1,261	-	(10,382)	(9,121)
Engineering	1,536	-	1,591	3,127
Oil and Energy	-	-	254	254
Bond	452	-	-	452
Health	99,432	-	-	99,432
Health Management Services (HMO)	-	-	-	-
	5,684,008	-	27,741	5,711,749
Life business				
Individual life	15,924	-	-	15,924
Group life	189,169	-	95,624	284,793
	5,889,101	-	123,365	6,012,466
	31 December 2020			
	Direct premium	Inward reinsurance premium	Increase/ (decrease) in unearned premium	Gross premium income
	N'000	N'000	N'000	N'000
Gross premium income analysed as follows:				
ii) Group				
Fire	266,736	(88,585)	(9,340)	168,811
General accident	576,194	(755,278)	34,996	(144,088)
Motor	1,096,458	-	(28,988)	1,067,470
Aviation and marine	919,426	(78,526)	(88,201)	752,699
Agric	27,534	-	-	27,534
Engineering	8,651	(52,010)	(21)	(43,380)
Health	177,082	-	-	177,082
Bond	1,165	-	-	1,165
Oil and Energy	25	-	1,700	1,725
Health Management Services (HMO)	1,837,310	-	-	1,837,310
	4,910,581	(974,399)	(89,854)	3,668,081
Life business				
Individual life	73,865	-	-	73,865
Group life	339,275	-	-	339,275
	5,323,721	(974,399)	(89,854)	4,081,221

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	31 December 2021			Gross premium income N'000
	Direct premium N'000	Inward reinsurance premium N'000	Increase/ (decrease) in unearned premium N'000	
34. Gross premium income analysed as follows:				
i) Company				
Fire	23,739	-	5,337	29,076
General accident	24,664	-	(3,067)	21,597
Motor	148,407	-	73,592	221,999
Aviation and marine	18,474	-	930	19,404
Agric	100,693	-	(10,382)	90,311
Engineering	1,988	-	1,591	3,579
Oil and Energy	-	-	254	254
	317,965	-	68,255	386,220
Individual life	15,924	-	-	15,924
Group life	189,169	-	95,624	284,793
	523,058	-	163,879	686,937

	31 December 2020			Gross premium income N'000
	Direct premium N'000	Inward reinsurance premium N'000	Increase/ (decrease) in unearned premium N'000	
Gross premium income analysed as follows:				
ii) Company				
Fire	31,504	-	7,597	39,101
General accident	203,289	-	14,115	217,404
Motor	282,202	-	(27,963)	254,239
Aviation and marine	21,849	-	(1,915)	19,934
Agric	27,534	-	-	27,534
Engineering	8,651	-	(21)	8,630
Oil and Energy	25	-	1,700	1,725
	575,054	-	(6,487)	568,567
Individual life	24,723	-	-	24,723
Group life	249,165	-	-	249,165
	848,942	-	(6,487)	842,455

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	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
35. Reinsurance costs				
Reinsurance cost is analysed as follows:				
a) Reinsurance paid	1,540,536	1,287,785	7,451	58,180
b) Changes in prepaid reinsurance (Note 8.1.1)	752,809	218,266	9,112	4,572
	2,293,345	1,506,051	16,563	62,752
35.1 Reinsurance cost by product				
Fire	2,289,579	68,802	13,028	23,522
General accident	(9,367)	(272,974)	(9,597)	244
Motor	-	8,072	-	6,010
Aviation and marine	11,566	11,759	11,566	8,415
Agric	-	-	-	-
Engineering	3,078	20,212	3,078	20,212
Oil and Energy	-	1,647,407	-	-
Health Management Services (HMO)	-	-	-	-
	2,294,856	1,483,278	18,075	58,403
Individual life	-	231	-	-
Group life	(1,512)	22,542	(1,512)	4,350
	2,293,344	1,506,051	16,563	62,753

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	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
36. Fees and commission income				
Fire	3,641	43,648	3,641	4,153
General accident	305,857	10,996	12	181
Motor	1,032	103,434	1,032	-
Aviation and marine	1,063	20,491	1,063	3,274
Agric	-	-	-	-
Engineering	2,280	2,147	2,280	1,639
Oil and Energy	8,322	-	8,322	-
	322,195	180,716	16,350	9,247
Individual life	-	15	-	-
Group life	(75)	2,003	(75)	(297)
	322,120	182,734	16,275	8,950

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	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
37. Claims expenses				
37.1a Claims expenses (Gross)				
Fire	10,453	92,267	10,453	28,358
General accident	2,145,742	103,355	123,033	14,436
Motor	25,800	167,243	25,800	34,197
Aviation and marine	-	823	21,558	-
Agric	37,484	23,311	-	23,311
Engineering	1,916	16,434	15,926	16,434
Oil and Energy	-	1,938	1,916	1,938
Health Management Services (HMO)	111,189	7,876		7,440
	2,332,585	413,246	198,686	126,114
Individual life	71,733	140,392	71,733	81,932
Group life	77,177	137,157	77,177	137,157
	2,481,495	690,796	347,596	345,203
37.1b Changes in claims reserve				
Fire	(19,851)	183,687	(19,851)	(23,290)
General accident	1,522	518,220	1,522	(2,467)
Motor	5,237	4,131	5,237	3,077
Aviation and marine	(30,171)	(28,554)	(30,171)	(9,583)
Agric	-	(22,140)	-	(22,140)
Engineering	(36,105)	26,492	(36,105)	26,492
Oil and Energy	(16,553)	319,531	(16,553)	319,530
Health Management Services (HMO)	-	-	-	-
	(95,921)	1,001,367	(95,921)	291,619
Individual life	93,539	(5,816)		(5,816)
Group life	245,685	169,679	339,223	156,753
	243,302	1,165,230	243,302	442,557
	2,724,797	1,856,025	590,898	787,760
37.2 Reinsurance Claims recoveries				
Fire	8,757	264,981	36,029	18,944
General accident	(15,389)	77,545	(15,389)	29,917
Motor	1,407	43,654	1,407	5,101
Aviation and marine	6,904	(19,969)	6,904	(1,845)
Agric	(13,240)	-	(13,240)	-
Engineering	(65,340)	(4,785)	(65,340)	(4,785)
Oil and Energy	(58)	150,658	(58)	150,658
	(76,959)	512,084	(49,687)	197,990
Individual life	-	-	-	-
Group life	95,005	201,872	95,005	201,872
	18,046	713,956	45,318	399,862

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	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
37.2.1 Reinsurance Claims recoveries				
Receipt from reinsurance on claims paid (Note 8.2)	(910,671)	161,848	(58,537)	8,631
Changes in estimated reinsurance recoveries on claims (Note 8.2.1)	914,222	565,001	31,352	380,388
Changes in reinsurers/co-insurers receivables (Note 8.3.1)	14,495	(12,893)	72,503	10,843
	18,046	713,956	45,318	399,862
37.3 Net claims incurred analysis				
Claims Paid during the year	2,481,495	690,796	347,596	345,203
Changes in Outstanding Claims reserve	243,303	1,165,229	243,303	442,557
Gross Claims incurred	2,724,798	1,856,025	590,899	787,760
Reinsurance Recoveries (Note 37.2.1)	(18,046)	(713,956)	(45,318)	(399,862)
Net claims incurred	2,706,752	1,142,069	545,581	387,898
38. Underwriting expenses				
38.1 Acquisition expenses				
38.1.1 Commissions paid				
Fire	4,312	54,653	4,312	6,010
General accident	545,941	101,428	4,853	5,394
Motor	16,317	98,057	16,317	34,350
Aviation and marine	3,642	99,541	3,642	4,370
Agric	3,189	4,196	3,189	4,179
Engineering	306	720	394	746
Oil and Energy	92	31	4	5
Health Management Services (HMO)	-	-	-	-
	573,799	358,626	32,711	55,054
Individual life	37,932	23,285	37,932	23,285
Group life	20,992	18,096	20,992	18,096
	632,723	400,007	91,635	96,435
38.1.2 Movement in deferred acquisition costs				
Fire	1,405	3,564	1,405	(3,247)
General accident	56	(1,543)	56	(3,339)
Motor	10,146	(12,350)	10,146	(14,611)
Aviation and marine	503	1,223	503	(1,797)
Agric	39	(219)	39	(219)
Engineering	217	(364)	217	(364)
Oil and Energy	1	(5)	1	(5)
	12,367	(9,694)	12,367	(23,582)
Individual life	-	-	-	-
Group life	6,085	25,296	6,085	28,000
	18,452	15,602	18,452	4,418
Total acquisition expenses	651,175	415,609	110,087	100,853

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	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
38.2 Maintenance expenses				
Fire	53,961	611,424	53,961	83,609
General accident	(3,029,287)	11,081	40,081	867
Motor	412,001	366,627	412,001	21,363
Aviation and marine	36,011	(298,353)	36,011	29,911
Agric	167,605	67,120	167,605	-
Engineering	6,642	205,572	6,642	71,844
Oil and Energy	471	42,134	471	-
Health Management Services (HMO)	-	6,556	-	-
	(2,352,594)	1,012,160	716,774	207,594
Individual life	(406,131)	209,198	(406,131)	209,198
Group life	-	-	-	-
Total maintenance expenses	(2,758,725)	1,221,358	310,643	416,792
Total underwriting expenses	(2,107,550)	1,636,967	420,730	517,645
39. Changes in contract liabilities				
Changes in life fund (Note 28)	(11,135)	265,631	69,893	231,723
40. Investments incomes				
Rent income from investment properties	67,889	328,645	67,889	95,210
Interest on short term deposits/placement	481,459	111,034	47,480	65,236
Interest on treasury bills and bonds	-	66,862	-	-
Income on other investments	10,173	37,744	10,173	38,525
Dividend Incomes	28,019	26,304	28,019	11,881
	587,540	570,589	153,561	210,852
40.1 Analysis of investments incomes:				
Investment attributable:				
Policyholders' fund	418,916	406,830	109,489	150,337
Shareholders' fund	168,624	163,759	44,072	60,515
	587,540	570,589	153,561	210,852
41. Net interest income				
41.1 Interest income				
Interest on loans and advances to customers - banking operations	-	(18,076)	-	-
Interest on policy loans	37,039	39,424	37,039	38,625
Other interest income (Note 41.3)	115,119	8,524	-	-
	152,158	29,872	37,039	38,625
41.2 Interest expenses				
Interest expenses on deposits - banking operations	-	(18,714)	-	-
	152,158	11,158	37,039	38,625

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	Group		Company	
	2021	2020	2021	2020
	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	11,468	(6,452)	(912)	(10,182)
Income on salvage	1,605	36,822	1,605	-
Income on staff bus	328	2,100	328	2,100
Fees and commission incomes	-	5,546	-	-
Bad debt recovered	-	2,216	-	-
Others	375,963	79,145	1	5,034
	389,364	119,377	1,022	(3,048)
42.1. Analysis of others				
42.1. Analysis of others				
Other income	375,963	74,111	-	-
Other misc. income	-	5,034	-	5,034
Sale of scraps	-	-	-	-
	375,963	79,145	-	5,034
43. Gain/(loss) on investment contract				
Income on investment contract (Note 29.1)	-	-	-	-
Changes in investment contracts (Note 29.1)	-	(1,609,904)	-	(1,660,285)
Guaranteed interest paid (Note 29.1)	(535,505)	(217,426)	(512,685)	(217,426)
	(535,505)	(1,827,330)	(512,685)	(1,877,711)
44. Fair value gain/(loss) through profit or loss				
Quoted stocks (Note 6.1)	80,971	(29,946)	(1,903)	(2,765)
Investment properties	1,811,157	2,698,964	1,602,873	2,350,000
	1,892,128	2,669,018	1,600,970	2,347,235
44.1 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				
Impairment of trade receivables (Note 7.1)	-	29,230	-	-
Impairment of other receivables & prepayments (Note 12.1)	484,317	(417,151)	618,781	(423,639)
Impairment of re-insurance asset receivables (Note 8.4)	-	-	-	-
impairment of loans and advances to customer (Note 10.1)	-	(32,533)	-	-
impairment of loans and receivables (Note 6.4.3)	(11,908)	11,908	(11,908)	11,908
impairment of short term investments	(12,989)	(1,217)	403	117
Impairment of cash and bank balances not substantiated	-	29,179	-	15,787
	459,420	(380,584)	607,276	(395,827)

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	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
46. Management and administrative expenses				
Employees costs (Note 46.1)	606,906	488,278	606,906	297,787
Directors fees and emoluments	53,266	64,251	53,266	-
Depreciation of property, plant & equipment (Note 17)	238,768	101,576	33,200	1,184
Audit fee	10,000	26,065	10,000	10,000
Rent and rates	13,691	33,882	13,691	14,428
Repairs and maintenances	174,637	43,065	17,011	18,456
Subscriptions	9,991	45,970	9,991	22,596
Training and development	-	1,559	-	-
Insurances	-	46,152	-	-
Legal and professional fees	874,921	107,157	181,366	57,137
Transport and travelling	10,677	54,415	10,677	9,818
Postages, telephone and telex	1,496	13,050	1,496	1,452
Taxes and non deductible duties/ fines	12,529	38,485	12,529	37,403
Bank charges and commissions	11,641	21,866	11,641	9,241
Power and electricity	24,179	43,502	24,179	13,358
Advert, publicity and business promotions	6,057	96,945	6,057	21,090
Safety security and quality control	108,967	27,580	14,391	10,683
Other operating expenses (Note 46.2)	884,878	117,146	95,238	34,763
	3,042,604	1,370,944	1,101,639	559,396
46.1 Employees costs				
Salaries, wages and allowances	573,496	435,271	573,496	272,022
Contributions to pension fund scheme	26,856	17,200	26,856	11,786
Training, recruitment and canteen expenses	-	4,949	-	-
Medical expenses	6,554	18,071	6,554	13,979
Contract Manpower	-	2,625	-	-
Other personnel expenses	-	10,162	-	-
	606,906	488,278	606,906	297,787
46.2 Other expenses				
Printing	1,347	6,159	1,347	1,461
Stationeries	163,611	44,392	5,985	25,945
Vehicle Tracker Expenses	382	307	382	307
Office Expenses	376	63,294	376	6,879
Miscellaneous	718,764	-	-	-
Entertainment Expenses	399	2,994	399	171
	884,878	117,146	8,488	34,763
47. Finance costs				
Interest expenses	117,632	41,536	97,352	145,496
Inter-bank borrowings	-	-	-	-
	117,632	41,536	97,352	145,496
Individual life	-	-	-	-
Group life	-	-	-	-
	117,632	41,536	97,352	145,496

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	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
48. Taxation				
48.1 Income tax expense				
Income tax	215,198	118,686	2,992	6,106
Education tax	-	-	-	-
Information technology levy	5,576	2,534	5,576	-
Under/(over) provision of prior years	-	-	-	-
Capital gain tax	-	-	-	-
	<u>220,774</u>	<u>121,220</u>	<u>8,568</u>	<u>6,106</u>
Deferred taxation expense/(credit) (Note 48.4)	-	-	-	-
Over provision for deferred tax (Note 48.4)	-	-	-	-
	<u>220,774</u>	<u>121,220</u>	<u>8,568</u>	<u>6,106</u>
48.2 Income tax payable				
Analysis of movements in the current tax balance during the year:				
At 1 January	2,050,536	2,029,100	1,634,536	1,643,148
Income tax charged for the year	215,198	118,686	2,992	6,106
Education tax	-	-	-	-
Information technology levy	5,576	2,534	5,576	-
Under/(over) provision of prior years	-	-	-	-
Capital gains tax	5,721	5,721	5,721	5,721
Payments during the year	(146,400)	(93,962)	(63,330)	(20,439)
Withholding tax credit notes	-	(11,543)	-	-
Translation Adjustment	410,747	-	(1)	-
At 31 December	<u>2,541,378</u>	<u>2,050,536</u>	<u>1,585,494</u>	<u>1,634,536</u>
48.3 Reconciliation of effective tax rate				
Profit/(loss) for the year after tax	<u>1,663,546</u>	<u>1,152,004</u>	<u>(1,157,310)</u>	<u>843,916</u>
Total tax expenses made up of:				
Income	215,198	118,686	2,992	6,106
Education	-	-	-	-
Information technology levy	5,576	2,534	5,576	-
Deferred	-	-	-	-
Others	-	-	-	-
	<u>220,774</u>	<u>121,220</u>	<u>8,568</u>	<u>6,106</u>
Profit/(loss) for the year before tax	<u>1,884,320</u>	<u>1,273,224</u>	<u>(1,148,742)</u>	<u>850,022</u>
Effective tax rate	<u>12</u>	<u>10</u>	<u>(1)</u>	<u>1</u>

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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	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
48.4 Deferred taxation				
48.4.1 Deferred tax liabilities				
At 1 January	2,134,594	2,147,964	1,919,056	1,884,056
Deferred taxation expense (Note 48.1)	-	-	-	-
Under/(over) provision for deferred tax (Note 48.1)	-	(48,370)	-	-
Other comprehensive income	10,000	35,000	10,000	35,000
Reclassification from deferred tax asset (Note 48.4.2)	279,519	-	-	-
Translation Adjustment	-	-	-	-
At 31 December	2,424,113	2,134,594	1,929,056	1,919,056

48.4.2 Deferred tax assets

At 1 January	-	28,245	-	-
Deferred taxation expense/(credit) (Note 48.1)	-	-	-	-
Over provision for deferred tax (Note 48.1)	-	-	-	-
Reclassification from deferred tax liab (Note 48.4.1)	(279,519)	-	-	-
Credit to equity	279,519	-	-	-
Translation Adjustment	-	(28,245)	-	-
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% (2017: 30%). At 31 December 2018, included in the Group deferred tax was an asset of N44,066,341,181 (31 Dec 2017: N 44,126,799) not recognised.

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
49. Operating loss				
Operating loss has been arrived after charging:				
Depreciation of property, plant and equipment	238,768	101,576	33,200	1,184
Impairment losses	459,420	(380,584)	607,276	(395,827)
Staff costs	606,906	488,278	606,906	297,787
Loss on disposal of property, plant and equipment	-	-	-	-
Audit fees	10,000	26,065	10,000	10,000

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	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
49.1. Profit/(loss) on disposal of Investment properties				
Fairvalue	<u>2,946,600</u>	<u>1,110,465</u>	<u>2,946,600</u>	<u>1,100,000</u>
Carrying amount of disposals	(2,946,600)	(1,110,465)	(2,946,600)	(1,100,000)
Proceeds from sales	<u>2,523,986</u>	<u>1,148,930</u>	<u>2,523,986</u>	<u>1,128,000</u>
Profit/(loss) on disposal	<u>(422,614)</u>	<u>38,465</u>	<u>(422,614)</u>	<u>28,000</u>
49.2. Profit/(loss) on disposal of properties, plant & equipment				
Carrying amount at disposals	<u>774,001</u>	<u>750,000</u>	<u>86,400</u>	<u>750,000</u>
Initial cost	<u>774,001</u>	<u>(99,700)</u>	<u>86,400</u>	<u>(99,700)</u>
Asset revaluation reserve realized	<u>1,548,003</u>	<u>650,300</u>	<u>-</u>	<u>650,300</u>
Carrying amount at disposals	(774,001)	(750,000)	(86,400)	(750,000)
Asset revaluation reserve realized	<u>-</u>	<u>650,300</u>	<u>-</u>	<u>650,300</u>
Proceeds from sales	<u>784,001</u>	<u>401,097</u>	<u>96,400</u>	<u>400,000</u>
Profit/(loss) on disposal	<u>10,000</u>	<u>301,397</u>	<u>10,000</u>	<u>300,300</u>

50. Profit/(loss) per share

Basic profit/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the company by the weighted average number of ordinary shares in issue

	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Profit/(loss) attributable to the equity holders	<u>1,692,017</u>	<u>1,772,496</u>	<u>(1,211,710)</u>	<u>1,107,228</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/(loss) per share (kobo)	<u>11.89</u>	<u>12.45</u>	<u>(8.51)</u>	<u>7.78</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
51. Note to the cashflow statement				
Profit/(loss) for the year before tax	1,884,320	1,273,224	(1,148,742)	850,022
Adjustment for:				
Depreciation of property, plant & equipment	238,768	101,576	33,200	1,184
Fair value changes on quoted stocks investment	80,971	(29,946)	(1,903)	(2,765)
Fair value changes on investment properties	(1,811,157)	(2,698,964)	(1,602,873)	(2,350,000)
Other incomes	(389,364)	(119,377)	(1,022)	3,048
Impairment charged of financial assets	(599,288)	574,938	1,074,526	(424,536)
Tax paid	(146,400)	(93,962)	(63,330)	-
	<u>(742,150)</u>	<u>(992,511)</u>	<u>(1,710,144)</u>	<u>(1,923,047)</u>
Changes in:				
Loans and receivables	70,838	(110,483)	47,437	(33,597)
Trade receivables	116,286	345,884	-	-
Reinsurance assets	(138,492)	388,277	(94,744)	(402,213)
Deferred acquisition costs	(157,720)	83,070	18,452	1,424
Other receivables and prepayments	(274,546)	536,840	(132,324)	253,233
Insurance contract liabilities	159,260	(847,735)	9,531	217,806
Investment contract liabilities	433,340	(663,668)	136,069	1,533,108
Trade payables	1,391,634	(58,760)	(90,620)	(387,788)
Other payables and accruals	1,746,650	316,482	848,840	(449,128)
Deposit for shares	-	(33,685)	-	-
	<u>3,347,251</u>	<u>(43,778)</u>	<u>742,642</u>	<u>732,845</u>
Net cash used in operating activities	<u>2,605,101</u>	<u>(1,036,289)</u>	<u>(967,502)</u>	<u>(1,190,202)</u>

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

52. Contingencies and Commitments

a) Legal proceedings and regulation

The Company operates in the insurance industry and is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigation) will have a material effect on its result and financial position. The Company is also subject to insurance solvency regulations of NAICOM. There are no contingencies associated with the Company's compliance or lack of compliance with such regulations.

Currently, there are pending litigations against the company in which the plaintiffs are claiming a damages against the company. Provision to the tune of N256 million has been made in these financial statements for the pending litigations. The directors are of the opinion that based on independent legal advice, the liability will not likely materialise beyond the provision.

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, contravention of the provision of insurance Act and National Insurance Commission of Nigeria (NAICON) guidelines was brought to our attention. The company contravened the late filing of its annual returns for which a fine of N12.53 million was paid.

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, 2021.

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021

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

	Company	
	2021	2020
	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)	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 2021

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.

IGI 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 2021

57.2a Assets and liabilities of discontinued operations

Assets and liabilities of discontinued operations comprise the assets and liabilities of Global Trust Bank Limited (the Bank) - Uganda, IGI Life Assurance Ghana Limited and Industrial and General Insurance (Ghana) Company Limited as at 30 June 2020.

	31 DECEMBER 2021			
	Global Trust Bank Limited, Uganda N'000	IGI Life Assurance Ghana Ltd N'000	Industrial and General Insurance (Ghana) N'000	Total 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	148,377	-	-	148,377
Investment properties	-	-	-	-
Property plant and equipment	390,772	-	-	390,772
Statutory deposits	-	-	-	-
	5,735,010	-	-	5,735,010
Non-current assets held for sale	-	-	-	-
Total assets classified as discontinued operations	5,735,010	-	-	5,735,010
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	5,197,375	-	-	5,197,375
Net assets directly associated with discontinued operations group	537,635	-	-	537,635

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021.

	31 DECEMBER 2021			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 2021

	2021 N'000	2020 N'000
57.3 Movement in Exchange Translation reserve is shown below: (Note 25)		
6.2.1 Movement in unquoted equities	-	-
7.1 Movement in impairment of trade receivables	-	(14,409)
11. Non current assets held for sale	-	60,575
12.1c Movement in Impairment on other receivables and prepayments	-	(1,991)
15.1 Computer software	-	1
15.1 Movement in Computer software	-	(95)
16. Investment properties	-	314,850
17. Property plant and equipment	-	(42,885)
18. Statutory deposits	43,322	3,491
20. Assets revaluation reserve	-	23,383
21. Fair value reserve	(320,293)	1
22. Contingency reserve	-	(6,156)
23. Loss sustained	(1,296,946)	151,719
26. Statutory(regulatory) reserve	-	3,066
Non controlling interest	-	1,694
29.1 Deposit administration	-	(70,132)
32.4 Dividend payable	(2,204)	(1,629)
33. Deposit for shares	(5,366)	13,530
48.2 Income tax payable	-	(73,988)
Lease Liability	(6,986)	-
Subsidiaries		
NIC Holdings Limited Uganda (Net of inter-group elimination)	-	2,225
IGI Gamstar Insurance Limited, Gambia	-	(391)
	<u>(1,588,473)</u>	<u>362,857</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.

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

58.1 Chairman's and Directors' emoluments, pensions and compensations for loss off office

	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
58.1a Directors Costs:				
Directors fees	29,302	18,317	4,706	4,706
Salaries and allowances	23,964	45,934	48,560	48,560
	53,266	64,251	53,266	53,266
58.1b Emoluments:				
Chairman	8,312	8,312	8,312	8,312
Other Directors	30,352	30,352	40,248	30,352
Other emolument of executive directors	-	-	-	-
Emolument of highest paid Director	8,312	8,312	8,312	8,312
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	-	-	-	-
58.1d Number of Directors who have waived their rights to receive emoluments				
	-	-	-	-
58.2 Employee costs:				
The aggregate employee remuneration is as follows:				
Salaries and wages	580,050	466,129	580,050	286,001
Staff training	-	4,949	-	-
Contributions to pension fund scheme	26,856	17,200	26,856	11,786
	606,906	488,278	606,906	297,787

INDUSTRIAL AND GENERAL INSURANCE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

		Group		Company		
		2021	2020	2021	2020	
		N'000	N'000	N'000	N'000	
58.2a Employees remunerated at a higher rates						
The number of employees excluding Directors in respect of emoluments excluding provident fund contributions and allowances:						
	N					
	-	250,000	130,456	130,456	130,456	130,456
	250,001 -	300,000	37,680	37,680	37,680	37,680
	300,001 -	350,000	3,608	3,608	3,608	3,608
	350,001 -	400,000	22,126	22,126	22,126	22,126
	400,001 -	450,000	14,894	14,894	14,894	14,894
	450,001 -	500,000	39,984	39,984	39,984	39,984
	500,001 -	550,000	18,242	18,242	18,242	18,242
	550,001 -	600,000	13,825	13,825	13,825	13,825
	600,001 -	650,000	52,039	52,039	52,039	52,039
	650,001 -	700,000	16,179	16,179	16,179	16,179
	700,001	and above	191,182	191,182	191,182	191,182
			540,215	540,215	540,215	540,215

58.2b The average number of persons employed in the financial year are as follows:

Managerial	47	47	12	12
Senior staff	110	110	41	41
Junior staff	212	212	97	97
	369	369	150	150

INDUSTRIAL AND GENERAL INSURANCE PLC

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58.2c Employee size

	IGI		IHMS		NIC, UGANDA		GTSL		GAMSTAR		ALL CROWN		GROUP	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Managerial	12	17	20	17	12	12	3	3	10	10	1	1	47	49
Senior staff	41	61	30	33	36	34	3	4	3	2	2	2	110	132
Junior staff	97	98	42	32	64	60	9	8	26	25	0	0	212	198
TOTAL NO. OF STAFF	150	176	92	82	112	106	15	15	39	37	3	3	369	379

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED FINANCIAL STATEMENTS
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Other National Disclosures

INDUSTRIAL AND GENERAL INSURANCE PLC

CONSOLIDATED STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 DECEMBER, 2021

	Group				Company			
	2021 N'000	%	2020 N'000	%	2021 N'000	%	2020 N'000	%
Net premium income	3,719,121		2,753,417		670,374		779,704	
Fees and commission income	322,120		182,734		16,275		8,950	
Total underwriting expenses	<u>(610,337)</u>		<u>(2,513,405)</u>		<u>(896,417)</u>		<u>(673,820)</u>	
Underwriting profit	3,430,904		422,746		(209,768)		114,834	
Investment and other income	2,063,071		1,581,277		857,293		743,953	
Bought in material and services	<u>(2,593,084)</u>		<u>75,813</u>		<u>(1,005,543)</u>		<u>469,462</u>	
Value Added	<u>2,900,892</u>	100	<u>2,079,835</u>	100	<u>(358,018)</u>	100	<u>1,328,249</u>	100
Distribution:								
Employees								
Staff costs	660,172	23	552,529	27	660,172	184	297,787	22
Government								
Taxes	220,774	8	121,220	6	8,568	2	6,106	-
Provider of Capital								
Finance costs	117,632	4	41,536	2	97,352	27	145,496	11
Retained in the Company								
Depreciation and amortisation	238,768	8	212,547	10	33,200	9	34,944	3
Profit/(loss) for the year	<u>1,663,546</u>	57	<u>1,152,004</u>	55	<u>(1,157,310)</u>	(322)	<u>843,916</u>	64
	<u>2,900,892</u>	100	<u>2,079,835</u>	100	<u>(358,018)</u>	(100)	<u>1,328,249</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 30 DECEMBER

	2021 N'000	2020 N'000	2019 N'000	2018 N'000	2017 N'000
Statement of financial position					
Assets					
Cash and cash equivalents	1,413,980	933,288	1,477,089	1,033,072	2,038,861
Financial Assets:					
- At fair value through profit or loss	337,459	224,542	288,949	584,918	359,703
- Available for sale	5,471,186	1,007,842	790,640	859,018	2,882,333
- Held to maturity	2,041,723	859,594	293,981	457,772	515,488
- Loans and receivables	313,820	369,057	495,030	386,491	393,081
Trade receivables	1,180,412	840,361	513,254	759,669	1,528,200
Reinsurance assets	4,756,932	4,618,441	3,555,882	3,841,016	3,674,641
Deferred acquisition costs	234,845	77,125	70,830	151,176	204,740
Loans and advances to customers	-	146,675	324,661	251,304	175,265
Non-current assets held for sale	-	6,623,063	4,093,324	4,660,826	3,218,947
Other receivables and prepayments	-	209,771	269,726	762,605	861,347
Investment in subsidiaries	-	-	-	-	-
Intangible ssets	24,068	21,937	-	-	64,447
Deferred tax assets	-	-	-	-	28,245
Investment properties	30,950,121	26,774,270	21,431,639	23,239,941	26,401,864
Property plant and equipment	7,597,164	7,239,723	6,418,829	6,422,414	6,933,904
Statutory deposits	597,188	545,116	554,608	575,014	588,175
Total assets	54,918,898	50,490,803	40,578,443	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	5,905,753	5,966,047	5,947,790	5,489,812	5,258,209
Fairvalue reserve	(307,341)	(183,923)	185,628	174,262	629,681
Contingency reserve	4,655,131	3,804,156	3,829,183	3,697,482	3,059,067
Loss sustained	(11,346,389)	(11,769,248)	(18,967,299)	(17,341,333)	(20,118,510)
Capital reserve	376,890	145,959	134,236	131,557	73,619
Foreign exchange reserve	343,431	(1,245,043)	(556,027)	(340,811)	(55,791)
Statutory (regulatory) reserve	237,740	197,070	182,607	162,473	238,681
Shareholder's fund	15,511,615	12,561,418	6,402,517	7,619,840	4,731,358
Non-controlling interests	(2,299,856)	(66,634)	(122,255)	39,008	(612,563)
Total equity	13,211,758	12,494,785	6,280,262	7,658,848	4,118,795
Liabilities					
Insurance contract liabilities	11,378,929	11,219,669	10,181,665	10,982,519	16,660,337
Investment contract liabilities	11,420,763	10,987,423	9,870,602	10,466,633	14,068,469
Trade payables	3,471,777	2,080,143	1,157,316	1,216,075	1,178,641
Loans and borrowings	301,421	1,101,546	1,183,760	1,779,587	1,578,901
Other payables and accruals	9,030,484	7,283,834	7,110,537	6,812,590	7,149,758
Placements from other banks	-	-	-	-	-
Income tax payable	2,541,378	2,050,536	2,004,286	1,937,098	1,848,709
Deferred tax liabilities	2,424,113	2,134,594	1,568,211	1,876,396	2,121,376
Dividend payable	-	-	-	-	-
Deposit for shares	1,138,275	1,138,275	1,221,804	1,255,489	1,144,256
Total liabilities	41,707,140	37,996,020	34,298,181	36,326,387	45,750,447
Total equity and liabilities	54,918,896	50,490,803	40,578,443	43,985,235	49,869,242

INDUSTRIAL AND GENERAL INSURANCE PLC

FINANCIAL SUMMARY - GROUP 30 DECEMBER

	2021	2020	2019	2018	2017
	N'000	N'000	N'000	N'000	N'000
Consolidated statement of profit or loss and other comprehensive income					
Gross premium written	<u>5,889,101</u>	<u>4,349,322</u>	<u>4,356,979</u>	<u>5,396,208</u>	<u>7,693,288</u>
Gross premium income	<u>6,012,466</u>	<u>4,259,468</u>	<u>4,925,282</u>	<u>6,069,239</u>	<u>7,533,234</u>
Net premium income	3,719,121	2,753,417	3,971,273	4,065,855	5,803,943
Investments and other income	<u>3,062,107</u>	<u>4,215,443</u>	<u>2,816,208</u>	<u>3,123,439</u>	<u>2,304,637</u>
Total incomes	<u>6,781,228</u>	<u>6,968,860</u>	<u>6,787,481</u>	<u>7,189,294</u>	<u>8,108,580</u>
Net benefits and claims	(2,724,797)	(1,856,025)	(796,875)	(1,792,151)	(4,721,493)
Other expenses	<u>1,998,504</u>	<u>5,370,126</u>	<u>1,420,310</u>	<u>3,399,635</u>	<u>1,031,482</u>
Total expenses	<u>(726,293)</u>	<u>3,514,101</u>	<u>623,435</u>	<u>1,607,484</u>	<u>(3,690,011)</u>
Profit/(loss) before income tax	<u>1,884,320</u>	<u>1,273,224</u>	<u>(367,567)</u>	<u>(54,267)</u>	<u>(3,740,109)</u>
Income tax expense	<u>(220,774)</u>	<u>(121,220)</u>	<u>(247,809)</u>	<u>(282,060)</u>	<u>(106,243)</u>
Profit/(loss) from continuing operations	<u>1,663,546</u>	<u>1,152,004</u>	<u>(615,376)</u>	<u>(336,327)</u>	<u>(3,846,352)</u>

INDUSTRIAL AND GENERAL INSURANCE PLC

FINANCIAL SUMMARY - COMPANY 30 DECEMBER

	2021 N'000	2020 N'000	2019 N'000	2018 N'000	2017 N'000
Statement of financial position					
Assets					
Cash and cash equivalents	393,447	157,747	146,369	77,970	75,254
Financial Assets:					
- At fair value through profit or loss	14,112	7,538	9,282	13,557	10,555
- Available for sale	1,648,349	460,163	456,296	456,295	371,627
- Loans and receivables	312,967	348,496	475,312	347,615	359,745
Trade receivables	-	-	-	-	6,684
Reinsurance assets	3,695,136	3,600,393	3,075,863	3,308,544	2,881,837
Deferred acquisition costs	16,223	34,675	37,674	78,224	114,077
Other receivables and prepayments	-	486,457	88,143	166,691	375,190
Investment in subsidiaries	3,389,783	3,389,784	3,333,919	3,333,919	3,418,581
Intangible ssets	-	-	-	-	-
Deferred tax assets	-	-	-	-	-
Investment properties	24,775,684	26,119,411	17,753,492	17,379,876	16,856,272
Property plant and equipment	5,472,130	5,491,730	5,395,845	5,263,673	4,942,912
Statutory deposits	500,000	500,000	500,000	500,000	500,000
	<u>40,217,831</u>	<u>40,596,394</u>	<u>31,272,195</u>	<u>30,926,364</u>	<u>29,912,734</u>
Non Current Assets Held for Sale					
Total assets	<u>40,217,831</u>	<u>40,596,394</u>	<u>31,272,195</u>	<u>30,926,364</u>	<u>29,912,734</u>
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	5,613,592	5,523,592	5,683,941	5,159,421	4,826,118
Fairvalue reserve	(73,858)	70,543	66,676	66,676	66,676
Contingency reserve	4,141,481	4,111,501	3,205,043	3,028,776	2,771,941
Loss sustained	(14,767,465)	(13,580,176)	(18,947,896)	(18,302,974)	(17,555,730)
Total equity	<u>10,560,150</u>	<u>11,771,860</u>	<u>5,654,164</u>	<u>5,598,299</u>	<u>5,755,406</u>
Liabilities					
Insurance contract liabilities	8,666,751	8,657,220	9,097,652	9,478,377	9,508,891
Investment contract liabilities	10,785,617	10,649,548	8,626,085	8,760,785	8,913,995
Trade payables	1,109,685	1,200,305	776,256	675,600	806,343
Loans and borrowings	854,483	886,105	486,906	350,274	5,499
Other payables and accruals	4,726,598	3,877,758	3,988,178	3,536,382	2,633,408
Income tax payable	1,585,494	1,634,536	1,594,422	1,538,202	1,506,626
Deferred tax liabilities	1,929,056	1,919,056	1,048,533	988,445	782,566
Total liabilities	<u>29,657,684</u>	<u>28,824,528</u>	<u>25,618,032</u>	<u>25,328,065</u>	<u>24,157,328</u>
Total equity and liabilities	<u>40,217,829</u>	<u>40,596,394</u>	<u>31,272,196</u>	<u>30,926,364</u>	<u>29,912,734</u>
Consolidated statement of profit or loss and other comprehensive income					
Gross premium written	<u>523,058</u>	<u>848,943</u>	<u>1,397,464</u>	<u>2,580,000</u>	<u>3,020,008</u>
Gross premium income	<u>686,937</u>	<u>842,456</u>	<u>1,696,919</u>	<u>2,937,274</u>	<u>3,481,655</u>
Net premium income	670,374	779,704	1,525,835	1,612,850	2,212,906
Investments and other income	(518,205)	(1,200,957)	1,458,103	1,000,266	1,137,735
Total incomes	<u>152,169</u>	<u>(421,253)</u>	<u>2,983,938</u>	<u>2,613,116</u>	<u>3,350,641</u>
Net benefits and claims	(545,580)	(387,898)	(317,411)	(763,772)	(1,962,558)
Other expenses	(1,068,819)	(125,463)	(2,793,886)	(856,125)	(2,677,186)
Total expenses	<u>(1,614,399)</u>	<u>(513,361)</u>	<u>(3,111,297)</u>	<u>(1,619,897)</u>	<u>(4,639,744)</u>
Profit/(loss) before income tax	<u>(1,148,742)</u>	<u>850,022</u>	<u>(299,838)</u>	<u>(268,637)</u>	<u>(1,382,016)</u>
Income tax expense	(8,568)	(6,106)	(185,609)	(194,220)	(64,918)
Profit/(loss) from continuing operations	<u>(1,157,310)</u>	<u>843,916</u>	<u>(485,447)</u>	<u>(462,857)</u>	<u>(1,446,934)</u>