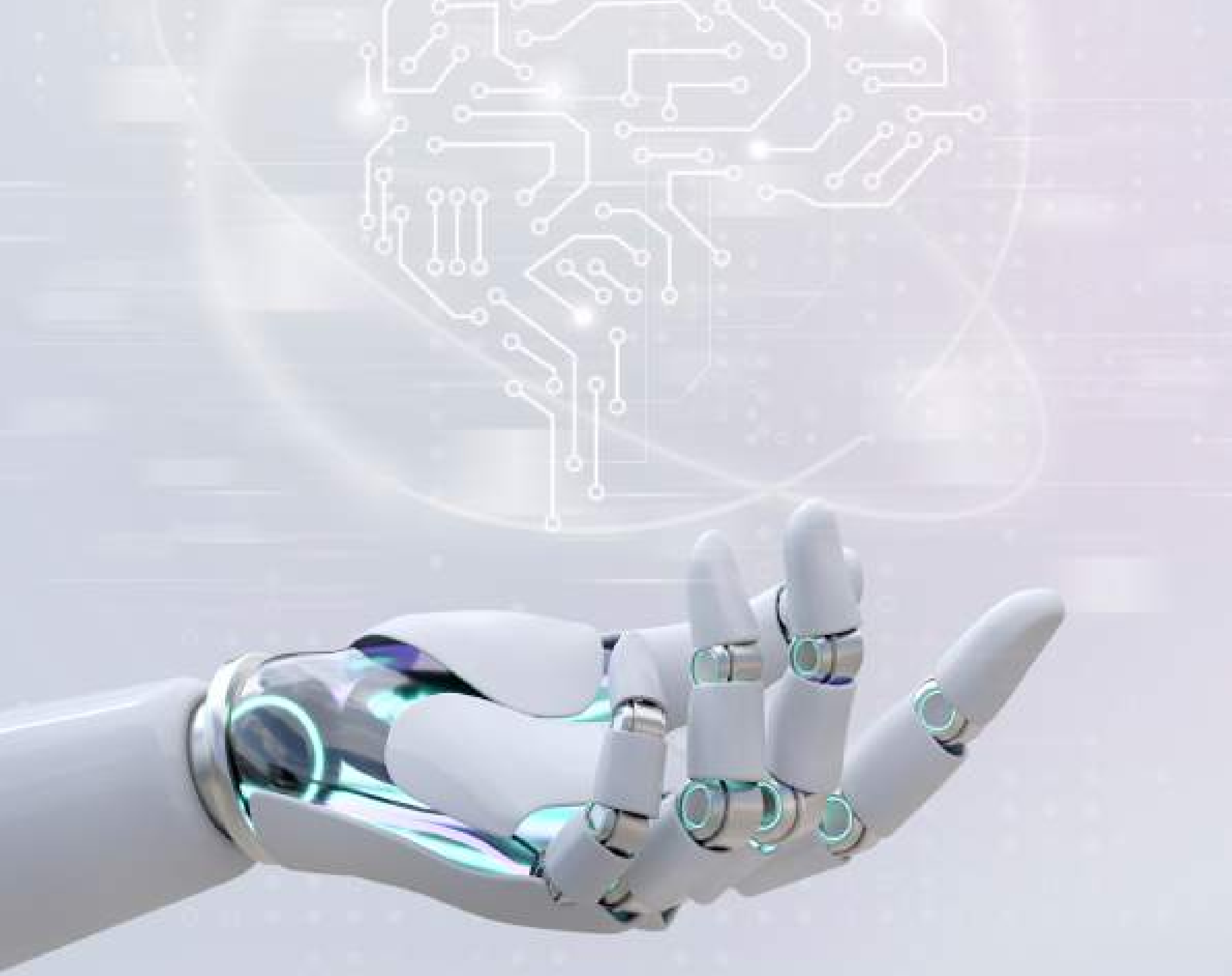
ROYAL EXCHANGE

General Insurance

The Road Ahead

Repositioning REGIC for a New Generation



Royal Exchange General Insurance Company Limited

Annual Report & Accounts 2021


We've been
paying your claims.
To get you
going again.
It's who we are. It's what we do
That's the REGIC promise
ROYAL EXCHANGE
General Insurance
Property | Motor | Business

Content

VALUES

Integrity
Customer-Focused
Innovation
Teamwork

MISSION

‘To be a trusted and innovative provider of insurance and risk management services to our customers’.

VISION

‘To attain and maintain leadership in terms of profitability and excellent services and to be one of the best places to work’.

Corporate Information

Registered office
New Africa House
31, Marina
Lagos
Nigeria

Operations office
34-36 Oshodi/Apapa
Expressway, Oshodi,
Lagos

Directors

Mr. Ike Chioke	Chairman / Independent Director
Alhaji R.M Gwarzo, OON	Non-Executive Director
Mr. Nnamdi Oragwu	Non-Executive Director
Mr. Ernesto Costa	Non-Executive Director
Mr. Adeyemo Adejumo	Non-Executive Director
Mr. Owolabi Salami	Non-Executive Director
Chief Uwadi Okpa- Obaji	Non-Executive Director
Mr. Mehdi Gharbi	Non-Executive Director
Ms. Isioma Ogodoazi	Non-Executive Director
Mr. Lotfi Baccouche	Independent Director
Mr. Benjamin Agili	Managing Director
Mrs. Jane Ekomwereren	Executive Director (Technical Operations)
Mr. Oyetunji Oshiyoye	Executive Director (Business Development) (ANA)

*ANA: Awaiting NAICOM Approval

Company Secretary/General Counsel
Ms. Sheila Ezeuko, ACIS, MIoD
FRC/2013/NBA/000000004059

Company registration number
RC: 725727

Preparation supervised by
Mr. Uyi Osagie
Chief Financial Officer
FRC/2016/ICAN/00000015704

Reinsurers
Nigerian Reinsurance Corporation
Africa Reinsurance Corporation
Continental Reinsurance Plc
WAICA Reinsurance Corporation
Swiss Reinsurance Corporation
NCA Reinsurance
Aveni Reinsurance
Score Reinsurance
Gallagher Reinsurance

Auditors
Deloitte & Touche
Civic Towers,
Plot GA 1, Ozumba Mbadiwe Avenue
Victoria Island, Lagos
Nigeria

Bankers
Access Bank Plc
Union Bank Plc
Guaranty Trust Bank Plc
First Bank of Nigeria Limited
First City Monument Bank
Sterling Bank Plc
Royal Exchange Microfinance Bank Limited
Fidelity Bank Plc
Ecobank Nigeria Limited
Zenith Bank Plc
Stanbic IBTC Bank Plc
United Bank For Africa Plc
Polaris Bank Limited
Wema Bank Plc

Actuary
Ernst & Young
FRC/NAS/00000000738

Logic Professional Services
FRC/2017/NAS/00000017548

Corporate Profile

Royal Exchange Assurance, London, (REA) was founded in 1720 and was one of the first two insurance companies to receive legal status by the Royal Charter and started operations in Nigeria represented by Barclays Bank DCO in 1918.

A branch of REA, was established in Lagos on February 28, 1921 originally for marine business. The branch however expanded within a year to include fire and life insurance. The establishment of the branch in Nigeria was as a result of expansion drive of REA in the early 20th century.

Following the directive of the National Insurance Commission (NAICOM) on recapitalization of insurance companies in 2006, the Company adopted a group holding structure and elected to split its operations into life and general businesses during the 2007 recapitalization exercise. Upon this decision, Royal Exchange General Insurance Company Limited (REGIC) was incorporated and licensed by NAICOM to offer the full range of general and special risks insurance products. With decades of experience in the Nigerian market, the Company has an enviable reputation for reliability, integrity, professionalism, technical competence and financial strength.

The Company operates from thirteen (13) branches nation-wide to ensure maximum outreach and complete accessibility to its customer base. The recent implementation of a web-enabled backbone IT system has further enhanced its ability to provide incomparable service to our customers.

The Company's capacity to underwrite oil and gas risks is widely acknowledged throughout the industry and its foray into agriculture insurance has given REGIC a stronger foothold in the insurance market in Nigeria.

With its unwavering dedication to its core values, the Company continues to maintain its lead in underwriting many of the major corporate risks in Nigeria.

The Company has an Authorized Share Capital of ₦10.5 billion made up of 10.5 billion ordinary shares of ₦1 each and an Issued and Paid–Up capital of ₦8.314 billion. As at December 31, 2021, the Shareholders' Funds stood at ₦13.40 billion with Total Assets of ₦31.5 billion.

REGIC is a strong brand in the insurance sector, highly rated within the industry for experience in minimising risks and paying claims, among other virtues. The Company would continue to ensure its relevance in the environment in which it operates by reinventing itself continuously, refreshing its strong brand with emphasis on experience and competence.

Corporate Profile Cont'd

Business & Services

The primary business of Royal Exchange General Insurance Company Limited is the provision of general insurance covers and risk management services as follows:

I. Fire & Special Perils Insurance
II. Marine (Hull & Cargo) Insurance
III. Special Risks (Oil & Energy Risks) Insurance
IV. Motor Insurance
V. Personal Accident Insurance
VI. Machinery Breakdown Insurance
VII. Burglary Insurance
VIII. Contractors/Erection All Risks Insurance
IX. Householders Insurance
X. Plant All Risks Insurance
XI. Product/Public Liability Insurance
XII. Professional Indemnity Insurance
XIII. Workmen's Compensation Insurance
XIV. Goods-In-Transit Insurance
XV. Agriculture Insurance

Registered Head Office

New Africa House
31, Marina, Lagos.
Tel: 07080606100
Email: general@royalexchangeinsurance.com
Email 2: customercare@royalexchangeinsurance.com
Web: www.royalexchangeinsurance.com

Operations Office

34-36 Oshodi-Apapa Expressway, Oshodi,
Charity Bus Stop, Oshodi, Lagos.
P. O. Box 1804, Ikeja, Lagos.
Tel: 07080606100
Email: general@royalexchangeinsurance.com
Email 2: customercare@royalexchangeinsurance.com
Web: www.royalexchangeinsurance.com

Corporate Profile Cont'd

Branch Network

1. Aba
No. 83, Azikwe Road, Aba (Second Floor),
Abia State
Tel: 0806-674-6261

2. Abuja
26, Mahatman Ghandi Crescent,
Area 11, Garki, Abuja.
Tel: 0803-590-0354, 0803-506-3925

3. Asaba
142, Okpanam Road,
Asaba, Delta State.
Tel: 0803-673-2911

4. Benin
Unity Bank Building, 2nd Floor,
No. 98 New Lagos Road,
Benin City, Edo State
Tel: 0806-804-4177

5. Enugu
Canute House, 19/25 Ogui Road,
Enugu State.
Tel: 04-229-108, 0802-313-3497

6. Ibadan
First Floor, Cocoa House Complex,
Dugbe, Ibadan,
Tel: -0802-313-1682, 0814-999-3555

7. Ikeja
Mosesola House, 3rd Floor,
103/7 Allen Avenue,
Opposite Alade Market, Ikeja,
P.O.Box 1803, Ikeja.
Tel: 01-897-3858, 0809-986-5678

8. Kaduna
2, Muritala Mohammed Square/Independence Way,
P.O. Box 261, Kaduna.
Tel: 0706-264-4190

9. Kano
2B, Post Office Road, Kano.
P.O.Box 301, Kano
Tel: 0803-629-9576

10. Lagos Main Branch (Marina)
New African House, 31, Marina, Lagos.
P.O.Box 112, Lagos
Tel: 01-4181750, 0805-526-6886, 0810-536-6664

11. Port Harcourt
42, Evo Road, GRA Phase II,
Port Harcourt, Rivers State
Tel: 0813-092-2757

12. Victoria Island
Royal Exchange (Phoenix House)
26E Abdul- Rahman Okene Close
Off Ligali Ayorinde Street
Victoria Island, Lagos.
Tel: 0803-316-0496, 0809-176-7836

13. Warri
Ogun House, 107, Effurun/Sapele Road,
Opp. Stanbic IBTC Bank,
Effurun, Delta State.
Tel: 0803-548-9340

Results at a Glance

For the year ended 31st December	2021 N' 000	2020 N' 000
Gross written premium	12,735,110	11,868,240
Profit before taxation	339,809	1,024,099
Income taxes	(90,113)	(230,521)
Profit after taxation	249,696	793,578
Transfer to contingency reserve	(382,053)	(356,047)
Transfer from retained earnings	(132,357)	437,531

Notice of Annual General Meeting

NOTICE is hereby given that the 14th Annual General Meeting of **ROYAL EXCHANGE GENERAL INSURANCE COMPANY LIMITED** will be held virtually on **Tuesday, June 28, 2022** at 11.00am to consider and transact the following business:

Ordinary Business:

1. To lay before the meeting the Audited Accounts of the Company for the year ended December 31, 2021 together with the Report of the Directors and Auditors and the Audit Committee thereon.
2. To elect/re-elect directors.
3. To approve the remuneration of the directors.
4. To authorize the directors to appoint and fix the remuneration of the External Auditors.
5. To appoint members of the audit committee.

By the Order of the Board

SHEILA EZEUKO, ACIS, MIoD
General Counsel & Company Secretary

Registered Office Address
New Africa House
31, Marina, Lagos

May 8, 2022

SHEILA EZEUKO, ACIS, MIoD
General Counsel & Company Secretary

Smart™ AGRIC

ROYAL EXCHANGE
General Insurance

Control your farm risk with

CLIMATE CHANGE CROP PROTECTION

INDEX INSURANCE

CROP CYCLE:

GERMINATION	VEGETATIVE & FLOWERING	MATURITY

PERILS COVERED:

No rains/dry spells	Low Vegetation	Excess Rainfall

Nigerian farmers are very skilled at managing their risks. However, some risks are difficult to control, like extreme weather events. Royal Exchange's Climate Change Insurance helps farmers manage their risks better and create a more resilient farm business.

For more details and enquiry, kindly contact:

Wilson Okoh-Esense
Ag Head, Agribusiness
Tel: 08027184941

Michael Shaibu
Manager North Operations
Tel: 08032122649

Dr. Olayemi Bamigbade
Agric Marketer, South West
Tel: 0903 237 6152

KehindeAlao
Agric Underwriter
Tel: 0805 697 7512

Email: general@royalexchangeinsurance.com

www.royalexchangeinsurance.com

Chairman's Statement

Mr. Ike Chioke
Chairman

Dear Esteemed Shareholders,

It is with great pleasure and excitement that I welcome you to the 14th Annual General Meeting of your company, holding today, "Tuesday, the 28th of June 2022" virtually via our online platform. I will be presenting to you, the Annual Reports and Financial Statements for the year ended December 31, 2021.

The year 2021 was quite special and remarkable for us being the first year of commencement of implementation of our 5-year strategic plan - Vision 2025. Vision 2025 is a strategic framework that redefines REGIC's position within a highly competitive market. The first part of that plan which was to have a fully recapitalized company, came through in 2021 with the successful capital injection of N3.6billion by Africinvest Financial Inclusion Vehicle (FIVE).

Amongst many things, Vision 2025 will reposition REGIC as consumer-centric company, and elements of this can be seen in the new mandate to build a vibrant retail business that will in essence grow our customer base by more than 300,000 by 2025. It will also project REGIC's leadership in the sector by leveraging its global connections to acquire the technical assistance needed to accelerate overall business performance. It will produce a tech savvy REGIC, boldly harnessing advances in technology to boost productivity to unimaginable heights. And finally, it will through an exciting new branding initiative pull together all the elements of a dynamic, innovative, and forward-thinking organization ready to take on the future of insurance.

Business Environment

Although the Nigerian economy climbed out of the pandemic-induced contraction of 1.9% in 2020 with a GDP growth rate of 3.4% in 2021 (its fastest since 2014), the economy remains greatly challenged in many areas. The oil sector which historically, accounts for about 80.0% of foreign exchange flows into the country, contracted further by 8.3% in 2021 following an 8.9% contraction in 2020. This was due to low crude oil production (1.5mbpd vs Budgeted 1.86mbdp) and weak investment flows (2021FY: US$101.8m vs 2019FY: US$195.6m). This lacklustre performance of the oil sector had a direct impact on Federal Government's actual revenue for 2021, as it underperformed by 26.0% to end at ₦5.5tn by September 2021. As a result, Nigeria's debt profile, according to the Nigerian Bureau of Statistic (NBS), swelled by 19.1% in 2021 to ₦38.0tn, while the debt service-to-revenue ratio closed 2021 at 76.2%. For businesses and households, major economic pressure points in 2021 include high average inflation rate (16.0% vs 13.2% in 2020), a further devaluation of the official exchange rate to ₦410.15/US$1.00 in 2021 (from ₦379.00/US$1.00 in 2020), weak foreign investment flows (US$4.5bn vs US$8.9bn in 2020 and US$23.7bn in 2019), and worsening insecurity. It is key to highlight as well, that only 2.2% (4.48m) Nigerians had been fully vaccinated as of 31 December 2021, leaving the country vulnerable to a potential resurgence of the COVID-19 menace.

Notwithstanding, a few positives from 2021 for Nigeria include the passage of the long-awaited Petroleum Industry Bill (PIB), the launching of the ₦15.0tn Infrastructure Corporation Company (InfraCorp), and commencement of a new 5-year National Development Plan (NDP) which intends to leverage private capital to the tune of ₦298.1tn (representing 85.0% of the ₦348.7tn of the plan) over the 2021 - 2025 period.

Operating Results

Our 2021 operating results show a marginal increase of 7.3% in our gross written premium to ₦12.7 billion from the ₦11.8 billion recorded in 2020. However, net claims incurred increased by 63.8% to ₦1.130million in 2021 versus N689.5 million recorded in 2020. We made an underwriting profit of N1.70 billion in 2021, a 18% growth over the ₦1.45 billion achieved in 2020. While our investment income grew by 29% to ₦749 million in 2021 versus the ₦582.4 million of 2020, we delivered a profit-before-tax of ₦339.8 million as against the ₦1.02 billion achieved in 2020. Consequently, our company recorded a profit-after-tax of ₦249.6 million compared to the ₦793.5 million achieved in 2020. In addition, our company ended the year with a 30% growth in total asset base to ₦31.5 billion from ₦24.2 billion in 2020 while the total equity rose to₦13.4 billion by 31% from ₦10.2 billion in 2020.

Outlook

With the increasing level of awareness and adoption rates of insurance products by the middle and lower segments of the society, we have confidence that the insurance sector in Nigeria will experience higher levels of penetration in the near term. As a result, we are more confident about expanding our capacity within the retail market segment. Additionally, with the growing trend in agricultural insurance, our company being one of the leading underwriters in this segment will continue to develop competencies and innovative solutions to retain and enhance this competitive advantage. With a larger capital base, we intend to strengthen our strategic investments in human capital development, technology and digital transformation projects while using product innovation to drive our vision in the medium and long-term.

The Board, with its wealth of experience, will continue to provide the necessary oversight as part of our corporate governance framework especially in terms of setting risk appetites, policies, and standards. This will ensure effective management of our risk exposure in the short and long term.

The Board is fully committed to delivering on the promise of Vision 2025 with its strategic focus on culture change, process realignment and digital & organizational transformation. We have tasked ourselves with the relentless pursuit of our company's emergence as an innovative market leader for the future of insurance, and we intend to deliver on it.

On behalf of the Board, I would like to take this opportunity to thank our stakeholders, especially our staff for their outstanding efforts, passion, and resilience in delivering results in what continues to be a highly volatile business environment. It is their commitment that enables our performance and I look forward to our achieving and perhaps, even surpassing the targets we have set for ourselves this year 2022.

Thank you.

Ike Chioke
Chairman,
Board of Directors of Royal Exchange General Insurance Company Limited
May 8, 2022

Managing Director's Statement

Mr. Benjamin Agili, FCII, MIoD
Managing Director

The Chairman, Directors, Shareholders, Management and Staff of Royal Exchange General Insurance Co. Limited. I am glad to be with you at this 14th Annual General Meeting to present to you the company's scorecard for the year ended 31st December 2021 as well as our plans to improve our future performance.
the following.

Economic Review

A look at the key economic indicators that prevailed in Nigeria in the year 2021 shows the following:

Exchange Rate: In the year in review, the Naira kept depreciating further at both the open and parallel markets. This led to our company making foreign exchange losses on Dollar-denominated transactions (policies underwritten). This also negatively impacted on our claims settlement.

Inflation Rate: Nigeria's annual inflation rate rose to 16% in December 2021, after eight straight months of decline. This steady rise in the inflation rate reflected in transport costs, medical services, as well as continuous disruption in the food supply chain. For us in the insurance business, this led to increased cost of claims while premium rate remained constant.

Government Revenue: The revenue projections from the oil and non-oil sectors for the year suffered a major setback as revenue fell below budgeted amount which was due to a dip in the projected oil earnings as well as revenue generated from the value-added and company income taxes for the year. The implication for us was that the government at all levels had to cut down on its insurance spend and well as suspended key projects that would have been insured.

Gross Domestic Product: The economy grew by 6.51%, 5.01%, and 4.03% in Q1, Q2, and Q3 2021, indicating a recovery from the two consecutive contractions in the previous year. This growth was attributed to the improvement in the non-oil sectors - with the agricultural, telecommunications and trade sectors of the economy making good performances.

Foreign Reserves: Nigeria's foreign reserve gained $5.15 billion in 2021 to close at $40.52 billion as of 30th December 2021 compared to $35.37 billion recorded as of the end of the previous year. The boost was attributed to the $4 billion Eurobond, which was secured by the federal government in September 2021.

FDIs: Foreign direct investments into the country was at an all-time low as the country could not attract much capital inflows as it did in the previous years. This was attributed to downturn in most sectors of the economy.

COVID 19: In the year 2021, we witnessed a continuous spread of the COVID-19 pandemic. We had 242,341 confirmed cases, 214,296 discharged and 3,031 deaths recorded. New variants of the virus were discovered during the year. Vaccinations were discovered as part of global efforts to curb the spread of the virus. Several measures were taken to encourage many people get immunized despite public apathy towards the COVID vaccines.

Insecurity: The level of insecurity caused by banditry, kidnapping and insurgency in many parts of the country remained high during the year with many fleeing their homes.

Infrastructure challenges: Even with a growing population, Nigeria's infrastructural gap continued to widen in 2021 which the president said would require USD 1.5 Trillion to fix over the next ten years. As at 2021, it was estimated that 135,000 kilometers of state and rural road networks in Nigeria are untarred out of a total of 160,000 km. other challenging areas include education, healthcare and water supply. This has increased household spending and thereby reducing the disposable income of households that would have been available for insurance.

Corporate Performance Report

In spite of the very challenging operation environment during the year 2021 we achieved 7% increase in our gross premium from ₦11.8 billion achieved in 2020 to ₦12.7 billion. However, our management expenses rose from ₦1.19 billion in 2020 to ₦2.3 billion during the year in review as we commenced the implementation of major strategic initiatives in line with our strategic plan to drive growth and transform the business.

From our technical operations, our net claim expenses rose by 64% to ₦1.13billion in 2021 from a figure of N689.5 million in 2020. This rise in the net claim expenses in 2021 was driven by "End-SARS" claims which occurred in October 2020 but was concluded and settled in 2021. Also, other major fire and oil & gas claims that occurred in the previous years were concluded and settled in 2021. The company continues to maintain one of the best claims ratios in the industry. The company's claim recoveries from our reinsurance partners remained good. Due the increase in the claims settled during the year, we recorded a 18% growth in underwriting profit to N1.7 billion in 2021 as against N1.45 billion achieved in 2020.

Our investment activities generated an income of ₦749 million in 2021 as against ₦582.4 million in 2020 indicating a 29% growth. However, the profit-before-tax declined to ₦339.8 million as against ₦1.02 billion achieved in 2020. In the same vein, the profit-after-tax also declined to ₦249.6 million as against ₦793.5 million achieved in 2020. The overall financial performance was greatly influenced mainly by the rise in the claims settled and also the expenses made on key strategic initiatives as mentioned earlier.

In terms of asset base, the company achieved a 30% growth in its total asset base from ₦24.2 billion in 2020 to ₦31.5 billion. The company's total equity rose by 31% from ₦10.2 billion in 2020 to ₦13.4 billion as at the end of 2021.

Looking Ahead

We are looking forward to a bright future in terms of growth and profitability which we hope to attain through the implementation of the key strategic initiatives aimed at drastically improving our retail sales. Looking at our trends and investment imperatives, in the next few years, the company will emerge as the leading light in retail, SME and agricultural insurance and a socially and environmentally responsible company as well as one of the best places to work in Nigeria. We have set very high targets for ourselves and we are confident will deliver on these targets, especially on the profit targets.

We have commenced channel development initiatives that will bring on board strategic marketing and tech-driven partnerships across all key market segments. We will continue to improve on our product offerings and customer experience with the on-going upgrade of our operational structures and processes. We will continue to build a trusted and innovative brand and reposition it to be more prominent in the marketplace in the coming years. The management team has been further strengthened with the addition of new, experienced professionals passionate and ready to drive the business to achieve our set goals leveraging on the competencies of our staff built over the years.

Managing Director's Statement Cont'd

Conclusion

Distinguished Shareholders and members of the Board of Directors, on behalf of the management team, I assure you of a more improved performance in the coming years as we are fully committed to achieving the targets set in our 5-year strategic plan. We will continue to run the business in new and better ways, all the time to ensure efficiency and profitability. I appreciate the Board and the staff for their support and contributions in achieving the modest result for year 2021 even as we look forward to a greater performance in 2022 and beyond.

I remain very confident in our collective resolve, ability and experience that the corporate vision, goals and objectives will be achieved.

Thank you.

Benjamin Agili
Managing Director
May 8, 2022

Report of Corporate Governance

INTRODUCTION

In year 2021, our company, Royal Exchange General Insurance Co. Ltd continued to uphold its commitment in maintaining high standards of ethical conduct in its drive towards satisfying its customers in order to deliver attractive returns to the shareholders. By maintaining high ethical standards, the company was able to achieve high level of reputation which translated to very significant improvement in level of confidence on our brand in the marketplace.

Our corporate governance codes guided by our principles of integrity, accountability, transparency, confidentiality and professionalism was key in enabling the Board of Directors, through its statutory committees, provide effective oversights through various policies revised and directives given during the year. During the year in review, we continued to maintain zero-tolerance to fraud and other related malpractices as well as ensured compliance with all legal and regulatory provisions guiding our business operations.

GOVERNANCE CULTURE

In order to continuously improve the culture of sound governance, the company conducted corporate governance trainings for the Board members during the year. The annual Board performance assessment was duly conducted by an external consultant and the recommendations fully implemented. Also, upon the release of the NAICOM Code of Corporate Governance 2021, the company moved to implement the provisions of the Code as required for compliance.

As part of its oversight responsibilities, the Board continued with its periodic review of financial, internal controls and risk management reports with a view to ensuring appropriate and timely intervention as regards maximizing opportunities, identifying and managing potential risks to corporate our corporate goals

THE BOARD OF DIRECTORS

Our Board during the year in review comprised of Two (2) Independent Directors, Severn (7) Non-Executive Directors, the Managing Director and Two (2) Executive Directors. The Board was led by the Chairman who is an independent Director.

The Board of Directors remained the principal driver of strategic decisions and corporate governance of the Company with the responsibility for ensuring that the tenets of good corporate governance are strictly adhered to.

The Board appoints committees to help in carrying out its duties. Given the separation of roles of the Chairman and the Chief Executive Officer (CEO), the Board appointed Non-Executive Directors as Chairmen of Board committees. The Board committees worked on key issues and presented their recommendations at full Board meetings, which helps to ensure more effective Board meetings.

NON-EXECUTIVE DIRECTORS (NEDS)

The Non-Executive Directors' roles are limited to contributing to strategic decision making. Each non-executive director brings with him wide experiences, knowledge and personal qualities to bear in the quality of decision making. They are not involved in the day-to-day operations of the business. Our Non-Executive Directors played this role professionally and efficiently during the year.

INDEPENDENT NON-EXECUTIVE DIRECTORS (INEDS)

The Non-Executive Directors' roles are limited to contributing to strategic decision making. Each non-executive director brings with him wide experiences, knowledge and personal qualities to bear in the quality of decision making. They are not involved in the day-to-day operations of the business. Our Non-Executive Directors played this role professionally and efficiently during the year.

EXECUTIVE DIRECTORS (EDS)

The Company has an executive director in charge of technical operations in line with NAICOM requirements.
The Company appointed a new executive director who would assume duties on January 3, 2022.
He will be in charge of business development to develop the retail business in line with its vision.
His appointment will be subject to NAICOM approval.

THE COMPANY SECRETARY

The Company Secretary remains the gate-keeper of the company and is responsible for assisting the Board and Management in the implementation of the Code of Corporate Governance, coordinating the orientation and training of new Directors and the continuous education of Non-Executive Directors. The Company Secretary consults regularly and effectively with Directors to ensure that they receive required information promptly. The Company Secretary functions as the custodian of all corporate information of the Company and engaged with all stakeholders of the Company. The Company Secretary effectively served as the NAICOM Relationship Officer (NRO) , a role that requires excellent management of professional relationship with the regulators.

SEPARATION OF ROLES AND RESPONSIBILITY

There was a clear and fully separation of roles and responsibilities of the Chairman of the Board and those of the Managing Director (MD) of the Company. As required, the Managing Director served as the Chief Executive Officer of the company during the year.

BOARD MEETINGS AND ATTENDANCE

The Board meetings are scheduled quarterly. In the year under review, the Board met eight times with an attendance rate of 100%.

Report of Corporate Governance Cont'd

Board Meeting Attendance					
	Expected No. of Meetings	**8**	**Designation**	**Attendance**	**Attendance %**
	Actual Meetings	**8**			
1	Mr. Ike Chioke	Chairman of the Board / (Independent Director)	Chairman	2	100%
2	Alh. R.M. Gwarzo, OON	Non- Executive Director	Member	8	100%
3	Mr. Nnamdi Oragwu	Non- Executive Director	Member	8	100%
4	Mr. Ernesto Costa	Non- Executive Director	Member	8	100%
5	Mr. Adeyemo Adejumo	Non- Executive Director	Member	8	100%
6	Chief Uwadi Okpa-Obaji	Non- Executive Director	Member	6	75%
7	Ms. Isioma Ogodazi	Non- Executive Director	Member	2	100%
8	Mr. Mehdi Gharbi	Non- Executive Director	Member	2	100%
9	Mr. Owolabi Salami	Non- Executive Director	Member	2	100%
10	Mr. Lotfi Baccouche	Non- Executive Director	Member	2	100%
11	Mr. Benjamin Agili	Managing Director	Member	8	100%
12	Mrs. Jane Ekomwereren	Executive Director (Technical Operations)	Member	8	100%
13	Ms. Sheila Ezeuko	General Counsel /Company Secretary	Member	8	100%

Note 1 Chief Uwadi Okpa- Obaji resigned from the Board effective 22 September 2021.

Note 2 The under listed Directors were appointed on July 29, 2021.

i. Mr. Ike Chioke - Chairman of the Board/Independent Director
ii. Mr. Lotfi Baccouche - Independent Director
iii. Ms. Isioma Ogodazi - Non- Executive Director
iv. Mr. Mehdi Gharbi - Non- Executive Director
v. Mr. Owolabi Salami - Non- Executive Director

Note 3 The regulator, National Insurance Commission (NAICOM) has approved the appointments of the following Directors:

I. Mr. Mehdi Gharbi - Non- Executive Director
ii. Mr. Lotfi Baccouche - Independent Director

Note 4 The Regulator has also issued "No Objection" letters with respect to the appointments of the following Directors:

I. Mr. Ike Chioke - Chairman of the Board/Independent Director
ii. Mr. Owolabi Salami - Non- Executive Director
iii. Ms. Isioma Ogodazi - Non- Executive Director

BOARD COMMITTEES

The various Committees consider and make recommendations on matters to the Board. There are four Committees established to maintain oversight on the running of the Company. Each committee has a Charter which contains the guiding principles, membership composition, duties & responsibilities, the level and scope of authority.

The minutes of the Committees' meetings are kept and extracts of the major issues are raised and reported at the full board meetings for deeper consideration, resolution and directives.

The following are the Board committees:

1. Establishment and Governance Committee
2. Audit & Compliance Committee
3. Enterprise Risk Management & Strategy Committee
4. Finance, Investment and General Purposes Committee

Below is a summary of the key roles and responsibilities of these Committees.

Establishment and Governance Committee

The Committee reviews and recommends the remuneration of management, executive management and non-executive members of the Board, nominations for approval of the Board candidates to fill Board vacancies and for the continuous review of senior management succession plans, promotions and remunerations.

Audit and Compliance Committee

The Committee serves as a focal point for communication and oversight regarding Financial Accounting Reporting. It is responsible for reviewing the standards of internal control, including the activities, plans, organization and quality of internal audit.

Enterprise Risk Management & Strategy Committee

The Committee is responsible for overseeing, setting and reviewing the risk governance framework, including risk management and control, risk policies and their implementation as well as the risk strategy and monitoring of operational risks. The Committee is also responsible for the development, articulation and execution of the Company's long term strategic plan on the one hand, and advisory oversight responsibilities relating to potential mergers, acquisitions and other key strategic transactions outside the ordinary course of the Company's business.

Finance, Investment and General Purposes Committee

The Committee is responsible for oversight functions for issues relating to the strategic planning, budgetary process, procurements, corporate finance, resources and assets utilization, capital structure and reporting financial performance of the Company. The Committee also assists the Board in its oversight functions with respect to investment strategies, investment portfolio performance, investment mix and the overall investment performance of the Company.

CODE OF BUSINESS ETHICS

There is a code of business ethics for the Company for the Board and Staff. To strengthen the Company's zero tolerance for unethical behavior; the Company instituted a whistle blowing policy meant to encourage the reporting without retribution of perceived or real unwholesome unethical behavior in the Company. Also, as part of the implementation of the provisions of the Company's Code of Conduct & Business Ethics, all newly appointed Directors and members of the Management Team submitted a formal Letter of Commitment To Uphold the Code Of Ethics and Business Conduct of the company.

BOARD PERFORMANCE EVALUATION

Appraisal of the performance of the Company's Board was also conducted by independent consultants in compliance with the NAICOM Code of Corporate Governance and their reports were submitted to NAICOM.

COMPANY GOVERNANCE STRUCTURE AND SHAREHOLDERS

Company Operational Structure

The Board is headed by the Chairman, who is an independent director. Board members are subject to standards of business conduct policies, rules and regulations to avoid conflict of interest and use of insider information. The Board appoints committees to help carry out its duties. Given the separation of roles of the chairman and the chief executive officer, the Board appoints Non-Executive Directors as chairmen of Board committees. Board committees work on key issues in greater details than would be possible at full Board meetings, which helps to ensure more effective Board meetings. Each Board committee presents its recommendations to the board for approval, amendments and ratification as the case may be during board meetings.

The Management Executive Committee (MEC)

The Management Executive Committee (MEC) is headed by the Managing Director and comprises of the executive directors and all Heads of various Departments. The MEC is responsible for the implementation of all Board approved strategic initiatives, in other words, it is responsible for the day to day running of the Company, the achievement of all business and operational plans, targets, strategies and objectives within the Company's risk management framework; and the development of advanced reporting procedures to ensure the Board is fully informed at all times. Monthly strategic business activities and operating environments are discussed at the MEC level where strategic directions are set. The reports cover the financial performances, risk assessments, regulatory activities among others.

To ensure an effective and consistent compliance culture, the company monitored compliance and promoted training and best practice implementation in the Company, therefore affirming the Company's commitment to zero tolerance for regulatory breaches.

Information to Shareholders

The company remained committed to continually disclose all material information in a timely and transparent manner to its shareholders. To ensure the shareholders' are adequately informed and their interest protected, the Company has an Investors Relations Unit domiciled in the Company Secretariat to deal directly with enquiries from shareholders and ensures that shareholders' views are escalated to Executive Management and the Board.

Going Concern

Information relating to the Company's going concerns is periodically released to the shareholders on quarterly, half-yearly and annual basis on the web page www.royalexchangeinsurance.com

Annual General Meeting

In compliance with statutory and regulatory requirements the Annual General Meeting of the Company is held annually and provides the shareholders of the Company or their proxies an opportunity and direct access to the Executive Management to deliberate and take decisions on the issues affecting the Company. The Annual General Meeting is attended by representatives of regulators, National Insurance Commission (NAICOM) and the External Auditors Messrs. Deloitte & Touché as well as the shareholders.

Communication Policy

The Company ensures that communication and information dissemination regarding the Company's operations to stakeholders and the general public is timely, accurate and continuous. Such information is available on the Company's website, https://www.royalexchangeinsurance.com.

Whistle Blowing Procedures

The company is committed to the highest standards of ethical, moral and legal business conduct. In line with this commitment and philosophy of open dialogue and communications, the Company established a whistleblower policy which provides protection for any whistleblower who raises concerns in good faith regarding incorrect or inappropriate financial reporting, violation of laws or regulations, possible fraud and corruption and health & safety risks including risks to the public as well as other staff.

Complaints Management

The Company resolves customers' complaints whenever they arose and appreciates feedbacks for business improvement and customer retention strategy. The complaints may be in form of any expression of dissatisfaction, resentment or grievances whether justified or not made by a person or corporate body about any aspect of its operations, services, personnel, policies, shares or dividends. REGIC's complaints and feedback structure ensures prompt resolution of customers' complaints. There is a dedicated Complaints Unit apart from the Contact Center responsible for receiving, escalating, ensuring prompt investigation and resolution of customers' complaints within the specified service level agreement (SLA).

Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Framework

The company remains committed to ensuring that its products and services are not used for Money Laundering and Financing of Terrorism and Proliferation of Weapons of Mass Destruction and that, its processes and procedures are in compliance with all applicable Laws and regulations on Money Laundering. To this end, there is an annual awareness and sensitization training on AML/CFT for the Company's Board members, Management and staff across the nation on money laundering techniques and how to combat it. There is also in place continuous compliance risk assessments and profiling of all our products and customers for effective combating of AML/CFT violations with an enshrined due diligence in place for all our business activities.

Statement of Compliance

In the year in review, the company had in place an effective risk management, control and compliance system as well as an effective internal audit system committed to ensuring that regulatory and prudential guidelines were strictly adhered to.

SHEILA IFEYINWA EZEUKO, ACIS, MIoD
COMPANY SECRETARY/GENERAL COUNSEL
FRC/2013/NBA/00000004059 LAGOS, NIGERIA
May 8, 2022

Risk Management Statement

The Company recognizes that for it to achieve its long-term vision, goals and objectives, it must put in place structures to promptly identity and manage risks that could hinder its ability to deliver effectively and efficiently on its responsibilities to customers and all stakeholders. The Board of Directors and the Board Risk & Strategy Committee have been reinforced with new non-executive Directors including a seasoned expert bringing world class credentials in terms of risk management. The upgraded Committee will perform its oversight role in ensuring that risk management forms and remains a critical part of the company's corporate governance structure to ensure the protection of our shareholders' value. The main objective of the Committee's oversight responsibility is to ensure the company's key risks are managed within the risk appetite, risk limits and thresholds set by the Board as well as the Regulators.

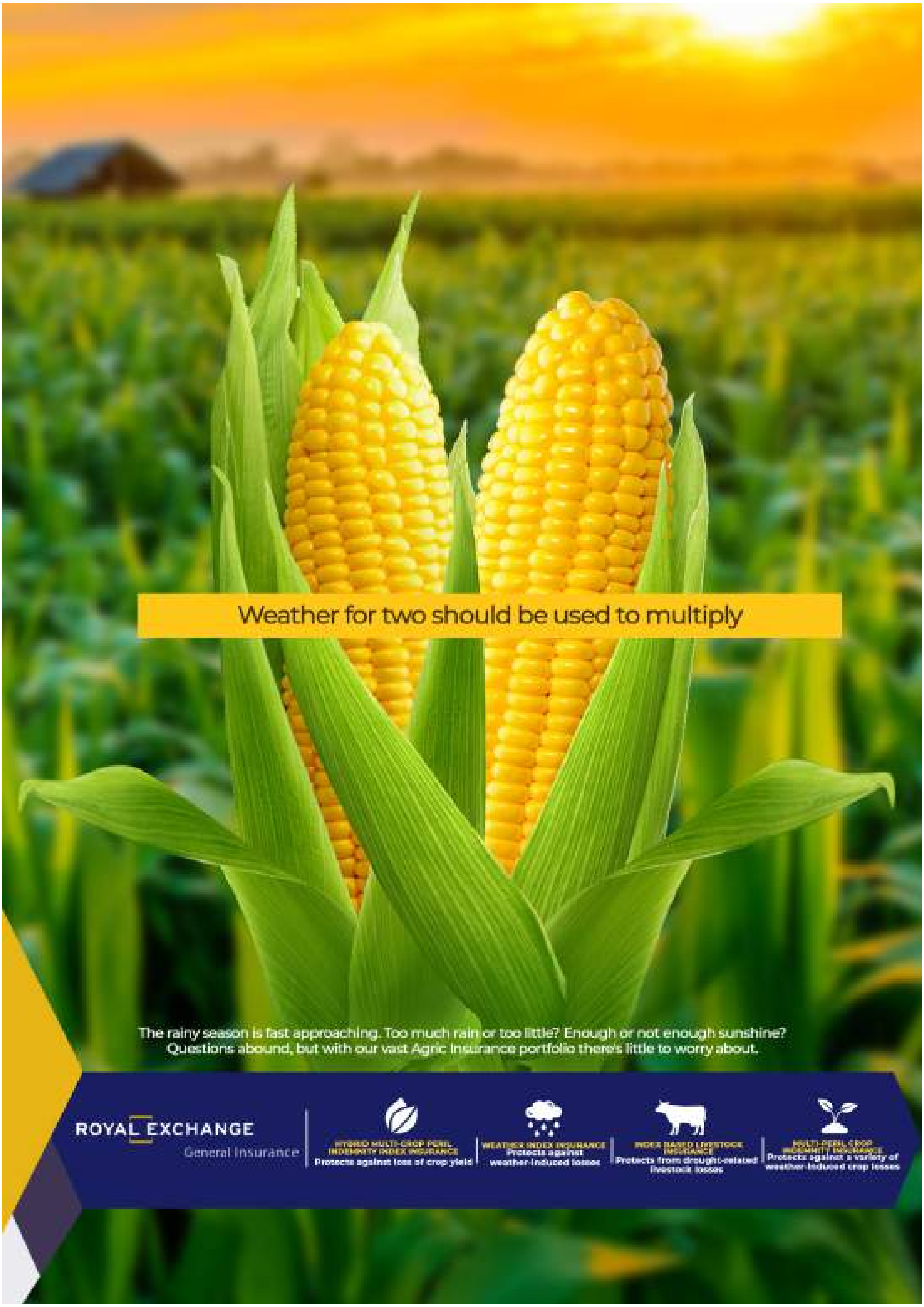
In the course of the year in review, we revised and strengthened our enterprise risk management framework, a critical pillar of our corporate governance, to enable the company to promptly identify, measure, accept, control, report, and monitor all material risks. This framework is embedded in our business operations and is aligned with our corporate culture and strategic goals.

Also, the Board of directors provided effective oversight of the risk management function as part of our corporate governance frameworks. Specifically, the board of directors provided oversights in the implementation of this framework in line with the nature, scale, and complexity of our business and risk profiles. The Company remained guided by the policies, procedures and standards set specified in the ERM Framework as to the company's risk appetite and risk tolerance levels to prevent and control all such events that could pose threats to the progress, continuity or survival of the Company in the short and long term. It imposes clearly defined duties and responsibility on individuals and departments within the Company failure of which appropriate sanctions apply.

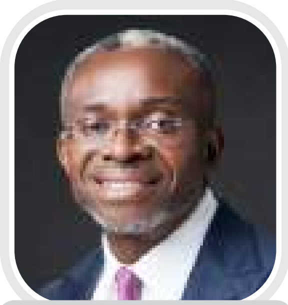
Our risk governance structure of the company consists of the Board Risk & Strategy Committee, the Management Risk Committee and the Chief Risk Officer/Head of Enterprise Risk Management who is a key member of the management team and reports also directly to the Board Risk & Strategy Committee.

As part of our determination to build a policy and process-driven and risk conscious organization, we will continue to work on the risk heat map with the Management Risk Committee and the Chief Risk Officer to improve our risk management structures and policies to ensure they remain relevant in ensuring business sustainability and corporate survival in the face of the ever-changing and increasing complexity of risks in our business environment in line with our risk management philosophy and strategy. In the coming year, the company will ensure full automation of its risk management function to provide a more robust and efficient risk monitoring, measurement and mitigations.

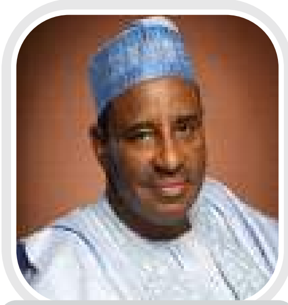
Mr. Mehdi Gharbi
Chairman, Board Enterprise Risk Management & Strategy Committee
May 8, 2022


Weather for two should be used to multiply
The rainy season is fast approaching. Too much rain or too little? Enough or not enough sunshine?
Questions abound, but with our vast Agric Insurance portfolio there's little to worry about.
ROYAL EXCHANGE
General Insurance
HYBRID MULTI-CROP PERIL INDEMNITY INDEX INSURANCE
Protects against loss of crop yield
WEATHER INDEX INSURANCE
Protects against weather-induced losses
INDEX BASED LIVESTOCK INSURANCE
Protects from drought-related livestock losses
MULTI-PERIL CROP INDEMNITY INSURANCE
Protects against a variety of weather-induced crop losses

Board of Directors



Mr. Ike Chioke
Chairman / Independent Director



Alhaji R. M. Gwarzo, OON
Non-Executive Director

Mr. Nnamdi Oragwu
Non-Executive Director

Mr. Ernesto Costa
Non-Executive Director

Mr. Adeyemo Adejumo
Non-Executive Director

Ms. Isioma Ogodazi
Non-Executive Director

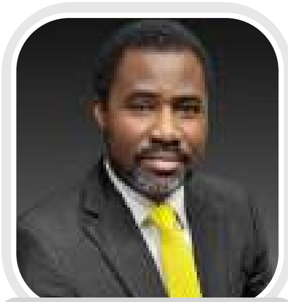
Mr. Owolabi Salami
Non-Executive Director

Mr. Mehdi Gharbi
Non-Executive Director

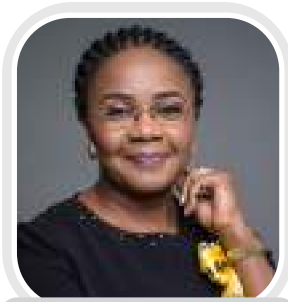
Mr. Lotfi Baccouche
Non-Executive Independent Director

Mr. Benjamin Agili
Managing Director

Mrs. Jane Ekomwereren
Executive Director
(Technical Operations)



Mr. Oyetunji Oshiyoye
Executive Director
(Business Development)



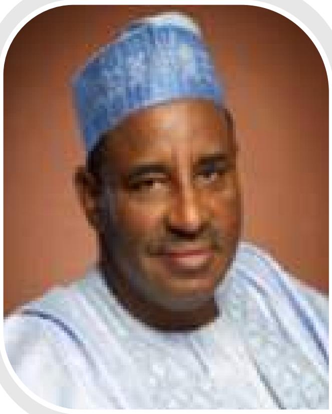
Ms. Sheila Ezeuko, ACIS, MIoD
General Counsel/Company Secretary

Board of Directors' Profile

Mr. Ike Chioke
Chairman

Mr. Chioke is the Chairman of the Board with over 30 years of financial advisory experience including 18 years in an executive management role. Mr. Chioke holds a Bachelor of Science in Civil Engineering from the University of Ife now Obafemi Awolowo University Ile-Ife and attended Oxford University as a Rhodes Scholar, where he graduated with an M.Phil in Management Studies. He is the first Vice President of the Association of Issuing Houses of Nigeria, National Secretary of the Rhodes Scholarships for West Africa, member of the Board of American University of Nigeria, member of the board of ServiPower Company Limited and the Group Managing Director of Afrinvest (West Africa) Limited, a leading wealth advisory firm with focus on West Africa.

Mr. Chioke was appointed the Chairman and Independent Director on the Board of Royal Exchange General Insurance Company on July 29, 2021.



Alhaji R. M Gwarzo, OON
Non-Executive Director

Alhaji Gwarzo is an Associate of the British Society of Commerce. He holds a Certificate in Accounting and Finance for Developing countries from the University of Strathclyde, Glasgow, Scotland Business School and Certificate in Wheat Marketing & Processing from Kansas State University, USA. He is an Associate of the institute of Industrialists and Corporate Administrators (AIICA) and a Fellow of the Institute of Industrialists and Corporate Administrators (FIIC). He has undertaken several national assignments and is currently on the Board of several publicly quoted and private companies. He was appointed to the Board of the company on October 17, 2018.

Board of Directors' Profile Cont'd

Mr. Nnamdi Oragwu
Non-Executive Director

Mr. Oragwu obtained a Bachelor of Science in Public Administration from the Enugu State University of Science and Technology, a Bachelor of Law Degree from the University of Benin, Edo State and a Diploma in International Business Organizations from IBA Practice Diploma Program, College of Law (UK). He is a Member of the International Bar Association and the Nigerian Bar Association; he is also an Associate of the Chartered Taxation Institute.

Mr. Oragwu is a Managing Partner in Punuka Attorneys & Solicitors, Lagos and was appointed to the Board of Royal Exchange General Insurance Company Limited on July 31, 2017.

Mr. Ernesto Costa
Non-Executive Director

He obtained a Bachelors of Business Sciences and Law from Universidad Pontificia Comillas and an MBA from IE Business School (Madrid, Spain). He is a Charter holder of the Chartered Financial Analysts Institute (U.S).

He has over thirty years' experience in financial services, including investment banking and structured credit in global financial institutions such as Goldman Sachs and HSBC, as well as a CEO position at a financial institution.

He is presently the Head of Private Equity Investments at Swiss impact fund manager BlueOrchard (a member of Schroders Group), based in Zurich.

He was appointed to the board of Royal Exchange General Insurance Company Limited on October 17, 2019.

Board of Directors' Profile Cont'd

Mr. Adeyemo Adejumo
Non-Executive Director

Ms. Isioma Ogodazi
Non-Executive Director

Mr. Adeyemo Adejumo obtained a B.sc in Biochemistry from the University of Ife, Ile Ife, Osun State and attended the University of Lagos where he obtained an M.B.A. He is an Associate of the Chartered Insurance Institute of London and a Fellow of the Chartered Insurance Institute of Nigeria. He has over forty years' experience in insurance and financial services. He started his career with the National Insurance Corporation of Nigeria and has worked with Continental RE, Equity Life Insurance Company Limited, Great Nigeria Insurance Plc, Zimre-Maputo, Mozambique, Southern Africa, Alliance Capital Stock Brokers and Competent Insurance Brokers. He held the position of Managing Director at Continental Re Plc for fifteen years and was the former President of the Chartered Insurance Institute of Nigeria. He was appointed to the Board on October 17, 2019.

Ms. Ogodazi obtained a Bachelor of Arts in Humanities from Bournemouth University, United Kingdom, a Post-Graduate Diploma in Personnel Management from the London School of Economics and a Diploma from the Institute of Personnel Development. She is a Certified StrengthFinders Level I & II Coach, Certified in Accelerated Change Management Implementation, Certified Transformational Coach (CMA) and Certified Training Professional.

She is member of the Advisory Board Children's International School (CIS), member Lead Securities & Investment and was appointed to the board of Royal Exchange General Insurance Company Limited on July 29, 2021.

Mr. Owolabi Salami
Non-Executive Director

Mr. Owolabi obtained a Bachelor of Laws from the University of Buckingham, United Kingdom. He is a member of the Chartered institute of Insurance Nigeria and a member of the Chartered Institute United Kingdom. He is the Chairman of SWAgCo Limited and a member of the Board of Allianz Kenya Plc.

Prior to his appointment to the Board of Royal Exchange General Insurance Company Limited on July 29, 2021, he was the Chief Executive Officer at Allianz Nigeria Insurance Plc

Board of Directors' Profile Cont'd

Mr. Mehdi Gharbi
Non-Executive Director

Mr. Lotfi Baccouche
Independent Non- Executive Director

Mr. Mehdi Gharbi obtained a Bachelor's Degree in Accounting and Business from the Institut Superieur de Comptabilite et d'Adminstration Entreprises "ISCAE" Tunis and a Chartered Accountant Diploma from the same institution.

He commenced his present career with PriceWaterhouseCoopers, Tunis as a Senior Consultant and Senior Auditor. He is a Senior Partner at Africinvest and currently Co-head of the financial sector funds of FIVE and AFSL.

He was appointed to the board of Royal Exchange General Insurance Company Limited on July 29, 2021

Mr. Lotfi Baccouche is Vice President and Insurance Lead at Capgemini Invent UK, a top tier consultancy firm in the world. In his capacity, Lotfi advises global and regional insurance firms on key strategies to optimise risk-adjusted business performance with a sharp focus on sustainable finance and capital management. Lotfi sits on the board of directors of Old Mutual General Insurance Kenya and chairs its Technical Committee.

He was appointed an Independent Director on the Board of Royal Exchange General Insurance Company on July 29, 2021.

Board of Directors' Profile Cont'd

Mr. Benjamin Agili, FCII, MIoD
Managing Director /
Chief Operating Officer

Mr. Benjamin Agili is a graduate of Building Technology from the Institute of Management and Technology, Enugu and holds an MBA in Financial Management from Lagos State University, Ojo, Lagos State. He is a Fellow of the Chartered Insurance Institute of London (FCII), and a Fellow of the Chartered Insurance Institute of Nigeria (FIIN).

He started his insurance career with UNIC Insurance Plc. He joined Royal Exchange Plc in 2003 as an Assistant General Manager (Eastern Operations) and was later elevated to a Regional Director in 2007. In November 2015, he was appointed Managing Director of Royal Exchange General Insurance Company Limited.

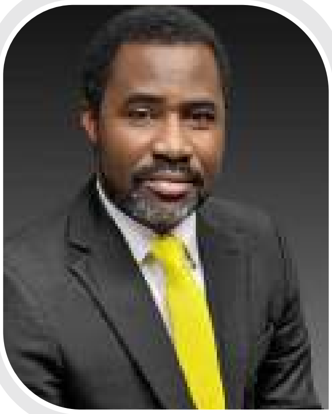
He has garnered over twenty-eight years of cognate insurance experience cutting across vital areas of insurance practice such as underwriting, claims, risk management, marketing and branch operations.

Mr. Agili, is well exposed and trained, having attended several courses, seminars and workshops within and outside Nigeria. He is an alumnus of the SwissRe Insurance Training Centre, Zurich, Switzerland. He has also attended the Authentic Leadership Development Programme by Harvard Business School, Boston, USA.

Mrs. Jane Ekomwereren
Executive Director
(Technical Operations)

Mrs. Ekomwereren is a graduate of Insurance from University of Benin and also an Associate of the Chartered Insurance Institute of Nigeria (ACII). She started her insurance career with Equity Indemnity Insurance Co. Ltd in 1993 and joined Royal Exchange in February 2000. Jane has held various positions in the company and is currently, Regional Director, Lagos Central. She was appointed on the board of Royal Exchange General Insurance Company Limited on August 09, 2017 as Executive Director (Technical Operations).

Board of Directors' Profile Cont'd



Mr. Oyetunji Oshiyoye
Executive Director
(Business Development)

Mr. Oshiyoye holds a Bachelor's degree in Applied Geophysics from the University of Lagos, Nigeria and an MBA in Leadership & Business Sustainability from the University of Cumbria, United Kingdom. He is a member of the Chartered Insurance Institute of Nigeria and has over 15 years of sales experience. He was the Chief Customer Officer at Allianz Nigeria. Prior to Allianz, He was Group Head, Retail Sales at ARM Life and Group head, Alternate Channels at AIICO Insurance Plc.

He joined Royal Exchange General Insurance Company Limited on January 04, 2022 as Executive Director (Business Development).

Ms. Sheila Ezeuko, ACIS, MIoD
General Counsel/Company Secretary

Ms. Ezeuko is a graduate of the University of Nigeria, Nsukka, Enugu State. She holds a Bachelor of Arts in History, a Bachelor of Law from the same university, a post graduate certificate (Corporate and Commercial Law) from the University of London, a post graduate certificate of Law (Insurance Law) from the same University and was called to the Nigerian Bar in 1999. She worked in the Chambers of G. E. Ezeuko (SAN) before going into corporate practice.

She served as Company Secretary to General Cotton Mill Limited and also Sosoliso Airlines Limited. She has undergone various management and professional courses. She was appointed Company Secretary of Royal Exchange General Insurance Limited in 2007 and General Manager (Company Secretariat, Legal Services and Compliance) with responsibility for the management and execution of Legal Services and Company Secretariat.

She is also an alumna of the Lagos Business School having undergone the Advanced Management Programme (AMP 24). She is an associate member of the Institute of Chartered Arbitrators, Nigeria and member of other professional bodies notably, the International Bar Association and the Nigerian Bar Association.

Executive Management & Management Teams

Executive Management

Mr. Benjamin Chizea Agili, FCII, MIOD
Managing Director /
Chief Executive Officer

Mrs. Jane Ekomwereren
Executive Director
(Technical Operations)

Mr. Oyetunji Oshiyoye
Executive Director
(Business Development)

Ms. Sheila Ezeuko, ACIS, MIoD
General Counsel/Company Secretary

Mr. Uyi Osagie
Chief Finance Officer

Senior Management

Mr. Tudor Osademe
Head, Human Resources

Mr. Kola Yaqub
Chief Investment Officer

Mr. Ayo Kamoru
Head, Technical Division

Mr. John Agbai
Chief Digital & Information Officer

Mrs. Jacqueline Nwandu
Head, Corporate
Communications

Mr. Alfred Tabiti
Head, Retail / E-Business

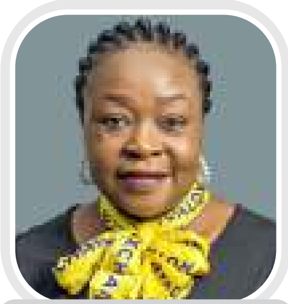
Mr. Mbat Idongesit
Head, Enterprise Risk
Management & Strategy

Mrs. Adesola Akintayo
Head, Underwriting

Executive Management & Management Teams

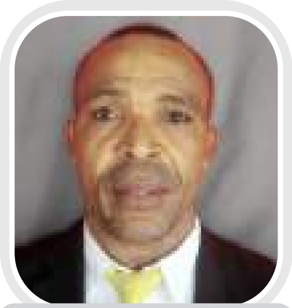
Senior Management Con'd

Mr. Akin-Francis Akinjide
Head, Oil & Gas

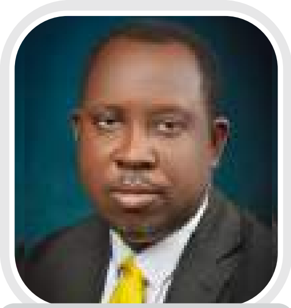


Mrs. Olawunmi Makanjuola
Head, Claims

Business Directors



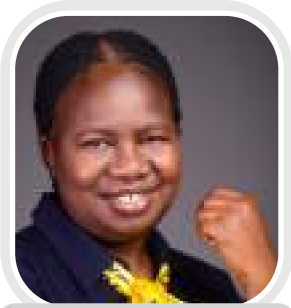
Mr. Nicholas Chukwuma
Business Director
South-East



Mr. Tolu Sanni
Business Director, South

Mr. Titilayo Adekite
Business Director
Lagos

Ms. Karen Eradajaye
Business Director,
South-South



Mrs. Victoria Tiwalade Afolayan
Business Director
Lagos Central Region

Esther Onyebuchi Oduntan
Business Director
Victoria Island & Financial Institutions

Mr. Ojima Onalo
Business Director
Northern Region

Profiles of Executive Management Teams and Management

Mr. Benjamin Agili, FCII, MIoD
Managing Director /
Chief Executive Officer

Mrs. Jane Ekomwereren
Executive Director
(Technical Operations)

Mr. Benjamin Agili is a graduate of Building Technology from the Institute of Management and Technology, Enugu and holds an MBA in Financial Management from Lagos State University, Ojo, Lagos State. He is a Fellow of the Chartered Insurance Institute of London (FCII), and a Fellow of the Chartered Insurance Institute of Nigeria (FIIN).

He started his insurance career with UNIC Insurance Plc. He joined Royal Exchange Plc in 2003 as an Assistant General Manager (Eastern Operations) and was later elevated to a Regional Director in 2007. In November 2015, he was appointed Managing Director of Royal Exchange General Insurance Company Limited.

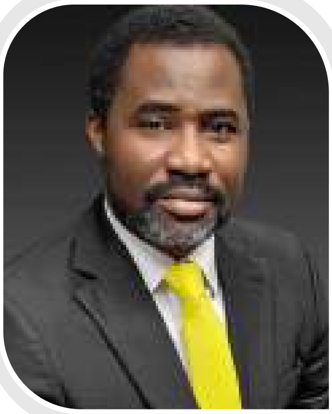
He has garnered over twenty-eight years of cognate insurance experience cutting across vital areas of insurance practice such as underwriting, claims, risk management, marketing and branch operations.

Agili, is well exposed and trained, having attended several courses, seminars and workshops within and outside Nigeria. He is an alumnus of the SwissRe Insurance Training Centre, Zurich, Switzerland. He has also attended the Authentic Leadership Development Programme by Harvard Business School, Boston, USA.

Mrs. Ekomwereren is a graduate from University of Benin and also an Associate of the Chartered Insurance Institute of Nigeria (ACII). She started her insurance career with Equity Indemnity Insurance Co. Ltd in 1993 and joined Royal Exchange in February 2000.

Jane has held various positions in the Company and was the Regional Director, Lagos Central, before she was appointed an Executive Director in 2017.

Profiles of Executive Management Teams and Management Cont'd



Mr. Oyetunji Oshiyoye
Executive Director
(Business Development)

Mr. Oshiyoye holds a Bachelor's degree in Applied Geophysics from the University of Lagos, Nigeria and an MBA in Leadership & Business Sustainability from the University of Cumbria, United Kingdom. He is a member of the Chartered Insurance Institute of Nigeria and has over 15 years of sales experience. He was the Chief Customer Officer at Allianz Nigeria. Prior to Allianz, He was Group Head, Retail Sales at ARM Life and Group head, Alternate Channels at AIICO Insurance Plc.

He joined Royal Exchange General Insurance Company Limited on January 04, 2022 as Executive Director (Business Development).

Ms. Sheila Ezeuko, ACIS, MIoD
General Counsel /
Company Secretary

Ms. Ezeuko is a graduate of the University of Nigeria, Nsukka, Enugu State. She holds a Bachelor of Arts in History, a Bachelor of Law from the same university, a post graduate certificate (Corporate and Commercial Law) from the University of London, a post graduate certificate of Law (Insurance Law) from the same University and was called to the Nigerian Bar in 1999. She worked in the Chambers of G. E. Ezeuko (SAN) before going into corporate practice.

She served as Company Secretary to General Cotton Mill Limited and also Sosoliso Airlines Limited. She has undergone various management and professional courses. She was appointed Company Secretary of Royal Exchange General Insurance Limited in 2007 and General Manager (Company Secretariat, Legal Services and Compliance) with responsibility for the management and execution of Legal Services and Company Secretariat.

She is also an alumna of the Lagos Business School having undergone the Advanced Management Programme (AMP 24). She is an associate member of the Institute of Chartered Arbitrators, Nigeria and member of other professional bodies notably, the International Bar Association and the Nigerian Bar Association.

Profiles of Executive Management Teams and Management Cont'd

Mr. Uyi Osagie
Chief Finance Officer

Mr. Osagie holds a bachelor's degree in Pharmacy from Obafemi Awolowo University, Ile-Ife. He is a Chartered Accountant, Associate member of the Chartered Institute of Taxation of Nigeria, Member of the Chartered Institute of Insurance of Nigeria (CIIN) and an Associate member of the Nigerian Institute of Safety Professionals.

He began his career at KPMG Professional Services (formerly Arthur Anderson) and has over Thirteen (13) years hand-on experience in Consulting, Financial Reporting, Business Strategy Formulation, Investment Management, Treasury Operations, Risk Management, Credit Control, as well as Budgetary Control and Audit Services. His career experience cuts across the Financial Sector including Insurance, Banking, Asset Management, Pension and Real Estate.

He joined Royal Exchange General Insurance Company Limited on January 04, 2022 as Chief Finance Officer.

Mr. Tudor Osademe
Head, Human Resources

With over Sixteen (16) years of Consulting & Human Resources experience, Tudor joined Royal Exchange General Insurance Company Limited as Head Human Resources Management, responsible for ensuring effective planning, designing, developing and evaluating all human resource-related initiatives to drive the achievement of organizational goals and business objectives.

Prior to joining REGIC, he worked as Head, HR Business Partnering in Heritage Bank Plc, HR Lead for Access Bank Subsidiaries (covering Access bank Ghana, Rwanda, DR Congo, Zambia, Gambia, Sierra Leon & Mozambique), Head Learning & Development Service in Workforce Management Group and Head Learning & Management Education at the Institute of Financial Planning (IFP), Lagos. Additionally, he supervised the L & D, Talent & Career Management and Business Partnering/Recruitment Units of the defunct Diamond Bank.

He has a Bachelor's degree in Mathematics and a Master of Business Administration from Delta State University - Abraka. He is a certified Insight facilitator (Insight Learning Foundation - USA), Certified Balance Scorecard Practitioner (BSP), Associate Member of Nigeria Institute of Management (AMNIM), CMD (Center for Management Development - Nigeria) Certified Management Trainer and Associate Member of Chartered Institute of Personnel Management - Nigeria.

Profiles of Executive Management Teams and Management Cont'd

Mr. Ayo Kamoru
Head, Technical Division

Mr. John Agbai
Chief Digital & Information Officer

Mr. Kamoru graduated from University of Lagos where he bagged a Bachelor of Science degree, (BSC Hons) in Insurance. He holds a Master's Degree (M.B.A) in Management and also a Bachelor and Master's degree in Law LLB and LLM from the same University of Lagos. He was called to Nigerian Bar in 2006 and was awarded a B.L. He is also a chartered insurer with over 25 years' experience in the insurance industry and has worked in various capacities which includes underwriting, branch operations and claims management. He has attended series of trainings, seminars and conferences both on insurance, management and client services.

Ayo started his insurance career with Phoenix Assurance of Nigeria as an underwriter in the commercial casualty department and later in industrial and property department where he was exposed to the underwriting of industrial risk and conglomerated businesses. He joined Royal Exchange as a senior underwriting Officer. In Royal Exchange, he worked as an underwriter and client service personnel in Ikeja branch where he developed competence in branch operations and client's management. He was later redeployed to Lagos main branch to strengthen the operations and the underwriting team of that branch where he was also given the responsibility to manage and grow some corporate clients and service big brokers` businesses. In 2007, he was re-deployed to the technical division of the company to work in claims department where he headed a unit and later, a region. He eventually became the head of that department for many years. After successful tenure in claims, he was moved to underwriting as the Head of commercial casualty department. In 2014 he was appointed the Head of Technical Division with the responsibility to supervise and coordinate the technical operations of the Company and to report to the Managing Director on underwriting, re-insurance, claims and survey activities of the Company.

Mr. Agbai has over Seventeen (17) years' work experience with extensive experience in IT Leadership, Planning and Execution, Project Management, Change Management, Business Strategy Design & Implementation and IT Management/Governance.

He holds a bachelor's degree in Chemical Engineering from Enugu State University of Science & Technology, Enugu and a master's degree in Information Technology from University of Lagos, Akoka. He is a Microsoft Certified Professional (MCP), Microsoft Certified Solution Developer (MCSD) and Oracle Certified Professional (DBA). He has also attended a couple of local and international trainings.

Mr. Agbai started his IT career with Loveworld Publications Inc. in 2003, as a Programmer/System Analyst. In 2004, he joined Union Assurance Company Ltd, a subsidiary of Union Bank Group, Nigeria as Information Technology Support Officer and rose through to become Head IT Operations & Support in 2008.

Subsequently, in 2010, he joined Jsoft Solutions Ltd, an Information Technology solutions company as the Chief Technology Consultant. In this role, he provided leadership and direction for a team of technology consultants, providing both technical and specialist advisory to the various clients of the organization.

In 2014, he left Jsoft Solutions for FBN Insurance Ltd, as a Business Analyst/Project Manager. Following significant achievements he recorded on the job, he was transferred and promoted to the position of Head Information & Communication Technology in FBN General Insurance Ltd. in 2016 before joining REGIC as Chief Digital Information Officer in June 2021.

Profiles of Executive Management Teams and Management Cont'd

Mrs. Jacqueline Nwandu
Head, Corporate Communications

Mr. Kola Yaqub
Chief Investment Officer

Jacqueline Nwandu has more than 20 years' experience in Brand Marketing, Communications, Advertising & Media with some of the biggest consumer brands. She started her career at JPmorgan Chase as an Analyst in their Retail Marketing and moved on to their Global Investor Unit. She worked at BAT as Head of Channel Development, at Amway Corporation as Marketing Director in Ghana, and as Client Services Director at one of Africa's largest experiential marketing agencies EXP, where she was responsible for overseeing the development and implementation of strategic and operational marketing plans for the region.

She has extensive brand marketing experience with diverse clients such as Unilever, Procter & Gamble, Heineken, MTN and technology brands such as Oracle, Nokia and Microsoft.
Driving the product development process from initial brief to finished product as well managing the communications and media mix, is a process which she has been doing successfully throughout her marketing career. She's an alumnus of the University of Texas, a member of the National Institute of Marketing Nigeria and the UK Chartered Institute of Marketing. In her spare time, she does pro bono work developing marketing and communication strategy for struggling SMEs.

She joined Royal Exchange General Insurance Company in November, 2020 as Head, Brand Marketing & Corporate Communications.

Mr. Yaqub has over 12 years' experience in Investment Research, Portfolio/Investment Management, Financial Advisory, Share Registration, Risk Management, Insurance Services and Accounts & Internal Control Operations. His experience in investment research spans economic and quantitative analysis, financial analysis/modeling, company valuation, capital market, financial due diligence, fixed income analysis and equity.

He holds a B.Sc. and M.Sc. degrees in Accounting and Finance respectively from the University of Lagos. He is an Associate Member, Institute of Chartered Accountants of Nigeria (ACA), the Certified International Investment Analyst (ACIIA) and Chartered Institute of Stockbrokers (ACS). In addition, he is a final level candidate in Certified Financial Analyst (CFA) and Financial Risk Management (FRM) examinations.

Kola began his career with Meristem Securities Limited (an Investment Bank), as an Internal Control Executive and rose to the rank of the Deputy Head, Investment Research. In 2013, he joined Lotus Capital Limited, an Ethical-based Asset Management company, where he managed Halal Funds and Private Clients' portfolios. Subsequently, in 2014, he joined Custodian Investment Plc, one of the largest financial conglomerates within the Non-Bank Financial Services sector as Deputy Head, Investment Management and Strategy.

Profiles of Executive Management Teams and Management Cont'd

Mr. Alfred Tabiti
Head, Retail / E-Business

Mr. Mbat Idongesit
Head, Enterprise Risk Management & Strategy

Mr. Tabiti holds a bachelor's degree from University of Ado-Ekiti.

He began his professional career with Equity Life Insurance Company Limited in 2006 and has over Thirteen (13) years' work experience in Sales, Product Development, Channel Management, Recruitment, Training, and Partner Acquisition at various levels. Most of these years of cognate work experience were spent in the Insurance Industry.

He joined Royal Exchange General Insurance Company Limited on January 04, 2022 as Head, Retail/E-Business.

Mr. Idongesit has over 18 years working experience in which 14 years has been in the insurance industry covering research, planning, strategy, product development and risk management. He holds a B.Sc., in Marketing, University of Uyo, Certificate in Market & Social Research, Pan Atlantic University, Lagos.

He is an Associate of the Chartered Insurance Institute of Nigeria as well as an Associate, Institute of Operational Risk, UK. Between 2002 and 2009, he worked with Royal Exchange Plc and rose to Deputy Manager, Business Planning & improvement where he played an active role in the enterprise transformation project led by PWC and also led the team that developed and launched the first-ever e-retail & scratch solutions in the industry.

He later joined Insurance PHB as Head, Planning Research & Strategy and was later appointed Chief Risk Officer. In 2014 he joined Law Union & Rock Insurance Plc as Head, Research, Strategy & Corporate Communications. In 2016 he joined an express delivery start-up, On-Time Express & Logistics Solutions Limited as Executive Director in charge of Planning & Enterprise Risk Management and later went into consulting as Senior Partner at Data-Plus HR Services. In 2013, he worked briefly as Research Executive with GfK, London (Business & Technology Division) where he participated in research projects for Blackberry, Nokia, Google, FedEx, Kobo and Sony Mobile.

Profiles of Executive Management Teams and Management Cont'd

Mrs. Adesola Akintayo
Head, Underwriting

Mrs. Akintayo has over 24 years working experience in underwriting, reinsurance and risk management.

She is a graduate of Statistics of the Polytechnic Ibadan, Oyo state and holds an MBA from Ladoke Akintola University of Technology, Ogbomoso Ibadan. She is also an Associate of the Chartered Insurance Institute of Nigeria.

Mrs. Akintayo joined Royal Exchange General Insurance Company Limited in 1996 as an officer in the statistics department and rose to the Head of the Underwriting Unit in April 2015.

Ms. Karen Eradajaye
Regional Director,
South-South

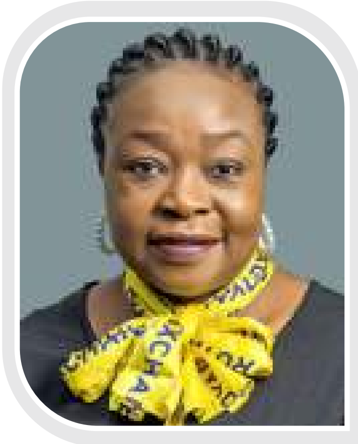
Mrs. Eradajaye holds a Bachelor of Laws degree from the University of Benin, Edo State. She also holds a post graduate certificate from the Cranfield School of Management, Milton Keynes, United Kingdom.

She is a member of the Nigerian Bar Association and an Associate member of the Chartered Insurance Institute of Nigeria.

Mrs. Eradajaye has over twenty five (25) years working experience in the finance industry. She joined Royal Exchange General Insurance Company Limited in 2021 asthe Regional Director of the South-South region.

Profiles of Executive Management Teams and Management Cont'd

Mr. Akin-Francis Akinjide
Head, Oil & Gas



Mrs. Olawunmi Makanjuola
Head, Claims

Mr. Akinjide is a graduate of Insurance from the Federal Polytechnic Offa, Kwara State and holds a Master's degree in Managerial Psychology from the University of Ibadan, Oyo State. He is an Associate of Chartered Insurance Institute of Nigeria (CIIN) and Associate Member of Chartered Institute of Management (NIM). He joined the Company in 2006 and he is presently the Head, Oil and Gas Unit with the responsibility of growing the Company's portfolio in the sector through marketing & sales, underwriting and claims administration.

He has attended training in United Kingdom and also represented the company in negotiations of her Energy treaty. He has over 15 (Fifteen) years' experience in Special Risk underwriting and claims administration.

Mrs. Makanjuola has over 24years experience in claims and underwriting. She started her career with Phoenix of Nigeria Assurance Plc as a Management Trainee in 1995 and served in various capacities in technical department. She joined Royal Exchange General Insurance as a Manager in 2007 as a result of mergers and consolidation exercise in the industry then.

She was elevated to the position of Head of Claims in May 2018, saddled with the responsibility of coordinating the team, processing and settlement of valid claims and generation of data/reports for management decision making process.

Wunmi holds a Bachelor of Arts degree in English from the University of Lagos and Masters in Business Administration from Lagos State University. She is also an associate member of the Chartered Insurance Institute of Nigeria (ACIIN).

Profiles of Executive Management Teams and Management Cont'd

Mr. Nicholas Chukwuma
Business Director
South-East

Mr. Tolu Sanni
Business Director, South

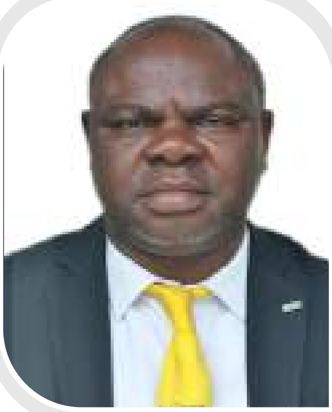
Mr. Chukwuma holds an HND from Rufus Giwa Polytechnic, Bachelor's degree in Accounting from Imo State University, as well as Masters Degrees from Imo State University and Bayero University, Kano.

He is an Associate of the Chartered Insurance Institute of Nigeria. His working career started with Profound Assurance Company and later with Asset & Liability Insurance Company and then First Chartered Insurance Company.

He was with Wapic Insurance Plc as Marketing Manager/Regional Executive, Eastern Region. Mr. Chukwuma joined Royal Exchange General Insurance Company as Branch Manager Benin in 2011 and is currently the Regional Director, South-East in the Company.

Tolu Sanni is a graduate of Agriculture from University of Ilorin, Kwara State. He also holds a Masters Degree in Business Administration and has Certificate in Insurance (CIIN). He started his Insurance career in 2002 with Royal Exchange Assurance and presently the business Director South-west, Royal Exchange General Insurance.

Profiles of Executive Management Teams and Management Cont'd



Mr. Titilayo Adekite
Business Director
Lagos

Mrs. Victoria Tiwalade Afolayan
Business Director
Lagos Central Region

Mr Adekite Afolusho Titilayo is a graduate of University of Ilorin. He holds a bachelor of science degree (B.SC Hons) and (M.Sc) in Microbiology from the same Institution.

He started his career in 1997 with Lenoil Petroleum Company Limited an indigenous oil marketing firm as a Marketing Executive.

He later joined Silver Street Insurance Brokers in the year 2000 as Head Marketing. He joined Anchor Insurance Company thereafter in the year 2010 as Head multiclient Unit, later to Head Brokers Unit, before becoming the Branch Manager of their Apapa Branch.

He joined Royal Exchange in 2013 and was posted to the Ikeja Branch of Royal Exchange General Company Ltd. Since then he served at various marketing capacities as Branch Manager. Berger Branch, Branch Manager Apapa, before being transferred back to Ikeja regional Office in 2019 to Head the Lagos West region of the company.

He attended several courses within the country including a course at the Lagos Business School.

Mrs. Victoria Tiwalade Afolayan has over 2 decades of practical insurance experience in core practice - including underwriting and marketing, garnered in various insurance firms in Nigeria. An Associate Member of the Chartered Insurance Institute of Nigeria (CIIN), Victoria holds a Master's Degree in Business Administration (MBA) from the Lagos State University and a Higher National Diploma (H.ND) from The Polytechnic, Ibadan. A result-oriented insurance marketer, Victoria started her insurance career with Triumph Assurance Company Limited as an Underwriting Clerk before joining Royal Exchange General Insurance Company (then Royal Exchange Assurance Nigerian, REAN) in December, 1996. Having served meritoriously in different branches and at different capacities in the Company over the years, Victoria is currently the Regionl Director of the Lagos Central Region of Royal Exchange General Insurance.

Profiles of Executive Management Teams and Management Cont'd

Esther Onyebuchi Oduntan
Business Director
Victoria Island & Financial Institutions

Mr. Ojima Onalo
Business Director
Northern Region

Esther Onyebuchi Oduntan Holds a Bachelor of Arts degree in History (ED) from the Delta State University, Abraka and is an Associate Member of the Chartered Insurance Institute of Nigeria (CIIN). She started her Insurance career with NEM Insurance Plc in 1997. She joined Royal Exchange General Insurance Company (Royal Exchange Assurance Nigerian, REAN) in 2001and has over a decade insurance marketing experience. She the Pioneer Branch Manager of Victoria Island business area. Esther is currently the Business Manager, Victoria Island & Financial Institutions, Royal Exchange General Insurance Company, (REGIC

Mr. Ojima Onalo Sunday is a graduate of Geography from Ahmadu Bello University Zaria and a Master of Business Administration from Nassarawa State University Keffi. He is a Fellow of the Institute of Professional Managers & Administrators of Nigeria and Senior Research Fellow of Institute for Commerce Research and Enterprise Development (ICRED).

He started his career in Cornerstone Insurance Plc and has over 25years experience in Marketing and Sales. Mr. Onalo joined Royal Exchange General Insurance Company Limited in 2015 as Branch Manager Abuja and was later elevated in year 2020 to the position of Business Director Northern Region, a position he holds till date.

Report of the Directors

For the year ended 31 December 2021

The Directors are pleased to submit to the Members of the Company their report on the affairs of Royal Exchange General Insurance Company Limited together with the audited financial statements for the year ended 31 December 2021.

1 LEGAL FORM AND PRINCIPAL ACTIVITIES

The Company was incorporated as a private limited company on January 16, 2007.

The principal activities of the Company include general insurance underwriting, insurance claims payment, business acquisition and investment.

2 RESULTS FOR THE YEAR

The highlights of the Company's operating results for the year ended 31 December, 2021 are as follows:

For the year ended 31 December	2021 N '000	2020 N '000
Gross written premium	12,735,110	11,868,240
Profit before taxation	339,809	1,024,099
Income taxes	(90,113)	(230,521)
Profit after taxation	249,696	793,578
Transfer to contingency reserve	(382,053)	(356,047)
Transfer from retained earnings	(132,357)	437,531

3 DIRECTORS AND DIRECTORS' INTEREST AND SHAREHOLDING

A Board of 11 (Eleven) Directors determined the general policy of the Company in the year under review

3.1 The Directors of the Company who held office during the year were as follows:

Mr. Ike Chioke	Chairman / Independent Director	- Appointed on July 29, 2021
Alhaji R.M Gwarzo, OON	Non-Executive Director	
Mr. Nnamdi Oragwu	Non-Executive Director	
Mr. Ernesto Costa	Non-Executive Director	
Mr. Adeyemo Adejumo	Non-Executive Director	
Chief Uwadi Okpa-Obaji	Non-Executive Director	- Resigned on September 22, 2021
Mr. Owolabi Salami	Non-Executive Director	- Appointed on July 29, 2021
Mr. Mehdi Gharbi	Non-Executive Director	- Appointed on July 29, 2021
Ms. Isioma Ogodoazi	Non-Executive Director	- Appointed on July 29, 2021
Mr. Lotfi Baccouche	Independent Director	- Appointed on July 29, 2021
Mr. Benjamin Agili	Managing Director	
Mrs. Jane Ekomwereren	Executive Director (Technical Operations)	

3.2 DIRECTOR'S INTEREST AND SHAREHOLDING

The Directors did not have any interest in issued share capital of the company.

Report of the Directors Cont'd

For the year ended 31 December 2021

3.3 DIRECTORS' DISCLOSURES

The corporate disclosure that Punuka International Law firm provides retainership services for the Company of which Mr. Nnamdi Oragwu is a partner in the Law firm.

The continuous disclosure that Mr. Nnamdi Oragwu is a Partner at Punuka Attorneys and Solicitors the Company's Legal Retainers.

The continuous disclosure that Mr. Ernesto Costa is a director on the board of Agritask, the Company providing the technology platform for Agric Insurance to REGIC.

The continuous disclosure that Mr. Adejumo Adeyemo is a director on the Board of WAICA RE.

3.4 RESIGNATION

Chief Uwadi Okpa-Obaji resigned from the board effective September 22, 2021.

3.5 APPOINTMENTS AND ROTATION OF DIRECTORS

3.5.1 In accordance with the Articles of Association, Alhaji Rabiu Gwarzo, OON and Mr. Nnamdi Oragwu are the Directors retiring by rotation. Both directors being eligible offer themselves for re-election.

3.5.2 APPOINTMENT OF DIRECTORS

The following Directors were appointed in the course of the year under review:
Mr. Ike Chioke
Mr. Lotfi Baccouche
Ms. Isioma Ogodazi
Mr. Mehdi Gharbi
Mr. Owolabi Salami

3.53 The regulator, National Insurance Commission (NAICOM) has approved the appointments of the following Directors:

I.	Mr. Mehdi Gharbi	-	Non- Executive Director
ii.	Mr. Lotfi Baccouche	-	Independent Director

3.54 The Regulator has also issued "No Objection" letters with respect to the appointments of the following Directors:

I.	Mr. Ike Chioke	-	Chairman of the Board/Independent Director
ii.	Mr. Owolabi Salami	-	Non- Executive Director
iii.	Ms. Isioma Ogodazi	-	Non- Executive Director

4 SHARE CAPITAL AND SHAREHOLDING

4.1 The Share Capital of the Company is ₦10,500,000,000.00 made up of 10,500,000,000.00 ordinary shares of N1.00 each.

4.2 The issued share capital of the Company is ₦8,314,354,406

4.3 The paid-up capital of the Company is ₦8,314,354,406

4.4 An analysis of the shareholders interests in the issued share capital of the Company is as disclosed below:

S/N	Names & Address of Shareholders	No of Shares Held	Percentage	Class of Shares
1	Royal Exchange Plc, 31 Marina Lagos	3, 260, 383, 121	39.21%	Ordinary Shares
2	Insuresilience Investment Fund Sicav-Raif (with Respect to Its Equity Sub-fund) 2, Rue D'alsace L-1112, Luxembourg, Grand Duchy of Luxembourg	2, 526, 985, 641	30.39%	Ordinary Shares
3	Afrinvest Financial Inclusion Vehicle LLC c/o Trident Trust Company (mauritius) Limited, 5th Floor, Barkly Wharf Le Caudan Waterfront, Port Louis Republic of Mauritius	2, 526, 985, 641	30.39%	Ordinary Shares
4	Mr Kenny Odogwu No 12 Raymond Njoku Street, Ikoyi, Lagos	3	0.01%	Ordinary Shares
5	**Total**	**8, 314, 354, 406**	**100%**	**Ordinary Shares**

4.5 InsuResilience Investment Fund ("IIF") is a Luxembourg-based fund that was set up by KfW, the German Development Bank on behalf of German Ministry for Economic Cooperation and Development (BMZ). The overall objective of the IIF is to contribute to the adaptation to climate change by improving access to and the use of Insurance in developing countries.

4.6 Upon the approval of NAICOM, the Company completed its fund raising plans, through the subsequent injection of the Sum of N3.6 Billion Naira (Three billion, six hundred million naira) by Africinvest Financial Inclusion Vehicle (FIVE) managed by the Pan African private equity group, AFRICINVEST.
The company is now owned by 3 (THREE) shareholders; Royal Exchange PLC, IIF and FIVE.

5 PROPERTY AND EQUIPMENT

Information relating to changes in property and equipment during the year is shown in Note 14 to the financial statements. In the opinion of the Directors, the fair value of the Company's properties is not less than the value shown in the accounts.

6 DONATIONS

1. Sponsorship of National Association of Insurance & Pension Correspondents -	₦300,000.00
2. Sponsorship of Annual conference of NCRIB- Support for new president investiture -	₦350,000.00
3. Donation to Outsourced staff - Mr Martin Ubani -	₦150,000.00
Total	**₦800,000.00**

7 COVID-19 MEASURES AND RESPONSE

In line with Nigerian Centre for Disease Control guidelines for managing the COVID-19 pandemic, we adopted, as an organisation all COVID-19 protocols as published by the Centre and ensured full observance of those protocols by all employees in all our business locations – such as the use of temperature scanners, use of hand sanitizers, regular washing of hands with soap and water, use of face mask, adopting a mix of virtual work arrangement and work in the office to ensure adequate social distancing in our offices, use of virtual medium for all office meetings, regular sanitization of our offices, issuance of local and offshore travel advisory for staff etc.

Steps were also taken to appoint 'COVID-19 Champions' in all our business locations (Head Office inclusive) to further strengthen employee' compliance with all existing protocol. A COVID-19 Response Team was also inaugurated at Management level to oversee implementation of all COVID-19 related interventions in the organisation in collaboration with the Human Resources department.

Adequate measures were also taken to ensure all staff are fully vaccinated when the Federal Government commenced the free vaccination program for all citizens and at the moment, the company has a fully vaccinated workforce and the Human Resources department maintains a register to that effect.

8 EVENTS AFTER REPORTING DATE

There are no other events after the end of the reporting period which could have a material effect on the financial statements of the Company which have not been recognised and/or disclosed.

9 AGENTS, BROKERS AND INTERMEDIARIES

The Company maintains a network of licensed agents throughout the country. The Company also renders services to its customers through a varied network of brokers licensed by the National Insurance Commission.

10 EMPLOYERS' INVOLVEMENT, TRAINING AND WELFARE

10.1 Employment of Physically Challenged Persons

It is the policy of the Company that there will be no discrimination in the consideration of all applications for employment. As at December 31, 2020, there was no disabled person employed by the Company.

10.2 Health and Safety at Work and Welfare of Employees

The Company is concerned about the health, safety and welfare of its employees as well as safety of all visitors. The Company provides medical services to its staff through health insurance with a registered Health Management Organization.

10.3 Involvement and Consultation

The Company's consultation medium was fully used in the year to disseminate management policies and encourage the employees' involvement in its affairs.

10.4 Training

The Company recognizes that the acquisition of knowledge is constant. The Company recognizes also that to foster commitment its employees need to hone their awareness of factors, economic, financial or otherwise, that affects its growth. To this end, the Company, in the execution of its training programs encourages and provides the opportunity for its staff to develop and enhance their skill awareness and horizon.

Report of the Directors Cont'd

For the year ended 31 December 2021

11 AUDITORS

The Auditors, Messer Deloitte & Touche (Chartered Accountants) was re-appointed during the year as Auditors of the company in line with S.401(2) of CAMA CAP 20 LFN 2004. The auditors having satisfied the requirement of NAICOM and the company, have indicated their willingness to continue in office during the year.

12 COMPLIANCE WITH THE CODE OF BEST PRACTICES ON CORPORATE GOVERNANCE

The Directors confirm that they have reviewed the structure and activities of the Company in view of the Code of Best Practices on Corporate Governance for the Insurance Industry in Nigeria published in February, 2009. The Directors confirm that the Company has substantially complied with the provisions of the Code of Best Practices on Corporate Governance with regards to matters stated therein concerning the Board of Directors, the Shareholders and the Audit Committee.

BY ORDER OF THE BOARD

Sheila Ezeuko ACIS, MIoD
General Counsel/Company Secretary
Lagos, Nigeria.
FRC/2013/NBA/000000004059
May 8, 2022

Statement of Directors' Responsibilities In relation to the Financial Statements

For the year ended 31 December 2021

The Directors of Royal Exchange General Insurance Company Limited are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the company as at 31 December 2021, and the results of its operations, cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards ("IFRS"), and in the manner required by the Companies and Allied Matters Act of Nigeria, the Insurance Act CAP I17 LFN 2004, relevant guidelines and circulars issued by the National Insurance Commission ("NAICOM") and Financial Reporting Council Act of Nigeria.

In preparing the financial statements, the Directors are responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- making an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Company;
- maintaining adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that the financial statements of the company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- preventing and detecting fraud and other irregularities.

Going Concern

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the company will not remain a going concern in the year ahead.

The financial statements of the company for the year ended 31 December 2021 were approved by the Board of Directors on 19th April 2022.

Signed by order of the Board of Directors:

Ike Chioke	Benjamin Agili
Chairman	Managing Director
	(FRC/2016/CIIN/00000014211)
19 April, 2022	19 April, 2022

Report of the Audit Committee

For the year ended 31 December 2021

In compliance with Section 404 (7) of the Companies and Allied Matters Act C20 Laws of the Federation of Nigeria 2004, ("The Act") We, the Members of the Audit Committee have reviewed and considered the financial statements of the Company for the year ended December 31, 2021 and the reports thereon and confirm as follows:

a) The accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices.

b) The scope and planning of both the external and internal audits for the year ended 31 December, 2021 were satisfactory and reinforce the Company's internal control systems.

c) We have reviewed the findings on management matters, in conjunction with the external auditors and are satisfied with the response of management thereon.

d) The Company's systems of accounting and internal controls were adequate.

e) After due consideration, the committee accepted the report of the auditors that the financial statements were in accordance with ethical practice and International Financial Reporting Standards (IFRS). The Committee therefore recommends that the audited financial statements for the period ended 31 December 2021 and the Auditor's report thereon be presented for adoption by the Company at the Annual General Meeting.

DATED APRIL 19, 2022

MR. LOTFI BACCOUCHE
Chairman of the Audit Committee

OTHER MEMBERS:

Mr. Mehdi Gharbi
Mr. Adejumo Adeyemo
Ms. Isioma Ogodazi

Independent Auditor's Report

To the shareholders of Royal Exchange General Insurance Company Limited:

Report on the Audit of the financial statements

Opinion

We have audited the accompanying financial statements of Royal Exchange General Insurance Company Limited (the Company) set out on pages 12 to 118 which comprise the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flow for the year then ended, and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of Royal Exchange General Insurance Company Limited as at 31 December, 2021 and the financial performance and cash flows for the year then ended in accordance with the international Finance Reporting Standards, the Companies and Allied Matters Act 2020, Insurance Act I17 LFN 2004, circulars and guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act, 2011.

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 Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' (IESBA), International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of the financial statements in Nigeria. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matter

Valuation of Insurance Contracts Loss Reserve

Under IFRS 4, the Company is required to perform liability adequacy test on its insurance contract liabilities to ensure the carrying value of the liabilities is adequate.
As disclosed in note 23 to the financial statements, the insurance contract liabilities of the Company amounted to N4.69billion [2020: N4.02 billion]. This represents about 26% of the Company total liabilities as at 31 December 2021.

Reserves for losses and loss adjustment expenses represent estimates of future payments of reported and unreported claims for losses and related expenses as at 31 December 2021. This involves exercise of significant judgement and use of key inputs and assumptions such as inflation, claims development patterns and regulatory changes. Specifically, long-tail lines of business, which often have low frequency, high severity claims settlements, are generally more difficult to project and subject to greater uncertainties than short-tail, high frequency claims. Further, not all catastrophic events can be modelled using actuarial methodologies, which increases the degree of judgment needed in estimating general insurance loss reserves.

At the end of each financial year, management employ the services of an external actuary in the determination of its insurance liability after considering the accuracy and integrity of data used in the valuation. Necessary adjustments are made in the financial statements to reflect the liabilities determined by the actuary.

How the matter was addressed in the audit

Our procedures included the following among others:
We assessed and tested the design and operating effectiveness of selected key controls over actuarial methodology, integrity of data used in the actuarial valuation, and the assumptions setting and governance processes used by management related to the valuation of general insurance reserves.
In relation to the particular matters set out above, our substantive testing procedures included the following:

- Tested the completeness and accuracy of underlying claims data utilized by the company's actuaries in estimating general insurance loss reserves.
- Utilized information technology audit techniques to analyze claims through claims data plausibility checks and recalculation of claims development patterns.
- Involved Deloitte's actuarial specialists to independently test management's general insurance loss reserve studies and evaluate the reasonableness of the methodology and assumptions used against recognized actuarial practices and industry standards.
- Performed independent re-projections on selected product lines, particularly focusing on the largest and most uncertain general insurance reserves. For these product lines our actuarial specialists compared their re-projected reserves to those recorded by the company, and sought to understand any significant differences.

Performed sensitivity testing and evaluated the appropriateness of any significant adjustments made to management's general insurance reserve estimates.

Based on the work performed we determined the methodology and assumptions used by management in the valuation of insurance contract liabilities reserves are reasonable and in line with financial reporting requirements and industry accepted practice.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the "Royal Exchange General Insurance Company Limited Annual Report and Financial Statements", the Directors' and other national disclosures value added statements and Five-year financial summary; which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information 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 for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act 2020, Insurance Act 117 LFN 2004, Circulars and guidelines Issued by the National Insurance Commission (NAICOM), Financial Reporting Council Act, 2011 and for such internal controls as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, wether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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 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 directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the Company and Company'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 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 Company to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the Company and company's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee and the directors 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 and directors 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit committee and/or the directors, we determine those matters that were of most significance in the audit of the 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 benefits derivable by the public from such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the fifth Schedule of the Companies and Allied Matters Act 2020, Section 28(2) of the Insurance Act 117 LFN 2004, we expressly state that:

I) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii) The Company has kept proper books of account, so far as appears from our examination of those books.

iii) The Company's statement of financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account.

Contraventions

No contravention of any section of Insurance Act or NAICOM guidelines came to our attention during the audit.

For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
June 1, 2022

Engagement Partners: Yetunde Odetayo FCA
FRC/2013/ICAN/00000000823

Company information and statement of accounting policies

1 Reporting Entity

Royal Exchange General Insurance Company Limited is a private limited liability company registered in Nigeria by the Corporate Affairs Commission with registration number 725727 and registered office at New Africa House, 31 Marina, Lagos. It was licensed to transact general insurance business by the National Insurance Commission ("NAICOM") on July, 9th 2008.

The company is jointly owned by Royal Exchange Plc , Insuresilience Fund Investment Fund and Africinvest Financial Inclusion Vehicle LLC issued and fully paid share capital of 3,260,383,121 , 2,526,985,641 and 2,526,985,641 ordinary shares of N1.00 each respectively.

Its principal activities include general insurance underwriting, claims payment and investments.

These services, supported by outstanding customer service, are primarily undertaken in Nigeria.

2 Basis of preparation

(a) Statement of compliance with International Financial Reporting Standards

The financial statements for the year ended 31 December 2021 have been prepared in accordance with, and comply with the, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The financial statements comply with the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act 2003 and National Insurance Commission of Nigeria ("NAICOM") circulars.

These financial statements comprise the statement of comprehensive income, the statement of finacial position, the statement of changes in equity, the cash flow statement and the accompanying notes.

(b) Functional and presentation currency

The financial statement is presented in Naira, which is the Company's functional currency. Financial information presented in Naira has been rounded to the nearest thousands except where indicated.

(c) Basis of measurement

These financial statements have been prepared in accordance with the going concern principle and on a historical cost basis except for the following:

Measurement basis	
(i) At fair value	*Details*
	• financial instruments at fair value through profit or loss;
	• financial instruments at fair value through other comprehensive income;
	• investment properties.
(ii) Measured at present value	
	• Retirement benefit obligations are measured in terms of the projected unit credit method;
(iii) Measured at amortised cost	
	• financial liabilities at amortised cost;
(iv) Measure at actuarial value	
	• Insurance contract liabilities
(v) Cost plus share of profit	
	• Investment in associates

The Company adopts the accrual basis of accounting where it records accounting transactions for revenue when earned and expenses when incurred.

(d) Reporting period

The financial statements have been prepared for the 12 month period ended 31 December 2021.

(e) Use of estimates and judgment

In preparing the financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about significant areas of estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed in Note 5.

(f) Changes in accounting policies and disclosures

New and revised IFRSs/IFRICs affecting amounts reported and/or disclosures in these financial statement

Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7.

In September 2020, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7). These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The amendments also introduce new disclosure requirements to IFRS 7 for hedging relationships that are subject to the exceptions introduced by the amendments to IFRS 9.

Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met.

1. The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

2. Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

3. There is no substantive change to other terms and conditions of the lease
.
The amendment is not applicable to Royal Exchange General Insurance Company Limited as the company does not have operating leases qualified for the application of IFRS 16, hence it was not applied.

Impact of the initial application of new and amended IFRS Standards that are effective for the current year

Amendments to IAS 1 and IAS 8 Definition of material -

The Company has adopted the amendments to IAS 1 and IAS 8 in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1.

g) Standards, amendments and interpretations issued but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective;

i) IFRS 17: Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features,described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

The Standard is effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted. It is applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

ii) IFRS 10 and IAS 28 (amendments): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the re-measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Company's financial statements in future periods should such transactions arise.

iii) Amendments to IAS 1 – Classification of Liabilities as Current or Non-currentThe amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted."

iv) Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use
The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognizes such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

v) Amendments to IAS 37 - Onerous Contracts - Cost of Fulfilling a Contract
The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Annual Improvement to IFRS Standards 2018 - 2020
The annual improvements include amendments to four Standards

IFRS 1 First-time Adoption of International Financial Reporting Standards.

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent. in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application.

3. Summary of Significant Accounting Policies

The Company consistently applied the following accounting policies to the periods presented in the financial statements

(a) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates an the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in Other Comprehensive Income (OCI):

• unquoted equity investments (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss).

(b) Cash and Cash Equivalents

Cash comprises cash in hand, and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to insignificant risk of changes in their fair value. Cash equivalents comprise investments with original maturities of three months or less and used by the Company to manage its short - term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position. For the purpose of the statement of cash flows, cash and cash equivalents are net of outstanding overdrafts.

(c) Financial assets and liabilities
Measurement methods

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

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

The calculation does not consider expected credit losses, but includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For originated credit impaired financial assets i.e. assets that are credit impaired at initial recognition, the Company calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated cashflows. The company does not purchase credit impaired assets.

When the company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Interest income
Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets except for:
- Originated credit impaired assets for which the original credit adjusted effective interest rate is applied to the amortised cost of the financial asset.
- financial assets that are not originated credit impaired but have subsequently become credit-impaired (or stage 3), for which interest revenue is calculated by applying the interest rate to their amortised cost (i.e. net of expected credit loss provision).

Initial recognition and measurement
Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI as described in note 5(ii)(b) which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

(a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

(b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

(d) Financial assets

(I) Classification and subsequent measurement

The Company classifies its financial assets in the following measurement categories:
- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans and government treasury bills.

Classification and subsequent measurement of debt instruments depend on:
(I) the Company's business model for managing the asset; and
(ii) the cash flow characteristics of the asset.

i) Business model: the business model reflects how the company manages the assets in order to generate cash flows. That is, whether the company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other business model' and measured at FVTPL. Factors considered by the company in determining the business model for a entity of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

ii) SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Based on these factors, the company classifies its debt instruments into one of the following three measurement categories:

1) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 5(ii)(b). Interest income from these financial assets is included in 'Net investment income' using the effective interest rate method.

2) Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'Net investment income' using the effective interest rate method.

3) Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within 'Net fair value gain/(loss) on financial assets' in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately in 'Investment and other income'. Interest income from these financial assets is included in 'Investment and other income' using the effective interest rate method. As at the reporting date, the company has no debt instruments within this category.

The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Equity instruments held by the Company include ordinary shares of other entities.

The Company subsequently measures all equity investments at fair value through profit or loss, except where the Company's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Company designates equity investments at fair vlue through other comprehensive income on an equity by equity basis. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

As at the reporting date , the company designated all its unlisted equity investment and certain listed equity investments at fair value through comprehensive income.

Gains and losses on equity investments at FVPL are included in the statement of profit or loss within 'fair value gains and losses on assets.

(ii) Impairment

The Company assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI. The company has no exposures arising from loan commitments and financial guarantee contracts. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Note 5(ii)(b) provides more detail of how the expected credit loss allowance is measured.

(iii) Modification of loans

The Company sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Company assesses whether or not the new terms are substantially different to the original terms. The Company does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.

- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

Where the terms are substantially different, the Company derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Company also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

Where the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Company recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit adjusted effective interest rate for originated credit-impaired financial assets).

(iv) Derecognition other than on a modification
Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Company transfers substantially all the risks and rewards of ownership, or (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

(e) Financial liabilities

(I) Classification and subsequent measurement
In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost. The company has no financial liabilities measured at fair value through profit or loss.

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

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

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

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

If an asset or liability measured at fair value has a bid price and an ask price, then the Company measures the assets and long positions at a bid price and liabilities and short positions at an ask price.The fair value of a non-interest bearing liability is stated at the invoice amount if the impact of discounting is not material.

The Company recognises transfers between levels of the fair value heirachy as of the end of the reporting period during which the change has occurred.

(iii) Impairment of financial assets
Financial assets not classified as at fair value through profit or loss, including an interest in an equity accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that a financial asset or group of financial assets is impairment could include:
- Significant financial difficulty of the issuer or counter party;
- Breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the borrower will enter bankruptcy or other financial re-organization;
- The disappearance of an active market for that financial asset because of financial difficulties.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. The Company considers a decline of 20% to be significant or a period of nine months to be prolonged. However,in specific circumstances a smaller decline or a shorter period might have been appropriate.

(iv) De-recognition of financial assets and financial liabilities
The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, The Company continues to recognize the financial asset and financial liability separately.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(f) Impairment of other non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets (other than deferred tax assets and investment property) to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(g) Reinsurance Assets

The Company cedes reinsurance in the normal course of business in order to limit its net loss potential for losses arising from certain exposures. The cost of reinsurance related to long-term contracts is accounted for over the life of the underlying reinsured policies, using assumptions consistent with those used to account for these policies. However, reinsurance arrangements do not relieve the Company from its direct obligations to its policyholders. Reinsurance assets include balances due from various reinsurance companies for ceded insurance contracts. Amounts recoverable from reinsurers are estimated in a manner consistent with the underlying reinsurance contract. Reinsurance assets are recorded in principle equal to loans and other receivables.

Reinsurance assets are assessed for impairment at each reporting date. If there is reliable objective evidence that a reinsurance asset is impaired as a result of an event that occurred after initial recognition of the reinsurance asset, that the

Company may not receive all amounts due to it under the terms of the contract and the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer.

The Company gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortised cost. The impairement loss is calculated and recognised following the same method used for loans and receivables.

The Company has the right to set off reinsurance payables against amounts due from reinsurers and co-assurers in line with the agreed arrangement between both parties.

(h) Deferred acquisition costs

The incremental costs directly attributable to the acquisition of new business which had not expired at the reporting date, are deferred by recognizing an asset. For non-life insurance contracts, acquisition costs include both incremental acquisition costs and other indirect costs of acquiring and processing new businesses.

Deferred acquisition costs are amortised in the profit or loss systematically over the life of the contracts at each reporting date.

(I) Prepayments and other Receivables

Prepayment are essentially prepaid rents and staff upfront payments. Other receivables are carried at amortised cost less accumulated impairment losses.

Other receivables balances include dividend receivable, intercompany receivables, accrued rental income and security holding trust account.

Intercompany receivables consist of receivables from the parent company, Royal Exchange Plc and other components within the Royal Exchange group. The Comapany recognises intercompany receivables when they are originated. Intercompany receivables are measured at amortised cost less accumulated losses.

(j) Investment in associates (equity-accounted investees)

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Significant influence is primarily presumed to exist when the Company holds between 20% and 50% of the voting power of another entity. However, where other factors are involved, these are taken into consideration in exercising judgment.

Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Company's share of post-acquisition profit or loss is recognised in the income statement; its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income, with a corresponding adjustment to the amount of the investment. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and recognises the impairment amount in the income statement.

(k) Investment Properties

Investment properties are properties held for long-term rental yields or for capital appreciation (including property under construction for such purposes) or for both purposes, but not for sale in the ordinary course of business.

Recognition and measurement

Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably.
Investment properties are measured initially at fair value, including all transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair value of investment properties are included in the statement of profit or loss in the period in which they arise. Fair values are evaluated and assessed annually by an external valuer who is accredited by the Financial Reporting Council of Nigeria.

De-recognition

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the profit or loss in the period of de-recognition.

Transfers

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property and equipment up to the date of change. Subsequently, the property is re-measured to fair value and reclassified as investment property.

(l) Property and Equipment

Recognition and measurement

All property and equipment used by the Company is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. If significant parts of a property and equipment have different useful lives, then they are accounted for as seperate items (major components) of property and equipment.

Subsequent costs

Subsequent expenditures are recognized in the carrying amount of the asset or as a seperate asset as appropriate if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be reliably measured. The costs of the day-today servicing of property and equipment are recognized in the statement of profit or loss as incurred.

Depreciation

Depreciation is recognized so as to allocate the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Freehold and leasehold land is not depreciated.

The estimated useful lives of property and equipment are as follows:

Buildings	50 years
Generating set	7 years
Computer equipment	4 years
Furniture and office equipment	5 years
Motor vehicles '- New (Cash purchase)	4 years
'- Salvage	3 years
Finance lease assets	4 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

De-recognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss of the year that the asset is de-recognized.

(m) Intangible Assets

Acquired computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Computer software is stated at cost less amortization and impairment losses. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. Costs associated with maintaining computer software programmes are recognized as an expense as incurred.

Amortization

Computer software costs, whether developed or acquired, are amortized for a period of five years using the straight line method.

Intangible assets which are not available for use are tested for impairment annually. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. An intangible asset shall be derecognized by the Company on disposal; or when no future economic benefit are expected from its use or disposal. Any gain or loss arising on de-recognition of the assets (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period the asset is recognised.

(n) Income Taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Company's statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the end of the reporting period. The current taxes include: Company Income Tax at 30% of taxable profit; Education Tax at 2% of assessable profit; Capital Gain Tax at 10% of chargeable gains; and Information Technology Development levy at 1% of accounting profit.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill (arising in a business combination) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for properties held for sale that are measured using the fair value model, the carrying amount of such properties are presumed to be recovered entirely through the sale unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the investment property over time, rather than through sale.

(o) Statutory Deposits

Statutory deposits are cash balances held with the Central Bank of Nigeria (CBN) in compliance with the Insurance Act, CAP 117, LNF 2004 for the general insurance companies.

The deposits are only available as a last resort to the Company if it goes into liquidation. Statutory deposits are measured at cost.

(p) Hypothecation of Assets

The Company structured its assets to meet the requirements of the Insurance Act 2003 wherein the policyholders' assets and funds are not co-mingled with assets and funds that belong to shareholders and other funds.

In particular, investment properties, investment securities (equities and fixed income securities) and insurance funds hypothecated to policyholders are distinguished from those owned by the shareholders.

The assets hypothecated are shown in Note 23(f) to the financial statements.

(q) Borrowings

Borrowings by way of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Borrowing costs comprise interest payable on loans and bank overdrafts. They are charged to profit or loss as incurred, except those that relate to qualifying assets. Arrangement fees in respect of financing arrangements are charged to borrowing costs over the life of the related facility.

(r) Deferred income

Deferred income comprises deferred rental income and deferred commission.

Deferred Rental Income relates to rents received in advance. These are amortized and transferred to the statement of profit or loss over the periods that they relate.

Deferred commission income relates to commissions received on ceded reinsurance businesses but not yet earned as at reporting date. Deferred commission incomes are amortized systematically over the life of the contracts at each reporting date.

(s) Provisions, contingent liabilities and assets

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liabilities is a possible obligation that arises from fast events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future not wholly within the control of the Company or the Company has a present obligation as a result of a past event. It is not recognized because it is not likely that an outflow of resources will be required to settled the obligation or the amount cannot be reliably estimated. Contigent liabilities normally comprise of legal claims under arbitration or court process in respect of which a liability is not likely to occur.

(t) Finance and operating lease obligations

These are the corresponding liabilities on assets acquired under finance lease. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized in the year which they relate in profit or loss.

Lease assets - lessee

Assets held by the Company under leases that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased asset is initially measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases.

Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Lease assets - lessor

If the Company is the lessor in a lease agreement that transfers substantially all of the risks and rewards incidental to ownership of the asset to the lessee, then the arrangement is classified as a finance lease and a receivable equal to the net investment in the lease is recognised and presented within loans and advances.

(u) Insurance Liabilities

(I) Classification

IFRS 4 requires contracts written by insurers to be classified as either 'insurance contracts' or 'investment contracts' depending on the level of insurance risk transferred.

Insurance contracts are those contracts when the insurer has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

The Company only enters into insurance contracts. Therefore, its insurance contract liabilities represent the Company's liability to the policy holders. It comprises the unearned premium, unexpired risk, outstanding claims and the incurred but not reported claims. At the end of each accounting period, this liability is reflected as determined by the actuarial valuation report.

Unearned premium provision

The provision for unearned premiums represents the proportion of premiums written in the periods up to the accounting date that relate to the unexpired terms of policies in force at the end of the reporting date. This is estimated to be earned in subsequent financial periods, computed separately for each insurance contract using a time apportionment basis.

Reserve for unexpired risk

A provision for additional unexpired risk reserve is recognised for an underwriting year where it is envisaged that the estimated cost of claims and expenses exceed the unearned premium provision.

Reserve for outstanding claims

Outstanding claims represent the estimated ultimate cost of settling all claims arising from incidents occurring prior to the end of reporting date, but not settled at that date.

Reserve for incurred but not reported claims (IBNR)

A provision is made for claims incurred but not yet reported as at the end of the financial year. This provision is based on the liability adequacy test report.

Liability Adequacy Test

At the end of each reporting period, liability adequacy tests are performed to ensure that material and reasonably foreseeable losses arising from existing contractual obligations are recognised. In performing these tests, current best estimates of future contractual cash flows, claims handling and administration expenses, investment income backing such liabilities are considered. Long-term insurance contracts are measured based on assumptions set out at the inception of the contract. Any deficiency is recognized in profit or loss by increasing the carrying amount of the related insurance liabilities.

The Liability Adequacy Test (LAT) was carried out by Ernst & Young (Consultant Actuaries) under the supervision of Mr.O.O Okpaise with FRC number (FRC/2012/NAS/00000000738).

(ii) Recognition and Measurement of Insurance Contract

Premium

Gross written premiums for general insurance contracts comprise premiums received in cash as well as premiums that have been received and confirmed as being held on behalf of the Company by insurance brokers and duly certified thereto. Gross premiums are stated gross of commissions and taxes payable and stamp duties that are payable to intermediaries and relevant regulatory bodies respectively.

Unearned premiums represent the proportions of premiums written in the year that relate to the unexpired risk of policies in force at the reporting date.

Reinsurance

Premiums, losses and other amounts relating to reinsurance treaties are measured over the period from inception of a treaty to expiration of the related business. The actual profit or loss on reinsurance business is therefore not recognized at the inception but as such profit or loss emerges. In particular, any initial reinsurance commissions are recognized on the same basis as the acquisition costs incurred.

Premiums ceded, claims recovered and commission received are presented in the statement of profit or loss and statement of financial position separately from the gross amounts.

Claims

Claims incurred comprise claims and claims handling expenses paid during the financial year and changes in the provision for outstanding claims. Claims and claims handling expenses are recognized in profit or loss as incurred.

(v) Employee Benefits
(I) Short-term benefits
Staff benefits such as wages, salaries, paid annual leave allowance, and non-monetary benefits are recognized as employee benefit expenses. The expenses are accrued when the associated services are rendered by the employees of the Company.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(ii) Defined Contribution Plans
The Company operates a defined contribution plan in accordance with the provisions of the Pension Reform Act 2014. The Company contributes 10% and employees contribute 8% each of the qualifying monthly emoluments in line with the Pension Reform Act.

The Company's monthly contribution to the plan is recognized as an expense in profit or loss.

The Company pays contributions to privately administered pension fund administration on a monthly basis. The Company has no further payment obligation once the contributions have been paid. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in the future payments is available. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

(iii) Termination Benefits
Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

(a) Defined Benefit Plan
Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in OCI. The Company determines the net interest expense (income) on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

(b) Pension
The Company operated a funded pension scheme for its employees prior to the Pension Reform Act 2004. It therefore has continuing pension obligation to its staff who retired prior to the commencement of the contributory pension scheme.

Pensioners are entitled to 3% annual increment. Over 90% of the pension assets are being managed by a pension fund administrator while the balance is invested in marketable securities and bank placement.
The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense(income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(c) Other Long term benefits
The Company operates a long service award plan for eligible staff who have rendered continued service to the organization.

Benefits accrue after a minimum of 10 years and a maximum of 35 years. The main benefits payable on the scheme are both cash and gift items which vary according to the number of years of service.

The liability is valued annually by a qualified actuary (Logic Professional Services) under the supervision of Mr Ganiu Shefiu with FRC number (FRC/2017/NAS/00000017548) using the projected unit credit method.

Remeasurements of the obligation, which comprise actuarial gains or losses,are recognized immediately in OCI. The Company determines the net interest expense(income) on the obligation for the period by applying the discount rate used to measure the obligation at the beginning of the annual period to the liability,taking into account any changes in the liability during the period as a result of benefit payments. Net interest expense and other expenses related to obligation are recognized in profit or loss.

The Company meets benefits on a pay-as-you-qualify basis as the plan is an unfunded scheme.

(w) Capital and Reserves

(I) Share capital
The equity instruments issued by the Company are classified as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instrument.

Equity instruments issued by the Company are recognized as the proceeds are received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(ii) Share premium
This represents the excess amount paid by shareholders on the nominal value of the shares. This amount can be utilized as provided in Section 120(3) of Companies Allied Matters Act. The share premium is classified as an equity instrument in the statement of financial position.

(iii) Contingency reserve
The Company maintains Contingency reserves for the general business in accordance with the provisions of S.21 (1) of the Insurance Act 2003.

In compliance with the regulatory requirements in respect of Contingency Reserve for general business, the Company maintains contingency reserve at the rate equal to the higher of 3% of gross premium or 20% of the total profit after taxation until the reserve reaches the greater of minimum paid up capital or 50% of net premium.

(iv) Retained Earnings
The reserve comprises undistributed profit/ (loss) from previous years and the current year. Retained Earnings is classified as part of equity in the statement of financial position.

(v) Fair value reserves
Fair value reserves represent the cummulative net change in the fair value of available-for-sale financial assets at the reporting date.

(vi) Asset revaluation reserve
The revaluation reserve relates to the surplus on revaluation of land and building at the end of the financial period. Increases in the value of these assets are recognised in other comprehensive income and accumulated in assets revaluation reserve until the assets are derecognised.

(vii) Other reserves - employee benefit actuarial surplus
Actuarial (surplus)/deficit on employee benefits represent changes in benefit obligation due to changes in actuarial valuation assumptions or actual experience differing from experience. The gains/losses for the year, net of applicable deferred tax asset/liability on employee benefit obligation, are recognized in other comprehensive income.

(viii) Dividends on ordinary shares
Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Company's shareholders. Dividends for the year that are declared after the end of the reporting period are dealt with in the subsequent period.

Dividends proposed by the Directors but not yet approved by shareholders are disclosed in the financial statements in accordance with the requirements of the Company and Allied Matters Act of Nigeria.

(x) Revenue Recognition

(I) Gross Written Premium

Gross written premiums for non-life (general) insurance comprise premiums received in cash as well as premiums that have been received and confirmed as being held on behalf of the Company by insurance brokers and duly certified thereto. Gross written premiums are stated gross of commissions, net of taxes and stamp duties that are payable to intermediaries and relevant regulatory bodies respectively.

Unearned premiums represent the proportions of premiums written in the year that relate to the unexpired risk of policies in force at the reporting date.

(ii) Reinsurance expenses
Reinsurance cost represents outward premium paid/payable to reinsurance companies less the unexpired portion as at the end of the financial year.

(iii) Fees and commission income
Fees and commission income consists primarily of insurance agency and brokerage commission, reinsurance and profit commissions, policyholder administration fees and other contract fees. Reinsurance commissions receivable are deferred in the same way as acquisition costs. All other fee and commission income is recognized as the services are provided.

(iv) Investment Income
Investment income consists of dividends and interest income on loans and receivables, realized gains and losses as well as unrealized gains and losses on fair value assets.

(v) Interest income
Interest income is recognized in the profit or loss as it accrues and is calculated by using the effective interest rate 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.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Where the estimated cash flows on financial assets are subsequently revised, other than impairment losses, the carrying amount of the financial assets is adjusted to reflect actual and revised estimated cash flows.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(vi) Dividend income
Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

(vii) Realized and Unrealized gains and losses
Realized gains and losses 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 carrying value as recorded on occurrence of the sale transaction. Unrealized gains or losses represent the difference between the carrying value at the year end and the carrying value at the previous year end or purchase value during the year, less the reversal of previously recognized unrealized gains and losses in respect of disposals during the year.

(viii) Other operating income
Other operating income represents income generated from sources other than premium revenue and investment income. It includes rental income, profit on disposal of fixed assets. Rental income is recognized on an accrual basis.

(y) Expense Recognition

(I) Insurance claims and benefits incurred
Gross benefits and claims consist of benefits and claims paid / payable to policyholders, which include changes in the gross valuation of insurance contract liabilities, except for gross change in the unearned premium provision which are recorded in premium income. It further includes internal and external claims handling costs that are directly related to the processing and settlement of claims. Amounts receivable in respect of salvage and subrogation are also considered.

Salvage
Some non-life insurance contracts permit the Company to sell (usually damaged) property acquired in the process of settling a claim.

Subrogation
Subrogation is the right of an insurer to pursue a third party that caused an insurance loss to the insured. This is done as a means of receiving the amount of the claim paid to the insured for the loss.

(ii) Underwriting expenses
Underwriting expense include acquisition costs and maintenance expense. Acquisition costs comprise direct and indirect costs associated with the writing of insurance contracts. These include commission expenses and other technical expenses. Maintenance expenses are expenses incurred in servicing existing policies and clients. All underwriting expenses are charged to income statement as they accrue or become payable.

(iii) Management expenses
Management expenses are charged to profit or loss when goods are received or services rendered. They are expenses other than claims, maintenance and underwriting expenses and include employee benefits, depreciation charges and other operating expenses.

4 Significant accounting estimates and judgements
The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies.

This note provides an overview of the areas that involve a higher degree of judgement or complexity, and major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year. Detailed information about each of these estimates and judgements is included in the related notes together with information about the basis of calculation for each affected line item in the financial statements.

A Measurement of the expected credit loss allowance
The measurement of the expected credit loss allowance for the company's financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:
- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing entitys of similar financial assets for the purposes of measuring ECL.

B Judgements
Management applies its judgement to determine whether the Company should equity account for its' investment in associates. According to IAS 28, a 20% or more interest in an investee leads to a rebuttable presumption that the investor has significant influence over the investee.The Company holds a direct interest of 26% in CBC EMEA and 33% in Royal Exchange Healthcare (REHL). Management has considered the fact and circumstances, including the representation of the Company on the board of CBC EMEA and REHL and has concluded that the Company has significant influence over CBC EMEA and REHL and the entities are associates of the Company.

C Assumptions and estimation uncertainties
Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2021 is set out below in relation to the impairment of financial instruments and in the following notes in relation to other areas:

(I) Liabilities arising from insurance contracts

Claims arising from non-life insurance contracts

Liabilities for unpaid claims are estimated on case by case basis. The liabilities recognised for claims fluctuate based on the nature and severity of the claim reported. Claims incurred but not reported are determined using statistical analyses and the Company deems liabilities reported as adequate. Assumptions used in determining the liabilities are disclosed in Note 47.

Changes in the outcome of the assumption can have a significant impact on the total recorded liabilities arising from insurance contracts and the claims expenses.

(ii) Fair value of financial instruments
The directors use their judgment in selecting an appropriate valuation technique for some financial assets. Impairment for financial assets carried at amortized costs as well as the amount of impairment for trade receivables.

The significant estimates applied in determination of fair value of financial assets are as shown in the statement of accounting policies note 3 (c)(v).

(iii) Determination of fair value of investment property
Management employed the services of estate surveyors and valuers to value its investment properties. The estimated open market value is deemed to be the fair value based on the assumptions that there will be willing buyers and sellers. Recent market prices of neighborhood properties were also considered in deriving the open market values. Other key assumptions are as disclosed in Note 13 to the financial statements.

(iv) Defined benefit plan
The present value of the employee benefit obligations depends on a number of factors that are determined in an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of obligations. The assumptions used in determining the net cost (income) for pensions include the discount rate.

The Company determines the appropriate discount rate at the end of the reporting period. In determining the appropriate discount rate, reference is made to the yield on Nigerian Government Bonds that have maturity dates approximating the terms of the related pension liability. Other key assumptions for pension obligations are based in part on current market conditions as disclosed in Note 17.

(v) Current income tax
The current income tax charge is calculated on taxable income on the basis of the tax laws enacted or substantively enacted at the reporting date. The Company applies general tax rules and the Directors have adopted current tax practices in computing the tax liabilities. Actual results may differ from these estimates based on the interpretation by the tax authorities. The Directors acknowledge that changes in the application of the current tax practices can have a significant impact on the tax expense and tax liabilities recorded in the financial statements.

(vi) Deferred tax assets
Recognised deferred tax assets (See note 18) are measured at the tax rates enacted or substantively enacted at the end of the reporting period and represents those amounts that are probable of realisation taking into account management's estimates of future taxable profits. In determining estimates of future taxable profit against which deductible amount can be utilised, management has considered the existence of taxable temporary differences that will reverse in the same year that deductible amounts will reverse.

Mangement's estimate of future taxable profits has been determined on the basis of a five year profit forecast. Management affirms that assumptions undelying the five year forecast is reasonable given the Compnay's restructured operations and there are no objective indictors to suggest that the projected earnings level will not be achieved.

(vii) Determination of impairment of property and equipment, and intangible assets excluding goodwill
Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. The Company applies the impairment assessment to its separate cash generating units.

This requires management to make significant judgements and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realisable values. Management's judgement is also required when assessing whether a previously recognised impairment loss should be reversed.

(viii) Depreciation and carrying value of property and equipment and intangible assets
The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of the assets will have an impact on the carrying value of these items. Depreciation and ammortisation is recognised on the basis described in accounting policies note 3(l) and 3(m)

Statement of Financial Position

As at 31 December, 2021

	Note	31-Dec-21 ₦'000	31-Dec-20 ₦'000
ASSETS			
Cash and cash equivalents	6	15,980,243	9,777,898
Financial assets:			
- Fair value through profit or loss	7b(i)	708,992	756,657
- Fair value through other comprehensive income	7b(ii)	5,077,449	4,288,656
- Loans and receivables at amortised cost		69,971	93,735
Trade receivables	8	135,160	69,468
Reinsurance assets	9	1,818,151	1,744,049
Deferred acquisition cost	10a	362,286	225,256
Other receivables and prepayments	11	1,063,778	1,218,453
Investment in associates	12a	455,039	453,145
Investment properties	13	3,856,305	3,856,706
Property and equipment	14	1,242,744	1,130,784
Right of use asset	14(i)	32,806	71,472
Intangible asset	15	64,556	-
Statutory deposit	16	340,000	340,000
Employees retirement benefits	17d	310,990	257,168
Total assets		**31,518,470**	**24,283,447**
LIABILITIES			
Insurance contract liabilities	23	4,694,850	4,042,104
Bank overdrafts	6(i)	17,007	32,699
Employee benefit liability	17c	45,099	26,893
Deferred tax liabilities	18	539,543	528,144
Deferred income	19	174,533	138,244
Trade payables	20	10,886,461	7,739,026
Other liabilities	21	1,473,231	1,109,902
Finance lease obligations	22a	26,176	55,703
Current Income tax liabilities	24	261,359	388,492
Total liabilities		**18,118,258**	**14,061,207**
EQUITY			
Share capital	25	8,314,355	5,366,667
Share premium	26	1,277,616	802,737
Contingency reserve	27	3,226,564	2,844,511
Retained earnings	28	577,353	709,711
Other component of equity	29	4,324	498,614
Total equity		**13,400,212**	**10,222,240**
Total equity and liabilities		**31,518,470**	**24,283,447**

These financial statements were approved by the Board of Directors on 19th April 2022 and signed on behalf of the board of directors by:

Additional Certification:

Jane Ekomwereren
Executive Director
FRC/2021/003/00000023356

Benjamin Agili
Managing Director
FRC/2016/CIIN/00000014211

Uyi Osagie
Chief Financial Officer
FRC/2016/ICAN/00000015704

Statement of Profit or Loss and Other Comprehensive Income As at 31 December, 2021

	Note	31-Dec-21 ₦'000	31-Dec-20 ₦'000
Gross premium written:	30(a)	12,735,110	11,868,240
Unearned premium	30(a)	(760,717)	(296,171)
Gross premium income		11,974,393	11,572,069
Reinsurance expenses	31	(6,480,904)	(6,296,278)
Net premium income		5,493,489	5,275,791
Fees and commission income	32	578,933	568,041
Net underwriting income		**6,072,422**	**5,843,832**
Insurance claims and benefits incurred	33(a)	(1,565,194)	(1,289,168)
Insurance claims and benefits incurred - recoverable from reinsurers	33(b)	435,167	599,636
Net claims expenses		(1,130,027)	(689,532)
Underwriting expenses	34	(3,234,224)	(3,705,527)
Total underwriting expenses		(4,364,251)	(4,395,059)
Underwriting profit		**1,708,171**	**1,448,773**
Net investment income	35	749,027	582,470
Finance income	17(c)	255	35,583
Share of profit or (Loss) on investment in associate	12	1,895	(13,303)
Unrealized fair value gain/(loss)	35(a)	(12,034)	(73,763)
ECL Impairment Allowance	36	38,380	(265,652)
Other operating income	37	208,018	439,779
		985,541	**705,113**
Net income		**2,693,712**	**2,153,886**
Foreign exchange (loss)/gain	38	(49,578)	68,556
Management expenses	39	(2,304,325)	(1,198,343)
Expenses		**(2,353,903)**	**(1,129,787)**
Profit before minimum taxation		**339,809**	**1,024,099**
Profit before taxation		**339,809**	**1,024,099**
Income tax charge	24(a)	(90,113)	(230,521)
Profit after taxation		**249,696**	**793,578**
Other comprehensive income, net of tax			
Items that will never be classified in profit or loss			
Net actuarial gains/(losses) on employee benefits	17(c)	35,363	(76,208)
Items that may be classified to profit or loss:			
Share of current year results in associates	12	-	16,927
Fair value changes on FVOCI	7(d)	(529,653)	295,377
Total other comprehensive income, net of tax		(494,290)	236,096
Total comprehensive income for the year		(244,594)	1,029,674
Total comprehensive income attributable to shareholders		**(244,594)**	**1,029,674**
Earnings per share - Basic (Kobo)		0.03	0.15
Earnings per share - Diluted (Kobo)		0.05	-

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

Statement of Changes in Equity
As at 31 December, 2021

2021	Share capital ₦'000	Share Premium ₦'000	Contingency Reserve ₦'000	Retained Earnings ₦'000	Actuarial Gain/(Loss) Reserve ₦'000	Fair value reserve	Total ₦'000
At 1 January	5,366,667	802,737	2,844,511	709,711	(37,065)	535,679	10,222,240
Profit for the year	-	-	-	249,696	-	-	249,696
Other comprehensive income:							
Net actuarial gains/(losses) on defined benefit obligations	-	-	-	-	35,363		35,363
Fair value changes on FVOCI	-	-	-	-	-	(529,653)	(529,653)
Total comprehensive income for the year	**-**	**-**	**-**	**249,594**	**35,363**	**(529,653)**	**(244,594)**
Transactions within Equity:							
Transfer to Contingency Reserve	-	-	382,053	(382,053)	-		-
Issue of new shares for cash	2,526,986	1,074,759					3,601,745
Share issue expenses		(179,178)					(179,178)
Issue of new shares-retained earnings capitalized	420,702	(420,702)					
Total contribution and distributions to equity holders	**2,947,688**	**474,879**	**382,053**	**(382,053)**	**-**	**-**	**3,422,567**
31 December	**8,314,355**	**1,277,616**	**3,226,564**	**577,353**	**(1,702)**	**6,026**	**13,400,212**

2020	Share capital ₦'000	Share Premium ₦'000	Contingency Reserve ₦'000	Retained Earnings ₦'000	Actuarial Gain/(Loss) Reserve ₦'000	Fair value reserve ₦'000	Total ₦'000
At 1 January	5,366,667	802,737	2,488,464	691,534	39,143	240,302	9,628,847
Adjusted 1 January 2020	5,366,667	802,737	2,488,464	691,534	39,143	240,302	9,628,847
Profit for the year	-	-	-	793,578	-	-	793,578
Transfer to Contingency Reserve			356,047	(356,047)			-
Other comprehensive income:							-
Net actuarial gains/(losses) on defined benefit obligations	-	-	-	-	(76,208)	-	(76,208)
Fair value changes FVOCI	-	-	-	-	-	295,377	295,377
Total comprehensive income for the year	**-**	**-**	**356,047**	**437,531**	**(76,208)**	**295,377**	**1,012,747**
Transactions within Equity:							
Transfer to contingency Reserve	-	-	356,047	(356,047)	-	-	-
Dividend paid within the year	-	-	-	(419,354)	-		(419,354)
Total contribution and distributions to equity holders	-	-	356,047	(356,047)	-	-	
31 December	**5,366,667**	**802,737**	**2,844,511**	**709,711**	**(37,065)**	**535,679**	**10,222,240**

Statement of Cash Flows
As at 31 December, 2021

	Note	31-Dec-21 ₦'000	31-Dec-20 ₦'000
Cash flows from operating activities			
Premium received from business written during the year	46(a)	5,115,419	6,097,501
Premium received in advance	46c(ii)	10,569,492	7,417,516
Insurance benefits and claims paid to customers	46(b)	(1,673,165)	(2,134,526)
Outward reinsurance premium paid	46(c)	(6,836,167)	(6,208,515)
Fees and commission received	46(d)	613,786	588,950
Claim recoveries made from reinsurers	46(e)	711,787	1,101,224
Commissions paid	46(f)	(2,247,660)	(2,059,900)
Cash payment to employees	46(g)	(1,040,190)	(861,657)
Other underwriting expenses (see note 34)	46(g)	(1,123,594)	(1,148,320)
Other cash payments to intermediaries and supplier	46(g)	(431,654)	(1,193,394)
Other operating income	37	208,018	206,716
Income tax paid	24	(205,847)	(23,278)
Net cash flow from Operating activities		**3,660,223**	**1,782,317**
Cash flows from investing activities			
Purchase of property and equipment	14	(199,390)	(82,773)
Purchase of intangible asset	15	(76,558)	-
(Loss)/Proceed from sale of property and equipment	46(h)	-	100,931
Proceed from sale of investment property	13	-	270,000
Purchase of financial assets	7(d)	(1,330,723)	(4,370,096)
Rental income from investment properties	46(j)	74,989	63,203
Interest income	46(l)	562,087	461,433
Dividend income	46(i)	112,253	76,037
Proceeds on redemption/disposal of financial assets	7(d)	71,695	1,240,264
Net cash flow used in investing activities		**(785,646)**	**(2,241,000)**
Cash flows from financing activities			
Payment of finance lease liabilities	22(a)	(29,528)	(35,749)
Proceeds from the issue of shares	25(ii)	3,601,745	-
Share issue expenses paid	25(ii)	(179,178)	-
Dividend paid	28	-	(419,354)
Net cash flow from financing activities		**3,393,039**	**(455,103)**
Net cash increase in cash and cash equivalents		6,267,615	**(913,786)**
Cash and cash equivalents, beginning of year	6	9,745,199	10,590,429
Effect of movement in exchange rates on cash held	38	(49,578)	68,556
Cash and cash equivalents, end of year	**6**	**15,963,236**	**9,745,199**

5 Financial risk management

Factors relating to general economic conditions, such as consumer spending, business investment, government spending, the volatility and strength of both debt and equity markets, and inflation, all affect the profitability of businesses in Nigeria.

In a sustained economic phase of low growth, characterized by higher unemployment, lower household income, lower corporate earnings, lower business investment and lower consumer spending, the demand for financial and insurance products could be adversely affected.

The Company's risk management process includes the identification and measurement of various forms of risk, the establishment of risk thresholds and the creation of processes intended to maintain risks within these thresholds while optimizing returns on the underlying assets and minimizing costs associated with liabilities. Risk range limits are established for each type of risk, and are approved by the Board's Investment Committee and subject to ongoing review.

The Company's risk management strategy is an integral part of managing the Company's core businesses, and utilizes a variety of risk management tools and techniques such as:

- Measures of price sensitivity to market changes (e.g., interest rate and foreign exchange rate);
- Asset/Liability management;
- Periodic Internal Audit and Control, and;
- Risk management governance, including risk oversight committee, policies and guidelines, and approval limits.

In addition, the company monitors and manages the financial risks relating to the operations of the organization through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk.

(a) Financial asset valuation bases

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. Fair values are determined at prices quoted in active markets. In our environment, such price information is typically not available for all instruments measured at fair value and the company applies valuation techniques to measure such instruments. These valuation techniques make maximum use of market observable data but in some cases management estimate other than observable market inputs are used within the valuation model. There is no standard model and different assumptions could generate different results.

Fair values are subject to a control framework designed to ensure that input variables and output are assessed independent of the risk taker. The Company has minimal exposure to financial assets which are valued at other than quoted prices in an active market.

Fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable input reflect market data obtained from independent sources; unobservable inputs reflect the company's market assumptions. These two types of inputs have created the following fair value hierarchy:

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

Level 2 - Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 - This includes financial instruments, the valuation of which incorporate significant inputs for the asset or liability that is not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on inputs of a similar nature, historic observations on the level of the input or analytical techniques.

This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, analysed into Levels 1 to 3 based on the degree to which the fair value is observable.

31 December 2021		Level 1 ₦'000	Level 2 ₦'000	Level 3 ₦'000	Total ₦'000
Financial Assets:					
Fair value through profit or loss:-					
Quoted equity shares	7(bi)	708,992	-	-	708,992
Total financial assets measured at fair value through profit or loss		**708,992**			**708,992**
Fair value through (OCI)					
Unquoted equities	7(bii)	540,496			540,496
Treasury bills	7(bii)	1,376,002	-	-	1,376,002
Federal government bond	7(bii)	3,163,894	-	-	3,163,894
ECL Impairment	7(bii)	(2,943)			(2,943)
Total financial assets measured at fair value through OCI		**5,077,448**	**-**	**-**	**5,077,448**
Total financial assets measured at fair value		**5,786,440**	**-**	**-**	**5,786,440**

31 December 2020		Level 1 ₦'000	Level 2 ₦'000	Level 3 ₦'000	Total ₦'000
Financial Assets:					
Fair value through profit or loss:-					
Quoted equity shares	7(bi)	756,657	-	-	756,657
			-	-	-
Total financial assets measured at fair value through profit or loss		**756,657**	**-**	**-**	**756,657**
Fair value through (OCI)					
Unquoted equities	7(bii)	541,315			
Treasury bills	7(bii)	193,500	-	-	193,500
Federal government bond	7(bii)	3,563,512	-	-	3,563,512
ECL Impairment	7(bii)	(9,671)			(9,671)
Total financial assets measured at fair value through OCI		**4,288,657**	**-**	**-**	**4,288,657**
Total financial assets measured at fair value		**5,045,313**	**-**	**-**	**5,045,313**

Financial instruments not measured at fair value
The fair value information for financial assets and financial liabilities not measured at fair value has not been disclosed because their carrying amount is a reasonable approximation of its fair value.

The financial assets and liabilities include:

Cash and cash equivalents
Cash and cash equivalents consists of cash on hand and current balances with banks. The carrying amount of current balances with banks is a reasonable approximation of fair value which is the amount receivable on demand.

Financial assets at amortised cost
The estimated value amounts to ₦70million. Financial assets at amortised cost consists of placements with financial institutions and staff mortgage loans. The carrying amount of asset at amortised cost is a reasonable approximation of fair value which is the amount receivable on demand.

Trade receivables and other receivables
The carrying amounts of trade receivables and other receivables are receivable in less than one year, are reasonable approximation of their fair values.

Bank overdrafts, trade payables, provision and other payables and finance lease obligations
The carrying amounts of bank borrowings, trade payables, provision and other payables and finance lease obligations are reasonable approximation of their fair values which are repayable on demand.

(b) Financial risks
The Company is exposed to the following categories of risks:
i) Market risk
ii) Credit risk
iii) Liquidity risk

(I) Market risk
This reflects the possibility that the value of the investments will fall as a result of changes in market conditions, whether those changes are caused by factors specific to the individual investment or factors affecting all investments traded in the market. The Company is exposed to this risk through its ?nancial assets and comprises currency risk, interest rate risk and price risk.

Currency risk
This is the risk that the carrying of financial instruments may be affected by changes in foreign exchange rates.
The Company seeks to manage its exposures to risk through control techniques which ensure that the residual risk exposures are within acceptable tolerances agreed by the Board. A description of the risks associated with the Company's principal products and the associated control techniques is detailed below.

Foreign Currency risk
The Company accepts receipt of premiums in foreign currency, in addition to Naira, as a result, the Company is exposed to risk as exchange rates fluctuate. The Company also has bank balances denominated in foreign currency.

The Company has minimal exposure to currency risk as the Company's financial assets are primarily matched to the same currencies as its insurance and investment contract liabilities. However, foreign exchange risk arises from other recognized assets and liabilities denominated in other currencies.

The carrying amounts of the Company's foreign currency denominated assets and liabilities are as follows:

31 December 2021.

	Pounds sterling	Euro	US Dollars	Total
	₦'000	₦'000	₦'000	₦'000
Assets (Cash & Cash Equivalent)	7,382	3,408	10,899,776	10,910,566
Liabilities	-	-	(10,569,492)	(10,569,492)
	7,382	**3,408**	**330,285**	**341,075**

31 December 2020.

	Pounds sterling	Euro	US Dollars	Total
	N'000	N'000	N'000	N'000
Assets (Cash & Cash Equivalent)	-	40,963	8,445,820	8,486,783
Liabilities	-	-	(7,417,516)	(7,417,516)
	-	**40,963**	**1,028,304**	**1,069,267**

Foreign currency sensitivity analysis
The following table details the Company's sensitivity to a 10% increase and decrease in foreign currency rates against the Naira. A 10% sensitivity rate is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. For each sensitivity scenario, the impact of change in a single factor is shown, with other assumptions or variables held constant.

The following tables show the effect on the profit before tax as at 31 December 2021 from N446.70/£, N555.95/Pound and N435.00/$ closing rate. These closing rates were determined from the Nigeria Autonomous Foreign Exchange Fixing (NAFEX) rate as at 31 December 2021.

31 December 2021.

	Pounds sterling	Euro	US Dollars	Total
	₦'000	₦'000	₦'000	₦'000
10% increase	738	341	33,028	34,107
10% decrease	(738)	(341)	(33,028)	(34,107)
Impact of increase on:				
Pre-tax Profit	-	-	-	373,917
Shareholders' Equity	-	-	-	13,434,217
Impact of decrease on:				
Pre-tax Profit	-	-	-	305,702

The tax impact of foreign exchange results is generally 30% of the result. This is not included in the impact on shareholders equity as the final impact will depend on the tax status of the Company when it realises the impact of the foreign exchange results for tax purposes.

31 December 2020.

	Pounds sterling ₦'000	Euro ₦'000	US Dollars ₦'000	Total ₦'000
10% increase		4,096	102,830	106,926
10% decrease		(4,096)	(102,830)	(106,926)
Impact of increase on:				
Pre-tax (loss)/profit	-	-	-	1,131,026
Shareholders' Equity	-	-	-	10,334,055
Impact of decrease on:				
Pre-tax Profit	-	-	-	917,173

The tax impact of foreign exchange results is generally 30% of the result. This is not included in the impact on shareholders equity as the final impact will depend on the tax status of the Company when it realises the impact of the foreign exchange results for tax purposes.

Interest Rates Risk

The Company's exposure to interest rate risk relates primarily to the market price and cash flow variability of assets and liabilities associated with changes in interest rates.

Insurance liabilities and employee benefits do not form part of this profile. Although they are significant liabilities subject to interest rate risk, they are not financial instruments within the scope of IFRS 7.

Changes in interest rates result to reduction in income 'spread' or the difference between the amounts that the Company is required to pay under the contracts and the rate of return the Company is able to earn on investments intended to support obligations under the contracts. Investment spread is, arguably, one of the key components of the net income of insurers.

The Company's mitigation efforts with respect to interest rate risk are primarily focused on maintaining an investment portfolio with diversified maturities that has a weighted average duration or tenor approximately equal to the duration of our liability cash flow profile.

Also, the Company manages this risk by adopting close asset/liability matching criteria, to minimize the impact of mismatches between asset and liability values arising from interest rate movements.
Furthermore, the Company uses sensitivity analytics to measure the impact of interest rate changes and movements on the value of our financial assets scenarios.

The Company is exposed to interest rate risk as it invests in fixed income and money market instruments.

Interest rate profile

At the end of the reporting period the interest rate profile of the Company's interest bearing financial instruments as reported to the Management of the Company are stated below.

Financial instruments	Notes	2021 ₦'000	2020 ₦'000
Fixed Interest rate Instruments:			
Cash and Cash equivalents	6	15,060,525	9,112,721
Federal government bonds	7(b)	3,163,894	3,563,512
Treasury bills	7(b)	3,376,002	193,500
Mortgage loans	7(c)	130,747	98,614
Finance lease obligations	22(a)	(26,176)	(55,703)
Bank overdrafts	6	(17,007)	(32,699)
		19,540,111	12,879,945

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the balance sheet date. A 0.5% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

	Fixed Interest Rate Analysis	
	2021 ₦'000	2020 ₦'000
Increase in interest rate by 50 basis points (+0.5%)	97,701	66,100
Decrease in interest rate by 50 basis points (-0.5%)	(97,701)	(66,100)
Impact of increase on:		
Pre-tax profit/(loss)	437,510	1,092,036
Impact of decrease on:		
Pre-tax profit/(loss)	242,109	957,837

The tax impact of interest rate movement is not included in the impact on shareholders equity as the final impact impact will depend on the tax status of the Company when it realises the impact of the interest rate results for tax purposes.

Equity price risk management
The Company is exposed to equity price risks arising from equity investments primarily from investments not held for unit-linked business. The shares included in financial assets represent investments in listed securities that present the Company with opportunity for return through dividend income and capital appreciation.

Equity investments designated as fair value through other comprehensive income (OCI) are held for strategic rather than trading purposes. The Company has no significant concentration of price risk.

The carrying amounts of the Company's equity investments are as follows:

		2021 ₦'000	2020 ₦'000
Equity Securities; - unquoted (fair value through OCI)	7(bii)	540,496	541,315
Equity Securities; - quoted (fair value through profit or loss)	7(bi)	708,992	756,657
		1,249,488	1,297,972

Equity price sensitivity analysis
The sensitivity analyses set out below show the impact of a 10% increase and decrease in the value of equities on profit before tax based on the exposure to equity price risk at the reporting date.

	2021 ₦'000	2020 ₦'000
10% increase	124,949	129,797
10% decrease	(124,949)	(129,797)
Impact of increase on:		
Pre-tax profit/(loss)	464,758	1,153,895
Impact of decrease on:		
Pre-tax profit/(loss)	214,861	894,301

The equity price risk is managed via an in-house stoploss limit approach.

The tax impact of interest rate movement is not included in the impact on shareholders equity as the final impact will depend on the tax status of the Company when it realises the impact of the interest rate results for tax purposes.

(ii) Credit risk
Credit risk is the risk of suffering financial loss, should any of the Company's customers, clients or market counterparties fail to fulfil their contractual obligations to the Company. Credit risk arises mainly from interbank, commercial and consumer loans and advances, and loan commitments arising from such lending activities, but can also arise from credit enhancement provided, such as credit derivatives (credit default swaps), financial guarantees, letters of credit, endorsements and acceptances.

The Company is also exposed to other credit risks arising from investments in debt securities and other exposures arising from its trading activities ('trading exposures') including non-equity trading portfolio assets and derivatives as well as settlement balances with market counterparties and reverse repurchase agreements.

Credit risk is the single largest risk for the Company's business; management therefore carefully manages its exposure to credit risk. The credit risk management and control are centralised in a credit risk management team which reports regularly to the Board of Directors and head of each business unit.

a Credit quality analysis

Credit risk grading
The Company uses internal credit risk gradings that reflect its assessment of the probability of default of individual counterparties. The Company use internal rating models tailored to the various categories of counterparty.

Borrower and loan specific information collected at the time of application (such as disposable income, and level of collateral for retail exposures; and turnover and industry type for wholesale exposures) is fed into this rating model. This is supplemented with external data such as credit bureau scoring information on individual borrowers. In addition, the models enable expert judgement from the Credit Risk Officer to be fed into the final internal credit rating for each exposure. This allows for considerations which may not be captured as part of the other data inputs into the model.

The credit grades are calibrated such that the risk of default increases exponentially at each higher risk grade. For example, this means that the difference in the PD between an A and A- rating grade is lower than the difference in the PD between a B and B- rating grade.

The following are additional considerations for each type of portfolio held by the Company:

b Expected credit loss measurement
IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

(i) A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company.

(ii) If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. Please refer to note b(i) below for a description of how the Company determines when a significant increase in credit risk has occurred.

(iii) Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. Please refer to note b(iii) below for a description of inputs, assumptions and estimation techniques used in measuring the ECL.

(iv) Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

Further explanation is also provided of how the Company determines appropriate entityings when ECL is measured on a collective basis.

The following diagram summarises the impairment requirements under IFRS 9 (other than purchased or originated credit-impaired financial assets):

Change in credit quality since initial recognition

Stage 1	Stage 2	Stage 3
(Initial recognition)	(Significant increase in credit risk since intial recognition)	(Credit-impaired assets)
12 month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

(I) Significant increase in credit risk
The Company considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

Quantitative criteria:
Lifetime PD Assessment
Changes in the lifetime PDs of exposures are evaluated and applied as one of the criterions for determining a significant increase in credit risk.

The Entity determines a change in the lifetime PDs by comparing the remaining lifetime PDs expected at initial recognition with the remaining lifetime PD at the reporting date. A lifetime PD threshold of 50% is used to assess changes for the determination of significant increase in credit risk. Exposures with changes above the preseleceted threshold are deemed to have experienced a significant increase in their credit risk. "

Credit risk grades
The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default.These factors vary depending on the nature of the exposure and the type of borrower.

Significant increase in credit risk is also determined through the use of notch differences.
Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates so, for example, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3.
Each exposure is allocated to a credit risk grade at initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade.The monitoring typically involves use of the following data.

Qualitative criteria:
(i) Significant adverse changes in business, financial and/or economic conditions in which the borrower operates
(ii) Actual or expected forbearance or restructuring
(iii) Actual or expected significant adverse change in operating results of the borrower
(iv) Employment Status (for loans only)
(v) Early signs of cashflow/liquidity problems such as delay in servicing of trade creditors/loans (Days Past Due)

The assessment of SICR incorporates forward-looking information and is performed Periodically at a portfolio level for all financial instruments held by the Company. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the independent Credit Risk team.

Backstop
A backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.

(ii) Definition of default
The Company considers a financial asset to be in default which is fully aligned with the credit-impaired, when it meets one or more of the following criteria:

Quantitaive criteria
The borrower is more than 90 days past due on its contracual payments .

Qualitative criteria
The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:
(i) The borrower is in long-term forbearance
(ii) The borrower is deceased
(iii) The borrower is insolvent
(iv) The borrower is in breach of financial covenant(s)
(v) An active market for that financial asset has disappeared because of financial difficulties
(vi) Concessions have been made by the lender relating to the borrower's financial difficulty
(vii) It is becoming probable that the borrower will enter bankruptcy
(viii) Financial assets are purchased or originated at a deep discount that reflects the incurred credit lossess.

The criteria above have been applied to all financial instruments held by the Company and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Company's expected loss calculations.

(iii) Measuring ECL – Explanation of inputs, assumptions and estimation techniques
The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

(I) The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

(ii) EAD is based on the amounts the Company expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Company includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

(iii) Loss Given Default (LGD) represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

(iv) Forward-looking information incorporated in the ECL models
The assessment of SICR and the calculation of ECL both incorporate forward-looking information. the Company has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgment has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are provided by the Company's Economics team on a quarterly basis and provide the best estimate view of the economy over the next five years. After five years, to project the economic variables out for the full remaining lifetime of each instrument, a mean reversion approach has been used, which means that economic variables tend to either a long run average rate (e.g. for unemployment) or a long run average growth rate (e.g. GDP) over a period of two to five years. The impact of these economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

In addition to the base economic scenario, the Company's Economics team also provide other possible scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure non-linearities are captured. The number of scenarios and their attributes are reassessed at each reporting date. At 1 January 2021 and 31 December 2021, for all but two portfolios the Company concluded that three scenarios appropriately captured non-linearities. For portfolios [X] and [Y], the Company concluded that two additional downside scenarios were required. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of. The assessment of SICR is performed using the Lifetime PD under each of the base, and the other scenarios, multiplied by the associated scenario weighting, along with qualitative and backstop indicators (see note b(i)). This determines whether the whole financial instrument is in Stage 1, Stage 2, or Stage 3 and hence whether 12-month or lifetime ECL should be recorded. Following this assessment, the Company measures ECL as either a probability weighted 12 month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs). As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. the Company considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Company's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

c Credit risk exposure
Maximum exposure to credit risk – Financial instruments subject to impairment
For ECL purposes, the bank's financial asset is segmented into sub-portfolios are listed below
- Mortgage loans
- Premium receivables
- Intercompany receivables
- Investment securities
- Placements with other banks

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the entity's maximum exposure to credit risk on these assets.

		Mortgage loans					
		2021					2020
ECL staging		Stage 1 12-month ECL ₦'000	Stage 2 Lifetime ECL ₦'000	Stage 3 Lifetime ECL ₦'000	Purchased credit-impaired ₦'000	Total ₦'000	Total ₦'000
Credit grade							
Investment grade	7(c)	75,227				75,227	98,614
Standard monitoring							
Special monitoring							
Default							
Gross carrying amount		**75,227**	-	-	-	**75,227**	**98,614**
Loss allowance	7(c)	(5,256)				(5,256)	(4,879)
Carrying amount		**69,971**	-	-	-	**69,971**	**93,735**

	Investment Securities and Placements with other banks					
	2021					2020
ECL staging	Stage 1 12-month ECL ₦'000	Stage 2 Lifetime ECL ₦'000	Stage 3 Lifetime ECL ₦'000	Purchased credit-impaired ₦'000	Total ₦'000	Total ₦'000
Credit grade						
Investment grade	10,708,565				10,708,565	12,879,373
Standard monitoring						
Gross carrying amount	**10,708,565**	-	-	-	**10,708,565**	**12,879,373**
Loss allowance	(2,171)				(2,171)	(10,048)
Carrying amount	**10,706,395**	-	-	-	**10,706,395**	**12,869,325**

Maximum exposure to credit risk – Financial instruments not subject to impairment
The following table contains an analysis of the maximum credit risk exposure from financial assets not subject to impairment (i.e. FVTPL):

	Maximum exposure to credit risk ₦'000
Trading assets	
• Debt Securities	-
• Derivatives	-
Equity Investment	-
Financial assets designated at fair value	-
• Debt securities	-
• Loans and advances to customers	-
Total exposure	-

Investment securities
The entity holds investment securities measured at amortised cost with a carrying amount of ₦69.7 million and at FVTOCI with a carrying amount of ₦4.968billion. The investment securities held by the entity are sovereign bonds and corporate bonds, which are not collateralised.

d Loss allowance
The loss allowance recognised in the period is impacted by a variety of factors, as described below:
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis;
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements; and
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period (see note ii(e)).

e Write-off policy
The entity writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the entity's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

f Modification of financial assets
The entity sometimes modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximising recovery.

Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans.

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset (refer to notes 3(d)(iv)). The entity monitors the subsequent performance of modified assets. The entity may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for six consecutive months or more.

The entity continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets through the use of specific models for modified assets.

g Financial assets based on credit risk
The Company has adopted a policy of dealing with only creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company transacts with only entities that have an investment grade rating and above.

This information is supplied by independent rating agencies, where available, and if not available, the Company uses other publicly available financial information and its own trading records to rate its major policyholders and reinsurers

The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee periodically.

The credit risk on liquid funds and other near cash financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The majority of debt securities are investment grade and the company has very limited exposure to sub-standard credits.

Reinsurance assets are reinsurers' share of outstanding claims and reinsurance receivables. They are allocated below on the basis of ratings for claims paying ability.

Loans and receivables from policyholders, agents and intermediaries generally do not have a credit rating.

The following table shows aggregated credit risk exposure for assets with external credit ratings:-

Analysis of financial assets based on credit risk grades

31 December 2021	Notes	AAA ₦'000	AA ₦'000	A+ ₦'000	A ₦'000	BBB ₦'000	B ₦'000	Not rated ₦'000	Carrying Amount ₦'000
Fair value through other comprehensive income (FVTOCI)									
- FGN Bond	7(b)	-		-	-	-	3,163,894	-	3,163,894
- Treasury bills (> 90 days)	7(b)		-	-	-	-	1,376,002	-	1,376,002
		-	-	-	-	-	4,539,895	-	4,539,895
Financial assets at amortised cost:									
- Mortgage Loans	7(c)	-	-	-	-	-	75,227		75,227
		-	-	-	-	-	75,227		75,227
Fair value through other comprehensive income (FVTOCI)									
- Unquoted equities	7(b)						540,496		540,496
		-	-	-	-	-		-	-
Cash and cash equivalents:									
- Bank balances	6	-	-	941,183		-		-	941,183
- Tenor Deposits (0-30 days)	6	-	-	15,060,525	-	-			15,060,525
		-	-	16,001,707	-	-		-	16,001,707
Reinsurance assets:									
Reinsurance claims recoverable	9	-	-	-	-	-		1,015,524	1,015,524
Trade/Insurance receivables	8	-	-	-	-	-		135,160	135,160
								1,150,683	1,150,683
- Statutory deposit with CBN	16	-	-	-	-	-		340,000	340,000
		-	-	-	-	-		340,000	340,000
									22,648,009

31 December 2020	Notes	AAA ₦'000	AA ₦'000	A+ ₦'000	A ₦'000	BBB ₦'000	B ₦'000	Not rated ₦'000	Carrying Amount ₦'000
Fair value through other comprehensive income(oci)									
- FGN Bond	7(b)	-	-	-	-	-	3,563,512	-	3,563,512
- Treasury bills (> 90 days)	7(b)	-	-	-	-	-	193,500	-	193,500
		-	-	-	-	-	3,757,012	-	3,757,012
Loans and receivables:									
- Mortgage Loans	7(c)	-	-	-	-	-	98,614	-	98,614
		-	-	-	-	-	98,614	-	98,614
Fair value through other comprehensive income (FVTOCI)									
- Unquoted equities	7(b)	-	-	-	-	-	541,315	-	541,315
Cash and cash equivalents:									
- Bank balances	6	-	664,669	-	-	-	-	-	664,669
- Tenor Deposits (0-30 days)	6	-	9,112,721	-	-	-	-	-	9,112,721
		-	9,777,390	-	-	-	-	-	9,777,390
Reinsurance assets:									
Reinsurance claims recoverable	9	-	-	-	-	-	-	1,292,145	1,292,145
Trade/Insurance receivables	8	-	-	-	-	-		69,468	69,468
		-	-	-	-	-	-	1,361,613	1,361,613
- Statutory deposit with CBN	16	-	-	-	-	-		340,000	340,000
									15,875,943

Analysis of financial assets based on past due status
31 December 2021

Past due status	Notes	Assets carried at fair value other comprehensive income ₦'000	Held to maturity ₦'000	Other receivables less ₦'000	Financial assets at amortised ₦'000	Recoverable from reinsurers ₦'000	Insurance/trade receivables ₦'000
Past due and impaired	11	-	-	1,345,398	-	-	-
Past due more than 90 days	9	-	-	-	-	-	-
Past due 31 to 90 days	8	-	-	-	-	-	284,215
Past due less than 30 days		-	-	-	-	-	-
Neither past due nor impaired	7,11,9,8	1,228,129	-	-	69,971	1,015,524	135,160
Total Carrying Amount		**1,228,129**	**-**	**1,345,398**	**69,971**	**1,015,524**	**419,374**

31 December 2020

Past due status	Notes	Assets carried at fair value other comprehensive income ₦'000	Held to maturity ₦'000	receivables less prepayments ₦'000	assets at amortised cost ₦'000	Recoverable from reinsurers ₦'000	Insurance/trade receivables ₦'000
Past due and impaired	11	-	-	766,753	-	-	-
Past due more than 90 days	9	-	-	-	-	-	-
Past due 31 to 90 days	8	-	-	-	-	-	953,051
Past due less than 30 days		-	-	-	-	-	-
Neither past due nor impaired	7,11,9,8	193,500	-	-	93,735	1,292,145	69,468
Total Carrying Amount		**193,500**	**-**	**766,753**	**93,735**	**1,292,145**	**1,022,519**

(iii) Liquidity risk

The Company's principal objective in managing our liquidity and our capital resources is to maximize the returns on capital to shareholders, while enabling us to pay claims, pay dividends, pay staff and fulfill our statutory obligations to our regulators and the different tiers of government in the environment in which we operate. Effective and prudent liquidity is a priority across the company.

Management monitors the liquidity of Royal Exchange General Insurance Limited on a daily basis and projects her financial needs over a multi-year time horizon through our quarterly budget and review process. We believe that the cash flows from the sources of fund available to the Company are sufficient to satisfy the current liquidity requirements of the Company, including under reasonably foreseeable stress scenarios.

In managing our liquidity (and of course our capital), we seek to:
- Match the profile of our assets and liabilities, taking into account the risks inherent in each line of product;
- Maintain financial strength to support new business growth whilst still satisfying the requirements of policyholders and regulators;
- Retain financial flexibility by maintaining strong liquidity, and;
- Allocate liquid resources efficiently to support growth while we pay claims and other commitments promptly.

Sources of Liquidity

In managing our cash flow position, we have a number of sources of liquidity, including the following principal sources:
- Premium Income;
- Investment income
- Investment assets

Application of funds

The principal uses of our liquidity include:
- Payment for normal running of operations
- Payment of Claims
- Payment of Staff benefits;
- Purchase of investments' and;
- Payment in connection with financing activities.

The company's assets are mainly made up of cash and bank balances.

Maturity Profile

The following table shows the company's expected maturity for its non-derivative assets. The table has been drawn up based on the undiscounted contractual maturities of the assets including interest that will be earned on those assets except where the company anticipates that the cash flow will occur in a different period.

It also shows details of the expected maturity profile of the company's undiscounted obligations with respect to its financial liabilities and estimated cash flows of recognized insurance contract liabilities. It includes both interest and principal cash flows. It is noted that all equity investments have an undetermined maturity.

It should be noted that reinsurers' share of unearned premiums are excluded from this analysis.

31 December 2021	**Notes**	**Carrying amount**	**Contractual cashflow**	**< 1 month**	**1 - 3 months**	**3 - 12 months**	**1 - 5 years**	**> 5 years**
Non-derivative financial assets		**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Cash and cash equivalents	6	15,980,243	15,980,243	7,131,164	3,191,494	296,801	-	-
Fair value through other comprehensive income	7(b)	1,228,129	-	-	-	1,228,129	-	-
Financial assets at amortised cost	7(c)	69,971	-	-	-	69,971	-	-
Trade receivables	8	135,160	135,160	-	135,160	-	-	-
Reinsurance assets - recoverable from reinsurers	9	1,015,525	-	-	-	1,015,525	-	-
Statutory deposits	16	340,000	340,000				340,000	
		18,769,028	**16,455,403**	**7,131,164**	**3,326,653**	**2,610,427**	**340,000**	**-**
Non-derivative financial liabilities								
Bank overdrafts	6	17,007	17,007	17,007	-	-	-	-
Trade payables	20	10,886,461	-	10,569,492	316,970	-	-	-
Finance lease obligations	22(a)	26,176	26,176	26,176	-	-	-	-
Other liabilities	21	1,473,231	1,473,231	1,473,231	-	-	-	-
		12,402,875	1,516,414	12,085,905	316,970	-	-	-
Gap (asset - liabilities)		6,366,153	14,938,989	(4,954,742)	3,009,683	2,610,427	340,000	-
Cumulative liquidity gap		29,513,491	20,218,519	15,263,777	18,273,460	20,883,888	21,223,888	

31 December 2020	**Notes**	**Carrying amount**	**Contractual cashflow**	**< 1 month**	**1 - 3 months**	**3 - 12 months**	**1 - 5 years**	**> 5 years**
Non-derivative financial assets		**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Cash and cash equivalents	6	9,777,898	-	8,274,830	1,503,068	-	-	-
Fair value through other comprehensive income	7(b)	193,500	-	-	-	193,500	-	-
Loans and receivables	7(c)	93,735	-	-	-	93,735	-	-
Trade receivables	8	69,468	69,468	-	69,468	-	-	-
Reinsurance assets - recoverable from reinsurers	9	1,292,145	-	-	-	1,292,145	-	-
Statutory deposits	16	340,000	340,000	-		-	340,000	-
		11,766,745	**409,468**	**8,274,830**	**1,572,536**	**1,579,381**	**340,000**	**-**
Non-derivative financial liabilities								
Bank overdrafts	6	32,699	32,699	32,699	-	-	-	-
Trade payables	20	7,739,026	-	7,417,516	321,511	-	-	-
Finance lease obligations	22(a)	55,703	55,703	55,703	-	-	-	-
Other Liabilities	21	1,109,902	1,109,902	1,109,902	-	-	-	-
		8,937,330	1,198,304	8,615,820	321,511	-	-	-
Gap (asset - liabilities)		2,829,415	(788,837)	(340,990)	1,251,025	1,579,381	340,000	-
Cumulative liquidity gap		23,147,338	5,279,530	6,255,380	10,869,318	13,361,440	12,462,059	-

Although the company has access to financing facilities, the company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets and other sources listed in "Sources of Liquidity" above.

Insurance risk management

The Company accepts insurance risk through its insurance contracts where it assumes the risk of loss from persons or organisations that are directly subject to the underlying loss. The Company is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts.

The Company manages its risk via its underwriting and reinsurance strategy within an overall risk management framework. Pricing is based on assumptions which have regard to trends and past experience. Exposures are managed by having documented underwriting limits and criteria. Reinsurance is purchased to mitigate the effect of potential loss to the Company from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital. Reinsurance policies are written with approved reinsurers on either a proportional or excess of loss treaty basis.

Regulatory capital is also managed (though not exclusively) by reference to the insurance risk to which the Company is exposed.

Non-life insurance

The Company writes fire, general accident, oil & gas, engineering, bond, marine and motor risks primarily over a twelve month duration (usually longer for engineering policies). The most significant risks arise from natural disasters, climate change and other catastrophes (i.e. high severity, low frequency events). A concentration of risk may also arise from a single insurance contract issued to a particular demographic type of policyholder, within a geographical location or to types of commercial business. The relative variability of the outcome is mitigated if there is a large portfolio of similar risks.

The concentration of non-life insurance by the location of the underlying risk is summarised below by reference to liabilities.

		Gross		Reinsurance		Net	
		2021	2020	2021	2020	2021	2020
		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Non-life insurance							
- Within Nigeria	23(a)	4,694,850	4,042,104	1,818,151	1,744,049	2,876,699	2,298,056
- Outside Nigeria		-	-	-	-	-	-
		4,694,850	4,042,104	1,818,151	1,744,049	2,876,699	2,298,056

The concentration of non-life insurance by type of contract is summarised below by reference to liabilities.

		Gross		Reinsurance		Net	
		2021	2020	2021	2020	2021	2020
		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Fire	23(a)	957,432	882,033	510,121	544,473	447,311	337,560
Accident	23(a)	537,779	487,251	111,831	82,691	425,948	404,560
Motor	23(a)	873,240	742,766	66,456	70,066	806,784	672,700
Marine	23(a)	551,548	409,842	187,668	122,263	363,880	287,579
Oil and Gas	23(a)	1,347,065	1,225,670	719,045	720,266	628,019	505,404
Engineering	23(a)	276,528	194,860	144,861	146,936	131,667	47,924
Bond	23(a)	10,602	11,884	5,301	5,942	5,301	5,942
Agric	23(a)	140,656	87,798	72,867	48,477	67,789	39,321
		4,694,850	**4,042,104**	**1,818,151**	**1,741,113**	**2,876,699**	**2,300,991**
Outstanding Claims (IBNR & reported)							
Fire	23	528,465	628,244	346,311	461,615	182,153	166,629
Accident	23	293,165	327,144	42,424	51,016	250,741	276,128
Motor	23	318,364	334,395	44,436	50,743	273,928	283,652
Marine	23	231,478	146,526	62,778	44,360	168,701	102,166
Oil and Gas	23	724,304	815,399	375,546	547,793	348,758	267,606
Engineering	23	108,348	114,181	67,945	81,155	40,402	33,027
Bond	23	9,970	11,779	4,985	5,889	4,985	5,890
Agric	23	135,093	79,490	71,099	49,573		
Total		**2,214,094**	**2,457,159**	**1,015,524**	**1,292,144**	**1,269,669**	**1,135,098**
Unexpired Risk							
Fire	23(b)	428,968	253,789	163,810	82,858	265,158	170,931
Accident	23(b)	244,614	160,107	69,407	31,675	175,207	128,432
Motor	23(b)	554,876	408,371	22,020	19,324	532,856	389,047
Marine	23(b)	320,070	263,316	124,891	77,903	195,179	185,414
Oil and Gas	23(b)	622,761	410,271	343,499	172,473	279,261	237,798
Engineering	23(b)	168,180	80,679	76,916	65,781	91,265	14,898
Bond	23(b)	632	105	316	53	316	53
Agric	23(b)	5,563	8,308	1,768	-	3,794	8,308
Total		**2,345,664**	**1,584,946**	**802,627**	**450,065**	**1,543,036**	**1,134,881**

Reserving Methods and Assumptions
To ensure the estimates calculated are not biased by the underlying assumptions of the model chosen, four different deterministic methods method were considered.

a Chain ladder Method

i The Basic Chain Ladder Method (BCL)
The Basic Chain Ladder method forms the basis to 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 years, paid claims were accumulated to the valuation date and projected 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 cummulated paid claims and the estimated ultimate claims.

ii The Inflation Adjusted Chain Ladder Method (IACL):
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 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.

iii Discounted Basic Chain Ladder (BCL) and inflation Adjusted Basic Chain Ladder (BCL) and inflation Adjusted Basic Chain Ladder (IABCL)
Historical claims paid were grouped into 10 years cohorts-representing when they were paid after the underwriting year. 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.

b Loss Ratio Method
Under this method the ultimate claims is obtained by studying the historical loss ratios, investigating any differences and using judgements to derive a loss ratio. Paid claims already emerged were deducted from the estimated Ultimate claims to obtain the reserves.

c Bornhuetter-Ferguson Method
This method combines the estimates attained from the Chain Ladder and Loss Ratio methods. The BF methods takes a weighted average of the two estimates, where the weights are related to the number of claims already reported. Therefore, the more past information there is available, the higher the weighting given to the chain ladder estimate.

d Frequency and Severity Method
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 and ultimate average cost which was then adopted for the accident years that are not fully run off.

Method selected-Discounted IABCL
The IBNR reserves are determined using deterministic callculations which provide a "best estimate" of the reserve. The "best-estimate" is determined by applying a combination of the Chain Ladder("CL) and the Bornhuetter-Ferguson ("BF") methods to attritional paid claims triangles. The combinaion 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 more heavily 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 the reported to date is a less reliable estimate of the ultimate loss, a BF method is used which makes use of an estimate of the ultimate loss ratio.

Assumptions underlying the Valuation Methods
- **I** Claims occur uniformly throughout the year for each class of business. This implies that claims occur on an average halfway through year
- **ii** 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.
- **iii** Development year to the next is used to calculate the expected cumulative payments for the future development period.
- **iv** An implicit assumption of the chain ladder is that weighted past average inflation will remain unchanged into the future.
- **v** We assume gross claim amount includes all related claim expenses. If this is not the case, the Company will hold a separate reserve to cover claim expenses.
- **vi** The UPR is calculated on assumption that the risk will occur evenly during the duration of the policy.
- **vii** Under the Average Cost per claim method used in estimating large losses, the Company assumed the early years (e.g accident years 2007,2008) are fully developed.
- **viii** The run off period is twelve (12) years and hence the method assumes no more claims will be paid subsequently.

(c) Capital Management

The Company's capital management framework is primarily based on statutory risk-based capital and solvency margin measures. The Company manages its capital to ensure that it continues as a going concern and complies with the regulators' capital requirements while maximizing the return to stakeholders through the optimization its equity balance.The capital structure of the company consists of equity attributable to equity holders of the company, comprising issued capital, reserves and retained earnings. Reinsurance is also used as part of capital management.

The regulatory capital (as required under Insurance Act 2003 and NAICOM Guideline) within the Company has been maintained and preserved over the reporting periods. The minimum regulatory capital for general insurers in Nigeria is N3billion.

The objectives, policies and processes for managing capital were unchanged. Under our capital management policy approved by the Board of Directors, the Managing Director and the Chief Financial Officer are authorized to approve capital actions on behalf of the company and to further delegate authority with respect to capital actions to appropriate officers. Any capital commitment that exceeds the authority granted to senior management is separately authorized by the Board.

The table below sets out the capital that is managed by the Company on regulatory basis:

The Insurance Act 2003 (Section 24) prescribed that an insurer shall in respect of its business other than life insurance business, maintain a margin of solvency being the excess of the value of its admissible assets in Nigeria over its liabilities in Nigeria.

The solvency margin, which is determined as the excess of admissible assets over total liabilities shall not be less than 15% of the gross premium income less reinsurance premiums paid out during the year under review or the minimum paid up capital, whichever is greater.

The company's solvency position is as follows:

Solvency margin computation		**2021**	**Adminssible**	**2020**
Admissible Assets	**₦'000**	**₦'000**	**₦'000**	**₦'000**
	Total	**Admissible**	**Inadmissible**	
Cash and cash equivalents	15,980,243	15,980,243		8,855,782
Financial assets:				
- At fair value through profit or loss	708,992	708,992		756,657
- At fair value through other comprehensive income	5,077,449	5,077,449		4,288,656
- Amortised cost	69,971	69,971		93,735
Trade receivables	135,160	135,160		69,468
Reinsurance assets	1,818,151	1,818,151		1,744,049
Deferred acquisition cost	362,286	362,286		225,256
Other receivables:	1,063,777	-	1,063,777	-
Investment in associates	455,039	455,039		453,145
Right of use asset	32,806	32,806		71,472
Investment properties	3,856,305	2,173,713	1,682,592	1,771,341
Property and equipment(L&B)	1,012,606	-	1,012,606	-
Property and equipment (EXCL L&B)	230,138	230,138		96,081
Intangible assets	64,556	64,556		-
Statutory deposit	340,000	340,000		340,000
Employees benefits assets	310,990	310,990		257,168
A	**31,518,470**	**27,759,494**	**3,758,975**	**19,022,809**
Less: Admissible liabilities				
Insurance liabilities	4,694,850	4,694,850		4,042,104
Bank overdrafts	17,007	17,007		32,699
Deferred income	174,533	174,533		138,244
Trade and other payables	10,886,461	10,886,461		7,739,026
Provision and other payables	1,473,231	1,473,231		1,109,902
Finance lease obligations	26,176	26,176		55,703
Current income tax liabilities	261,460	261,460		388,492
Employees benefits obligations	45,099	45,099		26,893
Deferred tax liabilities	539,543	-	539,543	-
B	**18,118,361**	**17,578,818**	**539,543**	**13,533,063**
Solvency margin (A-B)	**13,400,109**	**10,180,777**	**3,219,432**	**5,489,746**
Minimum paid up capital	**3,000,000**	**3,000,000**		**3,000,000**
Net premium	5,493,489			-
15% of Net premium	824,023			-
Excess/(deficit) solvency margin	**10,400,109**	**7,180,777**		**2,489,746**

The company's solvency margin of ₦10,180,777,000.00 (2020: ₦5,489,746,000) is above the minimum paid up capital of ₦3,000,000,000 (2020: N3,000,000,000) prescribed by the Insurance Act of Nigeria.

(d) Financial assets and liabilities
Accounting classification, measurement basis and fair values

The table below sets out the Company's classification of each class of financial assets and liabilities, and their fair values.

31 December 2021

	Notes	Financial assets at amortised cost	Designated at fair value	Available-for-sale	Other financial liabilities at amortised cost	Total carrying amount	Fair value
		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents	6	15,980,243	-	-	-	15,980,243	15,980,243
Financial assets	7	69,971	708,992	-	-	778,963	778,963
Trade receivables	8	135,160	-	-	-	135,160	135,160
Other receivables less prepayments	11	1,089,550	-	-	-	1,089,550	1,089,550
Statutory deposits	16	340,000	-	-	-	340,000	340,000
Reinsurance assets	9	1,015,524	-	-	-	1,015,524	1,015,524
		18,630,447	**708,992**	**-**	**-**	**19,339,439**	**19,339,439**
Bank overdrafts	6	-	-	-	17,007	17,007	17,007
Trade payables	20	-	-	-	10,886,461	10,886,461	10,886,461
Other liabilities	21	-	-	-	1,473,231	1,473,231	1,473,231
		-	**-**	**-**	**12,376,699**	**12,376,699**	**12,376,699**

31 December 2020

	Notes	Financial assets at amortised cost	Designated at fair value	Available-for-sale	Other financial liabilities at amortised cost	Total carrying amount	Fair value
		₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cash and cash equivalents	6	9,777,898	-	-	-	9,777,898	9,777,898
Financial assets	7	93,735	756,657	-	-	850,392	850,392
Trade receivables	8	69,468	-	-	-	69,468	69,468
Other receivables less prepayments	11	898,949	-	-	-	898,949	898,949
Statutory deposits	16	340,000	-	-	-	340,000	340,000
Reinsurance assets	9	1,292,145	-	-	-	1,292,145	1,292,145
		12,472,194	756,657	-	-	13,228,853	13,228,853
Bank overdrafts	6	-	-	-	32,699	32,699	32,699
Trade payables	20	-	-	-	7,739,026	7,739,026	7,739,026
Other liabilities	21	-	-	-	1,109,902	1,109,902	1,109,902
		-	-	-	8,881,628	8,881,628	8,881,628

		2021 ₦'000	2020 ₦'000
6	**Cash and cash equivalents**		
	Cash	324	884
	Bank balances	941,183	664,669
	Short-term deposits (including demand and time deposits)	15,060,525	9,112,721
	ECL Impairment loss on short-term deposit	(21,788)	(376)
	Cash and cash equivalents (as per statement of financial position)	15,980,243	9,777,898
6a(i)	**Borrowings**		
	Bank overdraft (see 6a(i))	(17,007)	(32,699)
	Cash and cash equivalents (as per statement of cash flows)	**15,963,236**	**9,745,199**
	Movements in bank loan during the year is as follows		
	At 1 January	32,699	29,030
	Addition during the year	-	-
	Interest capitalized	-	3,669
	Repayment during the year	(15,692)	-
	At 31 December	17,007	32,699

Short–term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Company. All deposits were subject to an average variable interest rate of 6% (2020: 8%).

		2021 ₦'000	2020 ₦'000
6(b)	Movement in ECL impairment loss on short on short-term deposit		
	Balance at the beginning of the year	376	1,690
	Impairment charge/(reversal) during the year	21,412	(1,314)
		21,788	367

		2021 ₦'000	2020 ₦'000
7	**Financial assets**		
	Fair value through profit or loss (FVTPL) (see note 7(b)(i) below	708,992	756,657
	Fair value through other comprehensive income (FVOCI) (see note 7(b)(ii) below	5,077,449	4,288,656
	Loans and receivables at amortised cost (see note 7(c) below	69,971	93,735
	Total financial assets	**5,856,412**	**5,139,048**
	Within one year	1,228,129	193,500
	More than one year	4,628,283	4,945,548
		5,856,412	**5,139,048**

The company's investments in unlisted equities are carried at fair value in line with IFRS 9 and IFRS 13. Quoted investments are carried at fair value with the changes recognised in profit or loss.

7(a) The company's investments in unlisted equities are carried at fair value in line with IFRS 9 and IFRS 13. Quoted investments are carried at fair value with the changes recognised in profit or loss.

7(b)(i) Fair value through profit or loss (FVTPL)

	2021 ₦'000	2020 ₦'000
Quoted equities	708,992	756,657

7(b)(ii) Fair value through other comprehensive income (FVOCI)

	2021	2020
Federal Government bonds	3,163,894	3,563,512
Treasury bills	1,376,002	193,500
Unquoted equities	540,496	541,315
Expected Credit Loss (ECL)	(2,943)	(9,671)
	5,077,449	4,288,656

7(b)(iii) Movement in ECL impairment loss on FVOCI

	2021 ₦'000	2020 ₦'000
Balance at the beginning of the year	9,671	675
Impairment charge/(reversal) during the year- treasury bills	-	8,896
Impairment charge/(reversal) during the year- FGN bond	(6,728)	99
Balance at the end of the year	2,943	9,671

7(c) Loans and receivables at amortized cost

	2021 ₦'000	2020 ₦'000
Staff mortgage loans	130,747	154,134
Prepaid (EIR)	(55,520)	(55,520)
Expected Credit Loss	(5,256)	(4,879)
	69,971	93,735

7(ci) Movement in ECL impairment loss on amortized cost

	2021 ₦'000	2020 ₦'000
Balance at the beginning of the year	4,879	4,879
Impairment charge/(reversal) during the year	377	-
Balance at the end of the year	5,256	4,879

7(d) The movement in financial assets are summarized as follows:-

2021	Fair value through profit or loss ₦'000	Financial assets at amortised cost ₦'000	Fair value through OCI ₦'000	Total ₦'000
As at 1 January	756,657	93,735	4,288,656	**5,139,048**
Additions/(Recoveries) during the year	-	12,276	1,318,447	**1,330,723**
Disposal (sales & redemptions)	(36,033)	(35,662)	-	**(71,695)**
Impairment write-back/(allowance) for the year		(377)	-	**(377)**
Fair value gain/(loss) recognised in profit or loss	(11,633)	-	-	**(11,633)**
Fair value losses recognised in OCI	-	-	(529,653)	**(529,653)**
	708,992	**69,971**	**5,077,449**	**5,856,413**

2020				
At 1 January	666,175	44,674	701,341	1,412,190
Additions/(Recoveries) during the year	25,352	118,105	4,226,639	4,370,097
Interest accrued	-	6,409	239,050	245,458
Disposal (sales & redemptions)	(56)	(75,453)	(1,164,755)	(1,240,264)
Impairment write-back/(allowance) for the year		-	(8,996)	(8,996)
Fair value gain recognised in profit or loss	65,186	-	295,377	360,563
As at 31 December	**756,657**	**93,735**	**4,288,656**	**5,139,048**

		2021 ₦'000	2020 ₦'000
8	**Trade receivables**		
	Due from brokers (see note 8(a) below)	**135,160**	**69,468**
	Within 30 days	135,160	69,468
	Above 30 days	-	-
		135,160	**69,468**
8(a)	**The analysis of due from agents is as follows:**		
	Due from insurance brokers	380,951	178,776
	Due from insurance agents	-	-
	Due from co-insurers-(Note 8(b))	-	-
	Less: ECL Impairment allowance (see note 8a(i) below)	(245,791)	(109,308)
		135,160	**69,468**
8(a)(i)	The movements in impairment allowance on amount due from agents is analysed below;		
	At 1 January	109,308	129,453
	Impairment allowance	136,484	-
	Recovery made during the year	-	(20,146)
	At 31 December	**245,792**	**109,308**
	Recovery relates to receipt on trade premium receivables from brokers during the year		
(b)	**Due from co-insurers**		
	Reinsurance receivables	653,818	843,743
	Less: Impairment allowance (see note (8b)(i) below)	(653,818)	(843,743)
		-	-
(b)(i)	The movements in impairment allowance on reinsurance receivables is analysed below:		
	At 1 January	843,743	565,626
	Recovery made during the year	(189,925)	-
	Impairment made during the year	-	278,117
	At 31 December	**653,818**	**843,743**
9	**Reinsurance assets**		
	Prepaid reinsurance premium (see note 9(a))	802,628	451,905
	Reinsurers' share of claims expenses outstanding (see note 9(b))	238,918	586,681
	Reinsurers' share of incurred but not reported claim (see note 9(c))	776,605	705,463
		1,818,151	**1,744,049**

		2021 ₦'000	2020 ₦'000
(a)	The movement in prepaid reinsurance premium is shown below:		
	At 1 January	451,905	441,565
	Movement during the year (see note 31)	350,723	10,340
	At 31 December	**802,628**	**451,905**
(b)	The movement in reinsurer's share of outstanding claims is shown below:		
	At 1 January	586,681	1,057,893
	Movement during the year (see note 33(c))	(347,763)	(471,212)
	At 31 December	**238,918**	**586,681**
(c)	The movement in reinsurer's share of incurred but not reported claim is shown below:		
	At 1 January	705,463	735,839
	Movement during the year (see note 33(c))	71,142	(30,376)
	At 31 December	**776,605**	**705,463**

		2021	2020
(d)	Analysis of reinsurance assets by business classes are as follows:	₦'000	₦'000
	Fire	510,121	544,473
	General Accident	111,831	82,691
	Motor	66,456	70,066
	Marine	187,668	122,263
	Oil & Gas	719,045	720,266
	Engineering	144,861	146,936
	Bond	5,301	5,942
	Agric	72,867	48,477
		1,818,151	**1,741,114**
	Within one year	1,818,151	1,741,114
	More than one year	-	-
		1,818,151	**1,741,114**

Reinsurance assets are valued after an allowance for their recoverability.

10 Deferred acquisition cost

This represents the unexpired portion of the commission paid to brokers and agents as at the reporting date.

	2021 ₦'000	2020 ₦'000
At 1 January	225,256	162,489
Additions in the year	2,212,394	2,034,808
Amortization in the year	(2,075,364)	(1,972,041)
At 31 December	**362,286**	**225,256**

		2021 ₦'000	2020 ₦'000
(a)	Analysis of deferred acquisition cost by class of insurance are as follows:		
	Fire	80,499	40,839
	Accident	42,823	27,010
	Motor	38,846	24,836
	Marine and aviation	41,780	34,289
	Oil & Gas	124,544	82,270
	Engineering	33,188	15,218
	Bond	11	7
	Agric	595	787
		362,286	**225,256**

11 Other receivables and prepayment	Gross amount 31 Dec, 2021 (a) ₦'000	Opening (b) ₦'000	Addition (c) ₦'000	write-back (d) ₦'000	Total (e)=(b)+(c)+(d) ₦'000	Carrying amount 31 Dec 2021 (f)=(a)-(e) ₦'000	₦'000
Intercompany receivables (see note 11(a) below)	430,531	51,881	-	-	51,881	378,650	572,428
Accrued investment income (see note 11 (b) below)	27,770	26,635	-	-	26,635	1,135	-
Sundry receivables (see note 11(c) below)	785,916	766,753	-	-	766,753	19,163	17,122
Security Holding Trust account (see 11(d) below	527,079	27,079	-	-	27,079	500,000	500,000
Prepayments (see 11(e) below	164,828	-	-	-	-	164,828	128,903
	1,936,124	**872,348**	-	-	**872,348**	**1,063,777**	**1,218,453**

11(a) Intercompany receivables

	2021 ₦'000	2020 ₦'000
Royal Exchange Prudential Life Assurance	18,845	-
Royal Exchange Healthcare Ltd	61,540	52,497
Royal Exchange PLC	350,146	571,812
Expected Credit Loss: intercompany receivables	(51,881)	(51,881)
	378,650	**572,428**

The amount receivable from Royal Exchange Plc represents the inter-company funding advanced to Royal Exchange Plc by the Company for its operational activities. Also included are the group cost allocated to the company, expenses incurred on behalf of the company, expenses the company incurred on behalf of Royal Exchange Plc. The amount receivable from Royal Exchange Prudential Life Plc and Royal Exhange Healthcare Ltd represents the net of the expenses incurred on behalf of the companies.

The intercompany balances do not attract any interest charges. They have repayment plan that is effective 2022 to offset the outstandings due to Royal Exchange General Insurance Company Limited in cash and /or by offsetting with other payables to the company.

11(b) Accrued Investment Income

	2021 ₦'000	2020 ₦'000
Dividend receivables	27,770	26,635
Impairment allowance (see note 11b(i)	(26,635)	(26,635)
At 31 December	**1,135**	**-**

11b(i) The movements in impairment allowance on dividend receivable is analysed below

	2021	2020
At 1 January	26,635	19,827
Allowance made during the year	-	6,808
At 31 December	**26,635**	**26,635**

Impairment allowance relates to dividend income accrued on various quoted equities. Accrued dividend income ages above 365days and recoverability is doubtful.

11(c) Sundry Receivables

	2021 ₦'000	2020 ₦'000
Other receivable	738,828	698,801
(See note 11(c)(i) below)	-	-
Accrued rental Income	45,210	18,575
(See note 11(c)(i) below)	1,877	66,499
	785,916	783,875
Impairment on other receivables (see 11(c)(i) below)	(766,753)	(766,753)
	19,163	**17,122**

11(c) (i) Other receivable is made up of the following balances

	2021	2020
Interest on Security Holding Trust	27,079	27,079
REA Property account	16,761	16,761
Receivable from legacy company's bank (Pheonix and Apico)	624,029	624,029
WHT Receivable account	27,726	27,726
Others	43,233	3,206
	738,838	**698,801**

The movements in impairment allowance on other receivables is analysed below

	2021	2020
At 1 January	766,753	766,753
Additional impairment	-	-
Write-off	-	-
At 31 December	**766,753**	**766,753**

11(d) Security holding trust account relates to amounts receivable from Security Holding Trust in respect of an investment in a proposed staff share incentive scheme which is a subject of litigation in suit FHC/L/CS/5479/08 in which Royal Exchange Plc is a defendant. Assets in cash dividends of N100.61million (2020: N100.61 million) and ordinary shares of Royal Exchange Plc with market value of N500 million (2020: N500 million) as at 31 December 2021 are being held as guarantee that value will not be lost. The above matter is still pending for hearing in Supreme court .

11(e) Prepayment

	2021 ₦'000	2020 ₦'000
Prepaid furniture allowance	31,598	27,669
Prepaid rent allowance	43,839	37,994
Prepaid staff benefit	57,022	57,022
Prepaid expenses	32,369	6,218
	164,828	**128,903**

11(f) **Analysis of other receivables fully impaired**	**Gros amount Dec 2020**	**At 1 January**	**Addition**	**(Write-back)/Addition**	**At 31 December**	**Carrying Amount Dec 2021**	**2020**
	(a)	**(b)**	**(c)**	**(d)**	**(e) =(a)+(b)+(c)**	**(f) =(a)-(d)**	
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Security holding trust (incidental expenses)	-	27,079	-	-	27,079	-	27,079
Accrued investment income	-	8,267	-	-	8,267	-	8,267
Short term placements (Phoenix insurance)	-	416,631	-	-	416,631	-	416,631
Short term placements (Failed Banks)	-	46,578	-	-	46,578	-	46,578
REA property account	-	16,761	-	-	16,761	-	16,761
Interest receivable on legal suit	-	12,296	-	-	12,296	-	12,296
Unlisted debentures	-	154,919	-	-	154,919	-	154,919
Amount to be recovered from exited staff	-	2,044	-	-	2,044	-	2,044
Accrued rental income	-	16,854	-	-	16,854	-	16,854
PAYE Suspense	-	65,324	-	-	65,324	-	65,324
Dividend receivables			26,635		26,635		-
Impairment on other receivables		**766,753**	**26,635**	**-**	**793,388**	**-**	**766,753**
ECL Impairment: Intercompany receivables		**51,881**	**-**	**-**	**51,881**		**51,881**
Total impairment on other receivables		**818,634**	**26,635**	**-**	**845,269**	**-**	**818,634**

12 **Investment in associates**

(a) The movement in balances of investment in equity accounted investee are as shown below:

2021	**CBC EMEA**	**REHL**	**TOTAL**
	₦'000	**₦'000**	**₦'000**
At 1 January	226,344	226,800	453,144
Share of current year other comprehensive income	-	-	-
	226,344	**226,799**	**453,143**
Share of current year profit or loss	-	1,895	1,895
At 31 December	**226,344**	**228,694**	**455,039**

2020	**CBC EMEA**	**REHL**	**TOTAL**
	₦'000	**₦'000**	**₦'000**
At 1 January	227,221	222,300	449,520
Share of current year other comprehensive	-	16,927	16,927
	227,221	239,227	466,448
Prior year adjustment			-
Share of current year profit or loss	(877)	(12,426)	(13,303)
At 31 December	**226,344**	**226,801**	**453,145**

(b) An analysis of investment in associates as at year end is as shown below

Name of entity	**Value of equities**	**Percentage holding**
	₦'000	**%**
Royal Exchange Healthcare Limited (see note (b)(i) below)	228,694	33%
CBC EMEA Limited (see note 12(b)(ii) below)	226,344	26%
At 31 December	**455,039**	

(b)(i) This represents the Company's investment in the ordinary shares of Royal Exchange Healthcare Limited (""REHL""), a company incorporated in Nigeria. Royal Exchange Healthcare Limited is owned by three (3) entities (i.e. Royal Exchange Plc which holds 30%, Royal Exchange General Insurance which holds 33% and Royal Exchange Prudential life Plc which holds 37%).

Royal Exchange Prudential Life Plc is wholly owned by Royal Exchange Plc while Royal Exchange General Insurance is jointly owned by Royal Exchange Plc , Insuresilience Investment Fund and Afriinvest. The investee company has a 31 December year end.

The summarised financial information of the entities are as set out below:

REHL	31-Dec 2021 ₦'000	31-Dec 2020 ₦'000
Percentage ownership interest	33%	33%
Non-Current Assets	622,533	583,033
Current Assets	316,190	442,803
Non-Current Liabilities	(32,180)	(31,710)
Current Liabilities	(366,039)	413,585
Net assets	**540,504**	**1,407,712**
Company's share of net assets	178,366	464,545
Net premium income	132,386	217,382
Total underwriting expenses	(149,629)	(241,887)
Total income	145,618	71,573
Total expenses	(122,632)	(84,718)
Profit before tax from continuing operations	5,743	(37,650)
Taxation	-	-
Profit after tax from continuing operations	5,743	(37,650)
Other comprehensive income net of tax	-	51,287
Total comprehensive income	5,743	13,637
Company's share of total comprehensive income	**1,895**	**4,500**
Company's share of other comprehensive income	**-**	**16,927**
Company's share of profit	**1,895**	**(12,426)**

(b)(ii) This represents the Company's investment in the ordinary shares of City Business Computers EMEA Limited (CBC EMEA) incorporated in Nigeria, representing 26.10% (December 2020: 26.10%) equity interest in the Company. The investee company has 31 December year end.

The summarised financial information of the entities are as set out below:

CBC EMEA	31-Dec 2021 ₦'000	31-Dec 2020 ₦'000
Percentage ownership interest	-	26%
Non-Current Asset	-	1,250,975
Current Asset	-	1,588,251
Non-Current Liabilities	-	(597,715)
Current Liabilities	-	(168,583)
Net assets	-	**2,072,928**
Company's share of net assets	-	541,034
Revenue	-	155,377
(Loss)/profit from continuing operations	-	(3,360)
Other comprehensive (loss)/income	-	-
Dividend received	-	-
Total comprehensive income	-	(3,360)
Company's share of total comprehensive income	-	(877)
Company's share of other comprehensive income	-	-
Company's share of profit	-	**(877)**

(b)(iii) We are unable to recognize the company's share of net assets and total comprehensive income because CBC EMEA audited financial statements for the year 2021 has not been concluded as at the date of signing this financial statement.

13 **Investment properties**

	2021 ₦'000	2020 ₦'000
At 1 January	3,856,706	4,275,855
Disposals during the year	-	(280,200)
Fair value gains/(loss)	(401)	(138,949)
At 31 December	**3,856,305**	**3,856,706**
Proceeds on disposal	-	270,000
Loss on disposal	-	10,000
Disposal during ther year	-	**280,000**

13(a) The items of investment properties are valued as shown below:

Investment properties location	Name of valuer	Address of Valuer	FRC NOS.	NIESVA Reg. no	2021 ₦'000	2020 ₦'000
No. 2 Post Office Road, Kano	Yayok Associates Estate Surveyor & Valuer	Suite B7, Halima Plaza, behind Sahad Stores, Balanga, Abuja	FRC/2013/NIESV/00 000000834	A-1277	423,909	422,300
No. 7, Usuma Cresent Maitama Abuja	Emeka Orji Partnership	Suite 9G, 9th floor, Ahmed Talib House (NNDC) 18/19 Ahmadu Bello Way, Kaduna	FRC/2013/NIESV/00 000000976	A-1672	645,000	646,050
No 1, Eleko Close, Ikoyi,Lagos	Saibu Makinde & Associates	NIPOST Building, 5th floor (right wing), Lafiaji, Lagos	FRC/2013/NIESV/00 000000730	A-1878	650,539	650,539
No. 2, Eleko Close Ikoyi Lagos	Saibu Makinde & Associates	NIPOST Building, 5th floor (right wing), Lafiaji, Lagos	FRC/2013/NIESV/00 000000730	A-1878	849,897	849,897
No. 26, Abduraman Okene Cresent,Victoria Island, Lagos	Saibu Makinde & Associates	NIPOST Building, 5th floor (right wing), Lafiaji, Lagos	FRC/2013/NIESV/00 000000730	A-1878	671,920	671,920
No 6A/6B Usman Crescent, Mataima, Abuja	Emeka Orji Partnership	Suite 9G, 9th floor, Ahmed Talib House (NNDC) 18/19 Ahmadu Bello Way, Kaduna	FRC/2013/NIESV/00 000000976	A-1672	615,040	616,000
					3,856,305	**3,856,706**

13(b) Movement in investment properties are shown below:

Property details	Status of title	Balance as at 1 January 2021 ₦'000	Addition/(Disposal) during the year ₦'000	Transfer ₦'000	Fair value gain ₦'000	Balance as at 31 January ₦'000
No. 2 Post Office Road, Kano *	Deed of assignment	422,300	-	-	1,609	423,909
No. 7, Usuma Cresent Maitama Abuja	Deed of assignment	646,050	-	-	(1,050)	645,000
No 1, Eleko Close, Ikoyi,Lagos	Deed of assignment	650,539	-	-	-	650,539
No. 2, Eleko Close Ikoyi Lagos	Deed of assignment	849,897	-	-	-	849,897
No. 26, Abduraman Okene Cresent,Victoria Island, Lagos	Deed of assignment	671,920	-	-	-	671,920
No 6A/6B Usman Crescent, Mataima, Abuja ***	Deed of assignment	616,000	-	-	(960)	615,040
		3,856,706	**-**	**-**	**(401)**	**3,856,305**

14 Property and equipment

	Leasehold Land	Freehold buildings ₦'000	Computer Equipment ₦'000	Furniture & Fittings ₦'000	Motor vehicles ₦'000	Total ₦'000
Cost						
At 1 January 2021	144,145	1,107,884	132,159	226,747	124,632	1,735,568
Additions		-	48,102	23,231	128,056	199,390
At 31 December 2021	**144,145**	**1,107,884**	**180,262**	**249,979**	**252,688**	**1,934,957**
At 1 January 2020	195,069	1,107,884	125,184	220,937	78,432	1,727,507
Additions			17,744	10,329	54,700	82,773
Disposals	(50,924)		(10,768)	(4,520)	(8,500)	(74,712)
At 31 December 2020	**144,145**	**1,107,884**	**132,159**	**226,747**	**124,632**	**1,735,568**

Depreciation

In thousands of Naira	Leasehold Land	Freehold buildings	Computer Equipment	Furniture, Fittings	Motor vehicles	Total
At 1 January 2021	-	217,326	109,532	212,155	65,772	604,784
Charge for the year	-	22,097	13,017	6,001	46,316	87,430
Reclassification to Right of use	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 December 2021	**-**	**239,423**	**122,549**	**218,156**	**112,088**	**692,213**
At 1 January 2020	**-**	**195,168**	**113,969**	**212,138**	**68,388**	**589,663**
Charge for the year		22,157	6,331	4,537	5,884	38,910
Disposals		-	(10,768)	(4,520)	(8,500)	(23,788)
At 31 December 2020	**-**	**217,326**	**109,532**	**212,155**	**65,772**	**604,784**
NBV						
At 31 December 2021	**144,145**	**868,461**	**57,713**	**31,823**	**140,600**	**1,242,744**
At 31 December 2020	**144,145**	**890,558**	**22,628**	**14,591**	**58,860**	**1,130,784**

		2021 ₦'000	2020 ₦'000
14(i)	**RIGHT OF USE ASSETS**		
	Right of use Asset- Rent Prepayment {See note 14 (iii)}	6,678	8,941
	Right of use Asset- MV lease {See note 14(ii) }	26,127	62,531
	At 31 December	**32,806**	**71,472**
14 (ii)	**At 1 January 2021**	453,158	426,023
	Additions	-	27,135
	Termination of contract	(20,380)	-
	At 31 December 2021	**432,778**	**453,158**
	Depreciation Charge		
	At 1 January 2021	390,626	349,985
	Termination of contract	(6,049)	-
	Charge for the period	22,073	40,641
	At 31 December 2021	**406,651**	**390,626**
	Carrying Amount		
	At 31 December 2021	26,127	62,531
	At 31 December, 2020 (IFRS 16)	62,531	76,037
14 (ii)a	Amounts recognised in profit or loss	**₦'000**	**₦'000**
	At 31 December 2021	22,073	40,641

14 (ii)b **Termination of lease contract**
Hyundai Creta with purchase cost of ₦10.23m was given to a retired staff as a parting gift in line with company policy, while Hyundai Creta with purchase cost of ₦10.15m was disposed to an exited management staff at carrying amount of ₦8.4m

		2021	2020
14 (iii)	**Long term lease prepayment**		
	At 1 January 2021	8,941	858
	Addition	-	12,600
	Prepayments amortisation on long term leases	(2,262)	(4,517)
	At 31 December 2021	**6,678**	**8,941**

15 Intangible assets

	2021 ₦'000	2020 ₦'000
Cost:		
At 1 January	165,007	165,007
Addition	76,558	-
At 31 December	241,566	165,007
Accumulated amortisation:		
At 1 January	165,007	165,007
Charge for the year (see note 39)	12,002	-
At 31 December	177,009	165,007
At 31 December	64,556	-

All Company's intangible assets represents purchased software.

16 **Statutory Deposits**

In line with section 10 (3) of the Insurance Act of Nigeria, a deposit of 10% of the regulatory share capital is kept with the Central Bank of Nigeria. The cash amount held is considered to be a restricted cash balance.

	2021 ₦'000	2020 ₦'000
Deposits with Central Bank of Nigeria	340,000	340,000
	340,000	**340,000**

17 Employee retirement benefits

The Company operated two(2) employee retirement benefit schemes. The Company operate defined benefit staff pension plan based pension scheme prior to the New Pension Reform Act 2004, for pensionable employees who were in service prior to the introduction of contributory pension scheme.

The Company offers its employees defined benefit plan in the form of long service awards.The plan entitles employee who have spent 10 years and above in the service of the Company to specified awards. This benefit is awarded in different categories depending the number of years in service.

The employee benefit obligations are actuarially determined at the year end by Logic Professional Services with FRC number FRC/2017/NAS/00000017548. The actuarial valuation is computed based on the "Projected Unit Credit" method. Gains and losses of changes in actuarial assumptions are charged to other comprehensive income. These defined benefit plans exposes the Company to actuarial risks, such as interest rate risks and market risks.

The details of the employee benefit obligations are as below:

(a)		Notes	2021 ₦'000	2020 ₦'000
	Employees retirement benefits(see note 17(d))		**310,990**	**257,168**
	Long Service Award (Outstanding liability)		**(45,099)**	**(26,893)**

		2021 ₦'000	2020 ₦'000
(b)	Company's Asset for:-		
	– Pension benefits (note 17(d)	507,377	490,093
	Total	507,377	490,093

		2021 ₦'000	2020 ₦'000
(c)	Company's obligations for:-		
	– Pension benefits (see note 17(d))	(196,387)	(232,925)
	– Long Service Award (see note 17(f))	(45,099)	(26,893)
	Total Company's obligation	**(241,486)**	**(259,818)**

	2021 ₦'000	2020 ₦'000
Amount expenses in profit or loss-		
– Pension benefits	(20,573)	(37,695)
– Long Service Award	20,318	2,112
Total	**(255)**	**(35,583)**

Gain/ (loss) on other comprehensive income	2021 ₦'000	2020 ₦'000
-Adjustments for Net Pension Assets	33,250	(76,177)
-Adjustments for Long-Service Awards Obligations	2,113	(31)
Total (see note 29)	**35,363**	**(76,208)**

(d) Pension benefits

The amounts recognised in the statement of financial position are determined as follows:

	2021 ₦'000	2020 ₦'000
Present value of funded obligations	(196,387)	(232,925)
Fair value of plan assets	507,377	490,093
Present value of unfunded obligations	-	-
Asset in the statement of financial position	**310,990**	**257,168**
Current	-	-
Non-current	**310,990**	**257,168**
Asset in the statement of financial position	**310,990**	**257,168**

The movement in the defined benefit obligation over the year is as follows:

	2021 ₦'000	2020 ₦'000
At 1 January	232,925	184,058
Current service cost		
Interest cost	17,593	21,776
Actuarial losses/(gains)-Assumption	(65,509)	57,457
Actuarial losses/(gains)-Experience	36,468	(3,572)
Benefits paid by the Fund	(25,090)	(26,794)
At 31 December	**196,387**	**232,925**

The movement in the fair value of plan assets of the year is as follows:

	2021 ₦'000	2020 ₦'000
At 1 January	490,092	479,707
Expected return on plan assets	38,166	59,471
Employer contributions		-
Benefit paid from the fund	(25,090)	(26,794)
Actuarial Gains/(Losses)	4,209	(22,292)
At 31 December	**507,377**	**490,092**

The amounts recognised in the profit or loss are as follows:

	2021 ₦'000	2020 ₦'000
Current service costs	-	-
Net interest costs/income:		
- Interest costs	(20,573)	21,776
- Expected Return on plan asset		59,471
At 31 December	**(20,573)**	**81,247**

The principal actuarial assumptions used were as follows:

Discount rate	13%	8.0%
Future pension increases	3%	3.0%
Inflation rate	12%	12.0%

The average life expectancy in years of a pensioner retiring at age 65, at the end of the reporting period is as follows:

	2021	2020
Male	78	78
Female	83	83

(f) Long Service Awards

	2021	2020
	₦'000	₦'000
Present value of funded obligations	(45,099)	(26,893)
Liability in the statement of financial position	**45,099**	**26,893**
Current	-	-
Non-current	(45,099)	(26,893)
Liability in the statement of financial position	**(45,099)**	**(26,893)**

The movement in the defined benefit obligation (long service award) during the year is as follows:

	2021	2020
	₦'000	₦'000
At 1 January	26,893	24,751
Current service cost	2,806	2,328
Interest cost	1,989	2,960
Benefits paid	15,523	(3,176)
Actuarial losses/(gains)	(2,113)	31
At 31 December	**45,099**	**26,893**

The amounts recognised in the profit or loss are as follows:

	2021	2020
	₦'000	₦'000
Current service costs	2,806	2,328
- Interest costs	1,989	2,960
At 31 December	**4,795**	**5,288**

The principal actuarial assumptions used were as follows:

	2021	2020
Discount rate	13.0%	12.8%
Future salary increases	12.0%	13.0%
Inflation rate	12.0%	12.0%

18 Deferred Taxation

The net deferred tax assets/(liabilities) are attributable to the following:

	Note	2021 Net balance as at 1 January ₦'000	Recognised in profit or loss ₦'000	Net balance as at date ₦'000	Deferred tax liabilities ₦'000
Net Deferred tax assets					
Property and equipment, and software		(285,461)	(22,327)	(307,788)	(307,788)
Allowances for loans and receivables		(5,978)	(93)	(6,071)	(6,071)
Unrelieved loss		14,516	(20,684)	(6,168)	(6,168)
Employee benefits		7,920	(4,069)	3,851	3,851
Deferred tax assets/(liabilities)		**(269,003)**	**(47,174)**	**(316,176)**	**(316,176)**
Deferred tax liabilities					
Investment properties		(259,141)	35,774	(223,367)	(223,367)
Employee benefits		-	-	-	-
Deferred tax assets/(liabilities)		**(528,144)**	**(11,400)**	**(539,543)**	**(539,543)**

In thousands of Naira

	Note	2020 Net balance as at 1 January ₦'000	Recognised in profit or loss ₦'000	Net balance as at 31 December 2020 ₦'000	Deferred tax liabilities ₦'000
Net Deferred tax assets					
Property and equipment, and software		(184,743)	(100,718)	(285,461)	(285,461)
Allowances for loans and receivables		(18,454)	12,476	(5,978)	(5,978)
Unrelieved loss		(127,793)	142,309	14,516	14,516
Employee benefits		116,112	(108,192)	7,920	7,920
Deferred tax assets		**(214,878)**	**(54,124)**	**(269,003)**	**(269,003)**
Deferred tax liabilities					
Investment properties		(269,725)	10,584	(259,141)	(259,141)
Deferred tax assets/(liabilities)		**(484,603)**	**(43,540)**	**(528,144)**	**(528,144)**

		2021 ₦'000	2020 ₦'000
19	**Deferred income**		
	Deferred rental income	25,619	24,182
	Deferred commission income (see note 19(b))	148,914	114,063
		174,533	**138,245**
	Due within 1 - 12months	174,533	114,063
	Due after more than 12months	-	24,182
		174,533	**138,245**

		2021 ₦'000	2020 ₦'000
(a)	**Deferred rental income**		
	At 1 January	24,182	16,178
	Rental Income received during the year	74,988	63,203
	Rental Income earned during the year	(73,552)	(55,199)
	At 31 December	**25,619**	**24,182**

(b) Deferred commission income

This represents the unexpired portion of commission received from businesses ceded to Reinsurers as at

	2021 ₦'000	2020 ₦'000
At 1 January	114,062	93,154
Additions during the year	613,785	588,950
Amortised during the year	(578,933)	(568,042)
At 31 December	**148,914**	**114,062**
Analysis of deferred acquisition income by class of insurance are as follows:		
Fire	43,060	23,103
Accident	22,913	10,701
Motor	7,655	6,651
Marine & Aviation	41,777	26,316
Special Risk	10,822	27,910
Engineering	22,178	18,940
Bond	95	12
Agric	414	429
Total	**148,914**	**114,062**

		2021 ₦'000	2020 ₦'000
20	**Trade payables**		
	Reinsurance payables	316,970	321,510
	Premium received in advance (see(i) below)	10,569,491	7,417,516
		10,886,461	**7,739,026**
	The carrying amount disclosed above approximate fair value at the reporting		
	Due within 1 month	10,886,461	7,739,026
	Due after more than 1month	-	-
		10,886,461	**7,739,026**

Include in the trade payable balance is ₦10.569billion (2020: ₦7.417billion) which represents premium received in advance from a customer in the oil and gas industry with respect to energy packaged policies with policy period between 1 January 2022 to 31 December 2022. The premium was received on 23rd December 2021 to be remited to other co-insurer of the policy.

		2021 ₦'000	2020 ₦'000
21	**Other liabilities**		
	Accrual and other payables (see(i) below))	940,825	457,355
	NAICOM levy	157,960	118,682
	Other liabilities (see(ii) below))	374,446	346,460
	Royal Exchange Prudential Life Assurance	-	5,172
	Payable to Royal dividend fund	-	77,640
	Payable to Royal Exchange Trustee Fund	-	104,591
		1,473,231	**1,109,902**

	Due within 1 - 12months	1,473,231	1,109,902
	Due after more than 12months	-	-
		1,473,231	1,109,902
(i)	Accrual and other payables is made up of the following balances		
	Other payables (see below (v))	762,210	409,324
	Provision for audit fees	17,875	16,500
	Provision for Industrial Training Fund (ITF) levy	12,803	8,758
	Provision for accounting/consulting fees	147,937	2,150
	Management fee payable	-	20,623
		940,825	457,355
(ii)	Other liabilities is made up of the following balances:		
	Employee benefit payable	10,804	34,120
	PAYE payable	22,348	8,015
	Withholding tax payable	83,926	63,729
	VAT payable	45,858	16,439
	Pension payable	6,470	6,470
	NHF payable	7,418	7,418
	Professional fee payable	22,517	22,517
	Other creditors (see (iii) below))	150,909	187,752
		374,446	346,460
(iii)	Legacy Registrars fee	67,763	64,770
	PAYE Suspense account	-	7,252
	Staff thrift	-	571
	Staff premium deduction	-	1,215
	Unclaimed dividend	3,983	3,983
	Due to Horizon construction company	50,000	50,000
	Due to staff-Phoenix company	24,601	24,601
	Commercial property loss recovery	3,331	3,332
	Due to loss adjusters	-	30,392
	Staff union due	14	14
	Rent received in advance-Olowogbowo	1,215	1,622
		150,909	187,752

The balance due to Horizon Construction Company Ltd is in respect of property at plot 1396 Garki 11, Abuaj which is a subject of litigation in SC No: 440/2015 in which Royal Exchange is a plaintiff. No date has been assigned for the hearing of the appeal by the supreme court. The balance due to staff-Phoenix Company are inherited staff retirement benefit on the merger of Royal Exchange Assurance Nigeria with Phoenix of Nigeria Assurance Plc in 2007.

(v)	**Other payables**	**2021** ₦'000	**2020** ₦'000
	Provision for litigations	1,622	78,954
	Accrued liabilities	232,201	192,119
	Share of Alesco portion of management fee income	-	14,862
	Accrued Solicitor fee	-	7,825
	Customers deposit	528,386	115,563
		762,210	409,323

(vi) Provision for litigation fee represents amounts provided for in respect of various litigations pending in court. Based on professional advice, the amount for pending litigations have been set aside to cover the expected losses to the entity on the determination of these litigations.

(vii) The customer deposits are unidentified credits, which cannot be readily ascertained to be premium as at 31 December,2021.

(viii)	**Accrued liabilities**	**2021** ₦'000	**2020** ₦'000
	Staff variable costs and PFA remittance	-	3,508
	Quarter 4 Reinsurance Treaty and M&D	67,865	126,048
	Outstanding bill on insurance enterprise solutions	159,577	36,088
	Due to staff-balance clawback payable to Borman & Austin Nwankwo	-	-
	Other accruals	4759	14,923
		232,201	192,119

22 Long term liabilities

22(a) Finance lease obligations

The Company leased certain of its property, plant and equipment under finance leases. The average lease term is 3 years. The Company has options to purchase the equipment for a nominal amount at the end of the lease terms. The Company's obligations under finance leases are secured by the lessors' title to the leased assets.

Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 18% to 24% (2020: 18% to 24%) per annum.

	Future minimum lease payments		Interest		Net present value of future lease payments	
	31/12/2021	1/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Not later than one year	23,742	43,130	2,595	9,152	21,147	33,978
Later than one year and not later than 5 years	5,253	24,679	224	2,953	5,029	21,725
	28,994	**67,809**	**2,819**	**12,105**	**26,176**	**55,703**
Within one year	23,742	43,130	2,595	9,152	21,147	33,978
More than one year	5,253	24,679	224	2,953	5,029	21,725
	28,994	**67,809**	**2,819**	**12,105**	**26,176**	**55,703**

Finance lease payments	2021	2020
	₦'000	₦'000
Opening	55,703	63,927
Addition	-	27,525
Repayment of principal amount	(29,528)	(35,749)
	26,176	**55,703**
Interest expense(see note 39)	**8,938**	**14,209**

23 Insurance contract liabilities

	2021	2020
Non-life business	₦'000	₦'000
Incurred but not reported	1,374,212	1,259,935
Claims outstanding	974,975	1,197,223
	2,349,187	2,457,157
Unearned premium reserve	2,345,663	1,584,946
	4,694,850	**4,042,104**

23(a) The concentration of non-life insurance by type of contract is summarised below by reference to liabilities.

	2021	2020
	₦'000	₦'000
Fire	957,432	882,033
Accident	537,779	487,251
Motor	873,240	742,766
Marine & Aviation	551,548	409,842
Oil and Gas	1,347,065	1,225,670
Engineering	276,528	194,860
Bond	10,602	11,884
Agric	140,656	87,798
	4,694,850	**4,042,104**

23(b) Unexpired risk is summarised by type below

	2021	2020
	₦'000	₦'000
Fire	428,968	253,789
Accident	244,614	160,107
Motor	554,876	408,371
Marine & Aviation	320,070	263,316
Oil and Gas	622,761	410,271
Engineering	168,180	80,679
Bond	631	105
Agric	5,563	8,308
Total	**2,345,663**	**1,584,946**

23(c) The movement in unexpired risk reserve is shown below:

	2021	2020
	₦'000	₦'000
At 1 January	1,584,946	1,288,775
Movement during the year (see note 30(a))	760,717	296,171
At 31 December	**2,345,663**	**1,584,946**

23(d) Outstanding claims represent the estimated ultimate cost of settling all claims arising from incidents occurring prior to the end of reporting date, but not settled at that date and provision made for claims incurred but not yet reported as at the end of the financial year. This provision is based on the liability adequacy test report.

Analysis of claims arising from incidents occurring prior to the end of reporting date, but not settled at that date is shown below:

	2021 ₦'000	2020 ₦'000
Fire	528,465	628,244
Accident	293,165	327,144
Motor	318,364	334,395
Marine	231,478	146,526
Oil and Gas	724,304	815,399
Engineering	108,348	114,181
Bond	9,970	11,779
Agric	135,093	79,490
Total	**2,349,187**	**2,457,158**

An ageing analysis of the time between when the outstanding claims were reported and the date of the financial statements is presented below:-

	2021 ₦'000	2020 ₦'000
0- 90 days	232,996	152,756
91- 180 days	50,084	46,663
181-270 days	25,453	53,978
271-360 days	61,686	15,098
Above 360 days	604,755	928,728
	974,975	**1,197,223**

Outstanding claims days

2021	0-90 days ₦'000	91-180 days ₦'000	181-270 days ₦'000	271-360 days ₦'000	Above 360 days ₦'000	Total ₦'000
Awaiting Supporting Documents	69,899	10,017	3,818	9,253	30,238	123,224
Awaiting settlement decision from lead insurer	46,599	15,025	5,091	15,422	90,713	172,850
Claims awaiting payment	23,300	7,513	2,545	14,188	120,951	168,496
Incomplete claim documents	46,599	12,521	5,091	7,402	181,427	253,040
Insured yet to return duly executed DV	34,949	2,504	7,636	9,253	60,476	114,818
Marine certificate not fully declared	11,650	2,504	1,273	6,169	120,951	142,546
Total	**232,996**	**50,084**	**25,453**	**61,686**	**604,755**	**974,975**
	-	-				-

2020	0-90 days ₦'000	91-180 days ₦'000	181-270 days ₦'000	271-360 days ₦'000	Above 360 days ₦'000	Total ₦'000
Awaiting Supporting Documents	132,987	882	50,421	5,204	67,554	257,049
Awaiting settlement decision from lead insurer	250	100	-	-	-	350
Claims awaiting payment	18,849	10,260	2,318	5,920	-	37,347
Incomplete claim documents	50	34,388	1,038	3,974	861,157	900,607
Insured yet to return duly executed DV	620	1,033	200	-	15	1,868
Marine certificate not fully declared	-	-	-	-	2	2
Total	**152,756**	**46,663**	**53,977**	**15,098**	**928,728**	**1,197,223**
					-	

23(e) The movement in outstanding claims is shown below:

	2021 ₦'000	2020 ₦'000
At 1 January	2,457,158	3,302,516
Movement during the year (see note 33)	(107,971)	(845,103)
At 31 December	**2,349,187**	**2,457,158**

23(f) Policyholders' Assets and Liabilities Management (PALM)

	Insurance contract liabilities ₦'000	Shareholders & other funds ₦'000	2021 ₦'000	2020 ₦'000
Cash and cash equivalent	3,343,964	12,636,279	15,980,243	9,777,898
Financial Assets:			-	-
- Fair value through profit or loss (quoted equities)	708,992	-	708,992	756,657
- Fair value through other comprehensive income (Federal Government Bonds & Treasury Bills)	3,373,353	-	3,373,353	3,747,341
-Corporate bond and commercial paper (limited to 10% of N4,694,850)	469,485	694,115	1,163,600	-
- Fair value through other comprehensive income (Unquoted equities)	469,485	71,011	540,496	541,315
- Loans and receivables at amortized cost	-	69,971	69,971	93,735
Trade receivables	-	135,160	135,160	69,468
Reinsurance assets	1,818,151	-	1,818,151	1,744,049
Deferred acquisition cost	-	362,286	362,286	225,256
Other receivables and prepayments	-	1,063,777	1,063,777	1,218,453
Right of use asset	-	32,806	32,806	71,472
Investment in associates	-	455,039	455,039	453,145
Investment properties	1,173,713	2,682,593	3,856,305	3,856,706
Property and equipment	-	1,242,744	1,242,744	1,130,784
Intangible asset	-	64,556	64,556	-
Statutory deposit	-	340,000	340,000	340,000
Employees retirement benefits	-	310,990	310,990	257,168
Total assets	**11,357,142**	**20,161,327**	**31,518,470**	**24,283,447**
Policyholder; Shareholders; and other funds	4,694,850	26,823,620	31,518,470	24,283,447
Excess/(Deficit) is Asset Cover	6,662,292	(6,662,293)	-	

24 Taxation

24(a) Charge for the year

		2021 ₦'000	2020 ₦'000
Recognised in profit or loss:			
Company Income tax		66,874	159,154
Policy trust fund levy		17	51
Tertiary education tax		8,424	17,534
		75,315	176,739
NTDA levy		3,398	10,241
		78,713	**186,980**
Origination of temporary differences	18	11,400	43,541
Income Taxes		**90,113**	**230,521**

The charge for income tax in these financial statements is based on the provisions of the Companies Income Tax Act, CAP C21 LFN 2020 as amended and Tetiary Education Tax Act, CAP E4 LFN 2004.

Reconciliation of effective tax rate

	2021 Tax rate %	2021 Amount ₦'000	2020 Tax rate %	2020 Amount ₦'000
Profit before tax		**339,809**		**1,024,098**
Company income tax using the domestic corporation tax rate	30.00%	101,943	30.00%	307,230
Non-deductible expenses	45.10%	153,270	-10.14%	(103,850)
Net capital Allowance	-0.19%	(63,398)	10.60%	108,584
Police Trust Fund	0.00%	5	0.01%	51
Education tax	0.74%	2,527	1.71%	17,534
Information technology tax levy	0.30%	1,019	1.00%	10,241
Tax exempt income	-34.0%	(116,654)	-14.92%	(152,801)
Current year deferred tax	3.35%	11,400	4.25%	43,532
	26.52%	90,113	22.51%	230,521

24 Current income tax liabilities

	2021 ₦'000	2020 ₦'000
At 1 January	388,492	293,034
Charge for the year	78,713	186,980
Paid during the year	(205,847)	(23,278)
WHT credit utilized	-	(68,243)
At 31 December	**261,359**	**388,492**

25 Share capital

Share capital comprises	2021 ₦'000	2020 ₦'000
Authorized share capital at the beginning of the year 10,500,000,000 ordinary share of ₦1 each	10,500,000	10,500,000
Ordinary share capital 5,366,666,666 ordinary share of ₦1 each	5,366,667	5,366,667
2,526,985,651 ordinary share of ₦1 each share issued to Africinvest Financial Inclusion Vehicle LLC for cash during the year	2,526,986	-
420,702,099 ordinary share of ₦1 each Share issued to InsuResilience Fund from Retained earning Anti-dilution rights	420,702	-
8,314,354,406 ordinary share of ₦1 each	**8,314,355**	**5,366,667**

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

25(ii) Proceed from Issue of shares	2021	2020
Proceeds from issue of 2,526,986 ordinary share to Afriinvest Financial Inclusion Vehicle	2,526,986	-
Amount of share premium received on the equity investment of Africinvest Financial Inclusion Vehicle	1,074,759	-
Total cash proceeds received from issue of 2,526,986 ordinary share of Africinvest Financial Inclusion Vehicle	3,601,745	-
Share issue expenses paid during the year	(179,178)	-
	3,422,567	-

Africinvest Financial Inclusion Vehicle LLC (FIVE) invested ₦3,601,744,857 in the company by subscribing to 2,526,985,641 units of newly issued Ordinary shares at ₦1.43K per share. Additional shares of 420,702,099 units of new ordinary shares to InsuResilience Investment Fund (IIF) in accordance with the share purchase agreement on the Anti-dilution rights.

26 Share premium

	₦'000	₦'000
At 1 January	802,737	802,737
Additional shares issued to InsuResilience Investment Fund	(420,702)	-
Share issue expenses	(179,178)	-
Addition due to 30.39% equity investment from Africinvest FIVE	1,074,759	-
At 31 December	**1,277,616**	**802,737**

27 Contingency reserve

The Company maintains Contingency reserves for the general business in accordance with the provisions of S.21 (1) of the Insurance Act 2003.

In compliance with the regulatory requirements in respect of Contingency Reserve for general business, the Company maintains contingency reserve at the rate equal to the higher of 3% of gross premium or 20% of the total profit after taxation until the reserve reaches the greater of minimum paid up capital or 50% of net premium.

	2021 ₦'000	2020 ₦'000
At 1 January	2,844,511	2,488,464
Transfer from profit or loss account	382,053	356,047
At 31 December	**3,226,564**	**2,844,511**

28 Retained earnings

The reserve comprises undistributed profit/ (loss) from previous years and the current year available for dividend distribution to the equity shareholders of the company (if approved at the Annual General Meeting).

	2021 ₦'000	2020 ₦'000
At 1 January	709,711	691,535
Dividend paid within the year	-	(419,354)
Transfer from profit and loss	249,696	793,578
Transfer to contingency reserve	(382,053)	(356,047)
At 31 December	**577,353**	**709,711**

29 Other component of equity

At 1 January	498,614	262,520
-Fair value gain/losses recognised in OCI (see note 7(d))	(529,653)	295,377
-Share of current year results in equity accounted investees (see note 12(a))	-	16,925
-Actuarial gains/(losses) on employee benefit obligations (see note 17(c))	35,363	(76,208)
	4,324	**498,614**

(a) Nature and purpose of other components of equity

Fair value reserves

Fair value reserves represent the cummulative net change in the fair value of available-for-sale financial assets at the reporting date.

Acturial reserves

Actuarial (surplus)/deficit on employee benefits represent changes in benefit obligation due to changes in actuarial valuation assumptions or actual experience differing from experience. The gains/losses for the year, net of applicable deferred tax asset/liability on employee benefit obligation, are recognized in other comprehensive income.

30 Premium written

	2021 ₦'000	2020 ₦'000
Non-life insurance premium:		
Gross written premium	12,735,110	11,868,240
Change in unearned premium (see note 23(c))	(760,717)	(296,171)
Gross earned premium	**11,974,393**	**11,572,069**

31 Reinsurance expenses

	2021 ₦'000	2020 ₦'000
Gross written reinsurance premiums (see note 31a)	6,831,627	6,306,618
Change in reinsurance unearned premiums(see note 9(a)	(350,723)	(10,340)
	6,480,904	**6,296,278**

31(a) Gross written reinsurance premiums (see note 31a)

	2021 ₦'000	2020 ₦'000
Reinsurance treaty ceded premium	1,326,981	1,057,256
Reinsurance FAC ceded premium	5,404,990	5,143,187
Reinsurance excess of loss premium	99,656	106,175
	6,831,627	**6,306,618**

32 Fee and commission income

	2021 ₦'000	2020 ₦'000
Reinsurance commissions	578,933	568,041
	578,933	**568,041**

33 Insurance claims and benefits incurred

	2021 ₦'000	2020 ₦'000
Gross claims paid	1,673,166	2,134,271
Less: Movement in gross outstanding claims and IBNR (see note 23(e))	(107,971)	(845,104)
Gross incurred claims (see note (a) below)	1,565,194	1,289,168
Less: Reinsurance incurred claims (see note 33(b) below)	(435,167)	(599,636)
	1,130,027	**689,532**

(a) Analysis of insurance claims and benefits incurred by class are as follows:

	2021 ₦'000	2020 ₦'000
Motor	341,997	249,742
Accident	135,303	63,668
Fire & IAR	388,377	139,341
Marine & Aviation	235,321	65,957
Engineering	55,814	110,692
Bond	(1,809)	(347)
Special Risk	287,452	580,367
Agric	122,738	79,749
	1,565,194	**1,289,168**
	-	-

(b) Insurance claims and benefits incurred - recoverable from reinsurers

	2021 ₦'000	2020 ₦'000
Motor	43,929	29,669
Accident	9,774	19,492
Fire	63,187	(106,897)
IAR	-	-
Marine & Aviation	69,132	16,825
Engineering	114,993	59,272
Bond	(904)	(173)
Special Risk	83,639	533,791
Agric	51,416	47,656
	435,167	**599,636**

(c) Breakdown of insurance claims and benefits incurred-recoverable from reinsurers

	2021 ₦'000	2020 ₦'000
Reinsurance claims recoveries	711,788	1,101,224
Movement in reinsurers' share of claims expenses outstanding (see note 9(b))	(347,763)	(471,213)
Movement in reinsurers' share of incurred but not reported claims (see note 9(c))	71,142	(30,376)
	435,167	**599,636**

34 Underwriting expenses (fees, commissions and other acquisition expenses)

	2021 ₦'000	2020 ₦'000
Salaries & allowances - underwriting employees (39(a))	-	560,074
Accommodation costs	-	58,569
Communication Costs	-	99,187
Other underwriting Expenses	1,123,594	990,564
Maintenance expenses	**1,123,594**	**1,708,394**
Acquisition expenses:		
Insurance contracts – non-life	2,212,394	2,034,808
Amortisation of insurance contracts deferred acquisition costs	(137,030)	(62,768)
Acquisition expenses - see Note 10	**2,075,365**	**1,972,040**
Vat on Commission Expense	35,266	-
Other commissions	-	25,093
Total Acquisition expenses	**2,110,630**	**1,997,133**
	3,234,224	**3,705,527**
Acquisition expenses	2,110,630	1,997,133
Maintenance expenses	1,123,594	1,708,394
	3,234,225	**3,705,527**

Salaries & allowances of underwriting employees, accommodation costs and communication cost have been reclassified to management expenses in year 2021 financial year.

Amortisation of insurance contracts deferred acquisition costs are based on the movement in deferred acquisition cost-DAC. DAC as per 2020 Actuarial report was ₦222,256,281.00 and as at 31 December,2021 it was ₦362,286,103.00 which resulted to a movement of ₦137,029,822.00. The movement represents increase in asset and commission expense is reduced with the same value.

		2021 ₦'000	2020 ₦'000
35	**Investment and other income**		
	Interest income on investment (see note 35(a) below)	562,087	461,434
	Dividend income (see note 35(a) below)	113,389	76,037
	Rental Income	73,552	55,199
	(Loss)/profit on disposal of Investment properties	-	(10,200)
	Net Investment Income	**749,027**	**582,470**
(a)	Changes in fair value (see note 35(a)i below)	(12,034)	(73,763)
	Total Investment Income	**736,993**	**508,707**

(a)i Analysis of investment income are shown below:

2021

	Rental Income ₦'000	Dividend Income ₦'000	Net realised gains and losses ₦'000	Changes in fair value ₦'000	Interest Income ₦'000	Total ₦'000
Debt securities:						
Equity Securities:						
*At fair value through profit/loss				(11,633)	-	(11,633)
*At fair value through OCI		113,389	-	-	-	113,389
Investment properties		-	-	(401)	-	(401)
Interest on FG and Corporate bond					372,494	372,494
Cash and cash equivalents		-	-	-	189,593	189,593
Rental Income	73,552					73,552
	73,552	**113,389**	-	**(12,034)**	**562,087**	**736,993**

2020

	Rental Income ₦'000	Dividend Income ₦'000	Net realised gains and losses ₦'000	Change in fair value ₦'000	Gain/(Loss) on disposal	Interest Income ₦'000	Total ₦'000
Debt securities:							-
*At fair value through profit/loss		76,037	-	65,186		-	141,223
Investment properties	-	-	-	(138,949)		-	(138,949)
Cash and cash equivalents	-	-	-	-		461,434	461,434
Investment income					(10,200)		(10,200)
Rental Income	55,199		-	-		-	55,199
	55,199	**76,037**	**-**	**(73,763)**		**461,434**	**508,707**

		2021 ₦'000	2020 ₦'000
36	**Write back/(allowance) for impairment**		
	Cash & cash equivalent (Note 6)	21,412	(1,314)
	Impairment allowance on premium receivables - non-life business (see note 8(a)(i))	136,484	278,117
	Recovery made during the year	(189,925)	(20,146)
	Treasury bills	-	8,896
	FGN bonds-FVOCI (Note 7(b)iii)	(6,728)	99
	Amortized cost-Mortgage loan (Note (7c)i)	377	-
		(38,380)	**265,652**

		2021 ₦'000	2020 ₦'000
37	**Other operating income**		
	Profit on disposal of properties plant and equipment	-	50,007
	income from lead-underwriting	101,552	206,716
	Sundry income	106,466	183,056
		208,018	**439,779**

			2021	2020
37(i)	**Sundry Income**		**₦'000**	**₦'000**
	Refund of stamp duty from Nigerian Insurers Association		-	12,789
	Share of surplus received from Nigeria Liability Pool		-	96,031
	Interest income on call account		7,632	109
	Withholding tax credit approved and utilized		-	57,394
	Other sundry income (see 37(ii))		98,834	16,733
			106,466	**183,056**
37(ii)	**Other sundry Income**			
	Writeback of excess provision for litigation		77,454	-
	Refund of share cost expenses from Royal exchange microfinance bank		21,380	16,733
			98,834	**16,733**
38	**Foreign exchange gains**			
	(Loss)/Gains on FX placements		**(49,578)**	**68,556**
39	**Management expenses**			
	Post employment defined benefit expenses	17(c)	(255)	(35,583)
	Salaries and allowances of other employees	39(a)	1,040,190	301,583
	Other Administrative expenses		449,353	258,554
	Redundancy Cost		-	497
	Audit fee (i)		17,639	16,500
	Amortization of intangible assets	15	12,002	-
	Promotional and advert expenses		64,066	6,408
	Depreciation on property and equipment		87,430	38,910
	Depreciation on Right of use asset		22,073	45,158
	Prepayments amortization on long term leases		2,262	-
	Termination of lease contract		14,331	-
	Directors' fees		887	3,673
	Directors' allowance and other emoluments		56,052	-
	IT Expenses		17,071	-
	Professional fees		44,800	-
	Donation		150	2,000
	Bank charges		34,100	72,420
	Legal fee retainer		34,636	66,868
	Insurance premium		3,888	4,329
	Accounting consultancy fee		161,939	78,616
	Investment expenses		13,596	124,157
	Electricity charges		23,104	28,474
	VAT paid		7,017	-
	Repairs and maintenance		68,686	21,409
	Telephone expenses		5,671	5,476
	Transportation expenses		64,411	27,099
	Annual software renewal fees		21,261	19,653
	Subscription and Journals		13,769	4,869
	NAICOM fine paid (Contravention)		-	1,000
	Marketing expenses		15,000	56,480
	Finance charges		8,938	14,209
	Communication cost		-	60,499
	Business and admin cost		-	193,665
			2,304,325	**1,198,343**

The audit remuneration represents audit fees for the statutory audit for the year ended December 2021. The external auditor did not provide any non-audit service to the company during the year.

39(a) Analysis of salaries and allowances are shown below:

	2021	2020
	₦'000	**₦'000**
Salaries & allowances - underwriting employees (see note 34)	-	560,074
Salaries and allowances of other employees	1,040,190	301,583
	1,040,190	**861,658**

40 Related party transactions:

Royal Exchange Plc which owns 39.21% of the paid up share capital. During the year, the Company entered into commercial transactions with other companies within the Royal Exchange group.

Related parties and related party transactions during the period include:-

Name of related party/(relationship)

Name of related party	Relationship	Nature of transaction	2021 ₦'000	2020 ₦'000
Royal Exchange Plc	Shareholder	Receivable	350,146	571,812
Royal Exchange Prudential Life Assurance Plc	Related Company	Receivable	18,845	-
Royal Exchange Finance and Investment Ltd	Related Company	Receivable	-	-
Royal Exchange Healthcare Plc	Related Company	Receivable	61,540	52,497
Royal Exchange Trustee Fund	Fund managed byl	Payable	-	(104,591)
Royal Exchange Dividend Fund	Fund managed byl	Payable	-	(77,640)
Royal Exchange Prudential Life Assurance Plc	Related Company	Gross premium written	-	11,390
Royal Exchange Healthcare Plc	Associate Company	Gross premium written	5,543	1,322
Royal Exchange Microfinance Bank Ltd	Related Company	Gross premium written	-	1,200
Royal Exchange Finance and Investment Ltd	Related Company	Finance lease obligation	(26,176)	(55,703)
Royal Exchange Prudential Life Assurance Plc	Related Company	Preium Outstanding	-	-
Royal Exchange Finance and Investment Ltd	Related Company	Interest expense	-	14,209
Royal Exchange Plc	Shareholder	Management fees	-	20,623
Royal Exchange Healthcare Plc	Associate Company	Employee health insurance	-	-
Royal Exchange Prudential Life Assurance Plc	Related Company	Employee group life cover	-	-
Royal Exchange Microfinance Bank Ltd	Related Company	Bank overdraft	(17,007)	(32,699)
Doncat Enterprise Limited	Kenneth Odogwu	Chairman - Royal Exchange Pl	-	33,077

41 Contingencies and Commitments

a Commitments for expenditure

The Company has no commitment for capital expenditure at the reporting date.

b Contingencies and commitments

	2021 ₦'000	2020 ₦'000
Contingent liabilities		
Legal proceedings and litigations	536,572	3,019,298
Contingent assets		
Legal proceedings and litigations	11,672	11,672

The Company in its ordinary course of business, is presently involved in 14 (2021:36) litigation cases as a plaintiff and defendants. The total amount claimed in the cases against the Company is stated above. The Directors having sought the advice of professional legal counsel are of the opinion that based on the advise received, no additional provisions other than those in the books are deemed necessary for these claims.

c Dividend

In the year under review, the Board of Directors is yet to propose and recommend the dividend payout by the Company. The recommendation if any, shall be presented to the shareholders at the 14th Annual General Meeting of the Company for members' approval.

42 Events after the reporting period

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

43 Compensation of key management personnel

Key management personnel of the Company includes all directors, executive and non-executive, and senior mangement. The summary of compensation of key manangement personnel for the year is as follows:

	2021 ₦'000	2020 ₦'000
Chairman	1,500	1,500
Other Directors	55,440	24,705
	56,940	26,205
Directors' fees	887	454
Emoluments as Executives	56,052	25,751
	56,940	26,205
The highest paid director	**22,468**	**16,811**

The number of directors who received fees and other emoluments(excluding pension contributions) in the following ranges were:-

	2021	2020
2,000,001 - 5,000,000	1	1
Above N5,000,000	-	-

Employees remunerated at higher rates
The number of employees in receipt of emoluments including allowances within the following ranges were:

			2021	2020
1,000,001	-	2,000,000	7	8
2,000,001	-	3,000,000	22	24
3,000,001	-	4,000,000	36	39
4,000,001	-	5,000,000	1	1
5,000,001	-	6,000,000	39	32
6,000,001	-	7,000,000	23	16
7,000,001	-	8,000,000	8	7
8,000,001	-	9,000,000	4	2
9,000,001	-	10,000,000	2	2
10,000,001	-	12,000,000	8	8
12,000,001	-	18,000,000	12	12
18,000,001	-	22,000,001	-	3
22,000,001	-	Above	3	1
			165	**155**

Average number of persons employed in the financial year and the related staff cost were as follows:

	2021	2020
Managerial	18	18
Senior staff	139	128
Junior staff	8	9
	165	**155**

The staff costs for the above persons was:

	2021	2020
	₦'000	**₦'000**
Salaries , wages and other allowances	1,040,190	861,657
Pension cost	20,573	42,869
	1,060,763	904,526
Pension Scheme		
At January	-	-
Provision in the year	20,573	42,869
Remitted to Pension Fund Administrators	(20,573)	(42,869)
At 31 December	-	-

44 Contraventions

During the year, the Company did not contravene any sections of the Insurance Act Cap I17 LFN 2004 and the NAICOM Circulars.

45 Regulatory capital

The Company's solvency margin as at 31 December 2021 was ₦10,180 billion. This is ₦7.18billion above the Company's required minimum solvency margin of ₦3billion.

46 Reconciliation notes to statement of cash flows

(a) Insurance premium received from customers

	2021 ₦'000	2020 ₦'000
Gross Premium Income (See note 30(a)	11,974,393	11,572,069
Unexpired risk, opening balance (See note 23(c))	(1,584,946)	(1,288,775)
Unexpired risk, closing balance (See note 23(c))	(2,345,663)	(1,584,946)
Unearned premium	**760,717**	**296,171**
Trade receivables,opening balance (See note 8)	69,468	53,837
Recoveries, premium receivables - non-life business (see note 36(a)(b)(i))	(136,484)	20,146
Trade receivables,closing balance (See note 8)	(135,160)	(69,468)
Premium received from trade debtors	**(202,175)**	**4,515**
Insurance premium received from customers	**12,532,935**	**11,872,755**
Premium paid (See note 20)	7,417,516	(5,775,254)
Premium received from business during the year	5,115,419	6,097,501

(b) Insurance benefits and claims paid to customers

	2021 ₦'000	2020 ₦'000
Claims incurred (See note 33)	(1,565,194)	(1,289,168)
Outstanding claims reserve, opening balance (See note 23(d))	(2,457,158)	(3,302,516)
Outstanding claims reserve,closing balance (See note 23(d))	2,349,187	2,457,158
Insurance benefits and claims paid to customers	**(1,673,165)**	**(2,134,526)**

(c)(i) Outward reinsurance premium paid

	₦'000	₦'000
Opening trade payables (See note 20)	(321,510)	(223,407)
Gross expenses recognised in Profit or Loss(See note 31)	(6,831,627)	(6,306,618)
Closing trade payables (See note 20)	316,970	321,510
Outward reinsurance premium paid	**(6,836,167)**	**(6,208,515)**

(c)(ii)

Mobile Premium received in advance	10,569,492	7,417,516
Premium received in advance	**10,569,492**	**7,417,516**

(d) Fees and commssion received

	2021 ₦'000	2020 ₦'000
Opening deferred income (See note 19(b))	(114,062)	(93,154)
Net fee and commssion recognised in P or L (See note 32)	578,933	568,042
Closing deferred income (See note 19(b))	148,915	114,062
Fees and commssion received	**613,786**	**588,950**

(e) Claim recoveries made from reinsurers

	2021 ₦'000	2020 ₦'000
Reinsurers share of claims expenses outstanding, opening (See note 9)	586,681	1,057,893
Reinsurers' share of claims expenses outstanding,closing (See note 9)	(238,919)	(586,681)
Movement in reinsurers share of claims expenses outstanding	**347,762**	**471,212**
Reinsurers share of incurred but not reported claim,opening (See note 9)	705,463	735,839
Reinsurers share of incurred but not reported claim,closing (See note 9)	(776,605)	(705,463)
Movement in reinsurers share of incurrec but not reported claims	**(71,142)**	**30,376**
Claim recoveries (See note 33(b))	435,167	599,636
Claim recoveries made from reinsurers	**711,787**	**1,101,224**

(f) Commission paid

	2021 ₦'000	2020 ₦'000
Deferred Acquisition cost,opening balance (See note 10)	225,256	162,489
Deferred Acquisition cost,closing balance (See note 10)	(362,286)	(225,256)
Charge to Profit or Loss	(2,110,630)	(1,997,133)
Commission paid	**(2,247,660)**	**(2,059,900)**

		2021 ₦'000	2020 ₦'000
(g)	Cash payment to employees, intermediaries and other supplier		
	Cash payments to employees (See note 39(a))	(1,040,190)	(861,657)
	Other underwriting expenses (see note 19-34)	(1,123,594)	(1,148,320)
	Other cash payments to intermediaries and supplier	(431,654)	(1,193,394)
	Cash payment to employees, intermediaries and other supplier	**(2,595,438)**	**(3,203,371)**
(h)	**Proceeds from sale of property and equipment**		
	Cost of property and equipment	-	74,712
	Accumulated depreciation	-	(23,788)
	Profit on disposal (See note 37)	-	50,007
	Loss from sale of property and equipment	**-**	**100,931**
(i)	**Dividend income received**		
	Dividend accrual, opening balance (See note 11(b))	-	15,081
	Profit or loss Charge (See note 35)	113,389	76,037
	Dividend accrual, closing balance (See note 11(b))	(1,135)	(15,081)
	Dividend income received	**112, 253**	**76,037**
(j)	**Rental Income**		
	Rental income regognised in profit or loss (See note 35)	73,552	55,199
	Deferred rental income, opening balance	(24,182)	(16,178)
	Deferred rental income, closing balance	25,619	24,182
	Rental income received	**74,989**	**63,203**
(k)	**Interest income received**		
	Profit or loss charge	562,087	461,433

47 Outstanding claims on insurance contracts

Outstanding claims represents the estimated cost os settling all claims arising from incidents occuring as at the date of the statement of financial position. The Company has adopted the Discounted Inflation Adjustment Basic Chain Ladder Method in determining the claimss reserves for the year.

(a) The summary of results using the Discounted Inflation Adjusted Chain Ladder Method is presented below:

31 December , 2021

Table 47(a)(i)

Class of Business	Gross Outstanding Claims	Estimated Reinsurance Recoveries	Net Outstanding Claims
General Accident	293,165	-43,476	249,690
Engineering	108,348	-67,945	40,403
Fire	528,465	-353,743	174,721
Marine & Aviation	231,478	-62,778	168,701
Motor	318,364	-44,436	273,928
Agriculture	135,093	-62,615	72,478
Bond*	9,970	-4,985	4,985
Oil & Gas*	724,304	-375,546	348,758
TOTAL	**2,349,188**	**-1,015,523**	**1,333,664**

**Estimated using Expected Loss Ratio method and discounted*

31 December , 2020

Class of Business	Gross Outstanding Claims	Estimated Reinsurance Recoveries	Net Outstanding Claims
General Accident	327,144	(49,633)	277,511
Engineering	114,181	(82,538)	31,643
Fire	628,244	(461,615)	166,629
Marine & Aviation	146,526	(44,360)	102,165
Motor	334,395	(50,743)	283,652
Agriculture*	79,491	(49,573)	29,918
Bond*	11,779	(5,889)	5,889
Oil & Gas*	815,399	(547,793)	267,606
TOTAL	**2,457,158**	**(1,292,144)**	**1,165,015**

31 December , 2021

Gross Incurred But Not Reported (IBNR) Table

Table 47(a)(ii)

Class of Business	Outstanding Claim Reserves	Outstanding Reported Claim	IBNR ₦'000
General Accident	293,165	125,286	167,879
Engineering	108,348	4,712	103,636
Fire	528,465	266,782	261,683
Marine & Aviation	231,478	77,086	154,392
Motor	318,364	139,251	179,113
Agriculture	135,093	93,739	41,354
Bond*	9,970	9,578	392
Oil & Gas*	724,304	258,540	465,764
TOTAL	**3,324,161**	**2,349,187**	**1,374,212**

31 December , 2020

Incurred But Not Reported (IBNR) Table

Class of Business	Outstanding Claim Reserves	Outstanding Reported Claim	IBNR ₦'000
General Accident	327,144	244,974	82,170
Engineering	114,181	56,499	57,682
Fire	628,244	261,712	366,532
Marine & Aviation	146,526	76,274	70,252
Motor	334,395	135,873	198,522
Agriculture	79,491	35,707	43,784
Bond*	11,779	11,578	200
Oil & Gas*	815,399	374,605	440,794
TOTAL	**2,457,158**	**1,197,223**	**1,259,936**

31 December , 2021

Table 47(a)(iii): Reinsurance IBNR Table

Class of Business	Total Outstanding Reinsurance Recoveries ₦'000	Outstanding Reported Reinsurance Recoveries ₦'000	Reinsurance IBNR ₦'000
General Accident	43,476	16,332	27,144
Engineering	67,945	1,601	66,344
Fire	353,743	116,995	236,748
Marine & Aviation	62,778	13,611	49,167
Motor	44,436	14,353	30,083
Agriculture	62,615	56,103	6,512
Bond*	4,985	4,789	196
Oil & Gas*	375,546	15,134	360,411
TOTAL	**1,015,524**	**238,919**	**776,605**

31 December , 2020

Reinsurance IBNR Table

Class of Business	Total Outstanding Reinsurance	Outstanding Reported Reinsurance	Reinsurance IBNR ₦'000
General Accident	49,633	39,302	10,331
Engineering	82,538	40,233	42,305
Fire	461,615	182,157	279,458
Marine & Aviation	44,360	8,198	36,163
Motor	50,743	24,772	25,970
Agriculture	49,573	22,268	27,305
Bond*	5,889	5,789	100
Oil & Gas*	547,793	263,962	283,832
TOTAL	**1,292,144**	**586,681**	**705,462**

31 December , 2021

UPR (Gross and Reinsurance UPR) – Result Table

Table 47(a)(iv): *UPR (Gross and Reinsurance UPR)-Result Table*

Class of Business	Gross UPR ₦'000	Reinsurance UPR	NET UPR N'000
General Accident	244,614	(69,407)	175,207
Engineering	168,180	(76,916)	91,264
Fire	428,968	(163,810)	265,158
Marine & Aviation	320,070	(124,891)	195,179
Motor	554,876	(22,020)	532,856
Agriculture	5,563	(1,768)	3,795
Bond*	632	(316)	316
Oil & Gas*	622,761	(343,499)	279,261
TOTAL	**2,345,664**	**(802,627)**	**1,543,036**

31 December , 2020

UPR (Gross and Reinsurance UPR) – Result Table

Table 47(a)(iv): *UPR (Gross and Reinsurance UPR)-Result Table*

Class of Business	Gross UPR ₦'000	Reinsurance UPR N'000	NET UPR N'000
General Accident	160,107	(31,675)	128,432
Engineering	80,679	(65,781)	14,898
Fire	253,789	(82,858)	170,931
Marine & Aviation	263,316	(77,903)	185,414
Motor	408,371	(19,324)	389,048
Agriculture	8,308	(1,840)	6,468
Bond*	105	(53)	53
Oil & Gas*	410,271	(172,473)	237,798
TOTAL	**1,584,946**	**(451,905)**	**1,133,041**

(b) Claims Data

The claims data has seven risk groups-(Marine,Motor,Engineering,Bond,Fire,General Accident and Oil and gas).
The combined claims data, for all lines of business between 2007 and 2019, are summarized in Table 41(b)(i) below.

31 December , 2021

Table 47(b)(i)

Incremental Chain Ladder:

	Incremental Chain ladder-Yearly Projections (~~N'000)~~											
Accident	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
2007	278,654	557,993	575,392	591,543	592,742	603,461	603,461	606,740	606,740	607,955	607,955	607,955
2008	518,412	531,376	536,656	537,771	544,197	544,228	544,321	544,321	544,321	544,321	544,321	544,321
2009	123,276	136,264	145,978	150,259	154,559	156,123	156,123	156,123	156,123	156,123	156,123	156,123
2010	246,695	284,317	315,417	322,435	340,369	340,790	340,790	340,878	240,878	340,878	340,878	340,878
2011	35,671	431,046	481,690	487,117	490,347	490,347	491,005	491,005	491,005	491,005	491,005	491,005
2012	59,297	506,453	572,966	585,808	589,431	590,906	591,015	591,015	591,203	591,203	591,203	591,203
2013	412,359	828,281	905,887	914,030	916,462	916,989	917,038	917,038	917,038	917,038	917,038	917,038
2014	285,985	604,781	650,978	678,398	688,718	689,360	689,360	689,360	689,360	689,360	689,360	689,360
2015	469,041	870,987	961,967	1,005,446	1,044,264	1,044,290	1,053,469	1,053,469	1,053,469	1,053,469	1,053,469	1,053,469
2016	423,964	624,617	828,000	928,241	929,784	934,887	938,762	938,762	938,762	938,762	938,762	938,762
2017	204,737	656,874	735,853	759,387	805,954	806,216	806,216	806,216	806,216	806,216	806,216	806,216
2018	110,763	281,695	319,183	322,113	329,086	329,086	329,986	329,086	329,086	329,086	329,086	329,086
2019	97,883	179,810	210,033	232,098	237,745	237,745	237,745	237,745	237,745	237,745	237,745	237,745
2020	72,632	264,068	348,468	363,766	373,446	373,446	373,446	373,446	373,446	373,446	373,446	373,446
2021	95,981	270,040	306,723	320,891	329,856	329,856	329,856	329,856	329,856	329,856	329,856	329,856

Table 47(b)(ii) Motor

Incremental Chain ladder-Yearly Projections (₦'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11
2007	13,481	8,411	4,318	4,083	1,604	2,522	1,686	255	3,578	575	-
2008	30,101	10,914	934	1,504	1,361	-	439	427	-	-	-
2009	88,639	30,546	32,015	25,171	-	60	494	840	821	500	1,000
2010	219,849	5,888	8,745	1,268	-	59	281	-	-	-	-
2011	11,186	162,423	11,635	265	617	-	232	3,500	550	-	-
2012	303,225	190,408	2,851	678	1,923	573	-	-	2,938	-	-
2013	344,468	81,833	9,053	77	880	1,508	61	-	-	-	-
2014	317,989	125,683	14,156	648	3,707	3,820	4,554	80	-	-	-
2015	359,380	102,119	5,649	11,901	127	225	-	-	-	-	-
2016	372,082	100,896	16,961	1,888	375	842	-	-	-	-	-
2017	325,136	151,747	22,927	5,862	2,036	-	-	-	-	-	-
2018	247,369	120,540	13,779	1,466	-	-	-	-	-	-	-
2019	239,604	74,252	5,650	-	-	-	-	-	-	-	-
2020	137,194	75,053	-	-	-	-	-	-	-	-	-
2021	260,437	-	-	-	-	-	-	-	-	-	-

Table 47(b)(iii) Marine

Incremental Chain ladder-Yearly Projections (₦'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11
2007	235	116	798	32	104	4,251	-	-	-	-	-
2008	9,093	13,421	902	108	6,972	-	-	-	4,045	-	-
2009	22,581	15,539	4,772	157	60	135	2	-	-	-	-
2010	11,390	149,416	28,602	1,674	13	12	-	-	-	-	-
2011	155,086	32,721	5,208	18,989	1,880	21	236	-	2	-	-
2012	37,303	54,135	20,068	900	50	964	-	-	-	-	-
2013	30,722	31,502	4,969	1,030	382	1,462	-	-	-	-	-
2014	42,694	27,446	812	316	3,069	500	-	-	-	-	-
2015	56,207	19,952	41,945	2,247	2,370	178	-	-	-	-	-
2016	50,060	209,494	6,409	6,350	-	-	-	-	-	-	-
2017	140,729	39,368	3,469	7,435	9,814	-	-	-	-	-	-
2018	27,743	18,938	11,902	4,446	-	-	-	-	-	-	-
2019	23,479	31,728	11,315	-	-	-	-	-	-	-	-
2020	16,872	12,159	-	-	-	-	-	-	-	-	-
2021	31,301	-	-	-	-	-	-	-	-	-	-

Table 47(b)(iv) Accident

Incremental Chain ladder-Yearly Projections (₦'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11	12
2007	246	22,626	8,493	2,586	101	16,819	700	-	2,374	577	-	-
2008	32,785	30,914	3,571	615	46,221	2,076	87	446	-	-	-	-
2009	60,354	46,466	4,915	32,036	13,906	10,412	668	143	3	752	434	3,838
2010	25,344	13,211	13,565	5,342	5,944	4,988	-	1,466	743	-	-	-
2011	9,363	78,398	27,010	5,372	7,081	52	1,666	620	-	-	175	-
2012	45,345	70,541	23,608	11,504	857	2,025	579	325	1,251	-	-	-
2013	59,915	40,143	17,903	8,647	492	-	27	31	-	-	-	-
2014	46,503	51,081	12,412	1,152	605	331	1,127	-	-	-	-	-
2015	69,863	41,138	4,365	2,424	1,688	1,933	2,461	-	-	-	-	-
2016	85,054	45,439	18,366	7,652	13,083	-	-	-	-	-	-	-
2017	32,172	42,174	19,079	8,959	9,319	-	-	-	-	-	-	-
2018	30,486	29,749	23,713	455	-	-	-	-	-	-	-	-
2019	30,138	76,729	5,592	-	-	-	-	-	-	-	-	-
2020	36,660	59,666	-	-	-	-	-	-	-	-	-	-
2021	44,711		-	-	-	-	-	-	-	-	-	-

Table 47(b)(v) Fire

Incremental Chain ladder-Yearly Projections (₦'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11
2007	54,175	62,508	4,435	4,602	377	3,773	-	1,350		650	-
2008	116,006	3,304	1,505	350	2,262	11	38	-	-	-	-
2009	31,420	3,701	3,053	1,507	1,635	644	-	-	-	-	-
2010	70,296	11,825	10,948	2,668	7,384	190	-	54	-	-	-
2011	11,211	139,179	19,254	2,234	1,458	-	406	-	-	-	-
2012	20,874	170,000	27,385	5,795	1,937	910	75	-	165	-	-
2013	156,771	171,249	35,020	4,354	1,500	362	37	-	-	-	-
2014	117,750	143,860	24,699	16,914	7,083	23	-	-	-	-	-
2015	211,660	214,902	56,119	29,844	29,675	5,103	9,180	-	-	-	-
2016	226,674	123,769	139,604	76,629	1,357	-	-	-	-	-	-
2017	126,288	310,351	60,376	20,689	46,568	-	-	-	-	-	-
2018	76,028	130,669	32,957	2,930	-	-	-	-	-	-	-
2019	74,827	72,024	30,223	-	-	-	-	-	-	-	-
2020	63,853	191,436	-	-	-	-	-	-	-	-	-
2021	95,981	-	-	-	-	-	-	-	-	-	-

Table 47(b)(vi) Engineering

Incremental Chain ladder-Yearly Projections (₦'000)

Accident year	1	2	3	4	5	6	7	8	9	10	11
2007	8,837	11,723	14,266	5,190	4,453	-	-	-	-	-	-
2008	1,540	24,632	3,234	1,959	-	-	-	-	-	-	-
2009	11,922	2,640	1,689	12,620	-	-	76	-	-	-	-
2010	25,564	21,301	20,030	494	133	-	-	-	-	-	-
2011	30,295	123,508	-	35	-	8	-	-	-	-	-
2012	58,399	5,686	5,730	2,539	-	2	-	-	-	-	-
2013	4,011	6,720	6,082	-	-	-	-	-	-	-	-
2014	4,529	13,720	-	-	-	-	-	-	-	-	-
2015	22,464	12,080	-	788	771	15	-	-	-	-	-
2016	34,116	8,487	10,954	505	4,788	715	-	-	-	-	-
2017	4,047	8,111	10,469	4,524	1,387	-	-	-	-	-	-
2018	4,880	12,639	7,062	4,824	-	-	-	-	-	-	-
2019	16,757	17,408	3,684	-	-	-	-	-	-	-	-
2020	13,195	11,966	-	-	-	-	-	-	-	-	-
2021	8,743	-	-	-	-	-	-	-	-	-	-

Other National Disclosures
Value Added Statement As at 31 December, 2021

VALUE ADDED STATEMENT
As at 31 December, 2021

	2021 ₦'000	%	2020 ₦'000	%
Net premium income	11,974,393		11,572,069	
Reinsurance, claims, commission and others	(11,060,324)		(10,577,526)	
	914,069		994,543	
Investment income	749,027		582,470	
Other income	210,168		462,059	
Other gains and losses	(12,034)		(73,763)	
Value added	**1,861,230**	**100**	**1,965,309**	**100**
Applied as follows:				
In payment of employees:				
- Salaries, wages and other benefits	1,039,935	48	861,657	44
In payment to government:				
- Taxation	78,815	4	186,981	10
For future replacement of assets and expansion of business:				
Deferred tax	11,400	1	43,541	2
Depreciation & amortization	99,432	5	79,552	3
Transfer to contingency reserve	382,053	18	356,047	18
Transfer from profit or loss	249,696	12	437,551	23
	1,861,230	**100**	**1,965,309**	**100**

Other National Disclosures Cont'd

Revenue Account As at 31 December, 2021

The following is an analysis of the Company's revenue and result by reportable segment in 2021.

	2021								
	Motor	Accident	Marine & Aviation	Engineering	Fire	Bond	Special Risk	AGRIC	Total
Income:	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Gross written premiums	1,533,147	814,078	898,593	419,298	1,085,100	7,555	7,721,670	255,669	12,735,110
Net change in unearned premiums	(146,505)	(84,507)	(56,753)	(87,502)	(175,179)	(527)	(212,490)	2,745	(760,717)
	1,386,643	**729,571**	**841,839**	**331,797**	**909,920**	**7,028**	**7,509,181**	**258,414**	**11,974,393**
Insurance premium ceded to reinsurers	84,815	228,197	267,148	282,849	628,867	3,983	5,186,586	149,181	6,831,627
Net change in unearned premiums	(2,696)	(37,733)	(46,988)	(11,135)	(80,952)	(264)	(171,027)	71	(350,723)
	82,119	**190,465**	**220,160**	**271,714**	**547,915**	**3,719**	**5,015,559**	**149,253**	**6,480,904**
Net insurance premium income	1,304,524	539,106	621,679	60,082	362,006	3,309	2,493,621	109,161	5,493,489
Fee and commission income	27,903	84,457	59,266	78,507	129,554	1,113	164,483	33,649	578,933
Segment income	**1,332,427**	**623,564**	**680,946**	**138,589**	**491,560**	**4,422**	**2,658,105**	**142,811**	**6,072,422**
Expenses:									
Claims and benefits	341,997	135,303	235,321	55,814	388,377	(1,809)	287,452	122,738	1,565,194
Reinsurers' share - Change in insurance liabilities	(43,929)	(9,774)	(69,132)	(114,993)	(63,187)	904	(83,639)	(51,416)	(435,167)
Fees and commission expense	108,737	122,611	124,027	43,862	139,442	506	1,501,973	34,207	2,075,365
Maint Expenses	44,735	3,903	3,039	2,907	11,205	-	398,551	-	464,339
Profit Commission	-	-	-	-	-	-	(114,793)	-	(114,793)
Other Underwriting expenses	93,719	49,310	56,897	22,425	61,499	475	507,523	17,465	809,313
	545,259	**301,352**	**350,152**	**10,015**	**537,336**	**76**	**2,497,067**	**122,994**	**4,364,251**
Segment underwriting profit	**787,169**	**322,212**	**330,793**	**128,574**	**(45,776)**	**4,346**	**161,038**	**19,816**	**1,708,171**

	2020							
	Motor & Accident	Marine & Aviation	Engineering	Fire	Bond	Special Risk	AGRIC	Total
Income:	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**		**₦'000**
Gross written premiums	1,929,904	705,021	270,301	993,298	853	7,785,421	183,442	11,868,240
Net change in unearned premiums	(59,724)	(106,952)	(51,784)	9,091	1,156	(79,651)	(8,308)	(296,171)
	1,870,180	**598,069**	**218,517**	**1,002,389**	**2,009**	**7,705,771**	**175,134**	**11,572,069**
Insurance premium ceded to reinsurers	189,241	228,405	239,420	484,415	426	5,064,290	100,420	6,306,618
Net change in unearned premiums	(11,434)	(39,072)	3,193	4,639	591	33,584	(1,840)	(10,339)
	177,807	**189,333**	**242,613**	**489,054**	**1,017**	**5,097,874**	**98,581**	**6,296,279**
Net insurance premium income	1,692,373	408,736	(24,096)	513,335	992	2,607,896	76,554	5,275,790
Fee and commission income	56,093	47,015	69,852	122,855	287	253,817	18,122	568,041
Segment income	**1,748,467**	**455,752**	**45,756**	**636,190**	**1,278**	**2,861,713**	**94,676**	**5,843,831**
Expenses:								
Claims and benefits	313,410	65,957	110,692	139,341	(346)	580,367	79,748	1,289,169
Reinsurers' share - Change in insurance liabilities	(49,162)	(16,825)	(59,272)	106,897	173	(533,791)	(47,656)	(599,636)
Fees and commission expense	135,251	81,476	8,732	192,163	317	1,540,731	13,370	1,972,040
Business Acquisition cost	4,080	1,491	571	2,100	2	16,461	388	25,093
Salaries & Allowances - Underwriting personnel	91,074	33,271	12,756	46,875	40	367,402	8,657	560,074
Other Underwriting Expenses	186,729	68,215	26,153	96,107	83	753,284	17,749	1,148,321
	681,383	**233,584**	**99,632**	**583,482**	**271**	**2,724,454**	**72,256**	**4,395,061**
Segment underwriting profit	**1,067,083**	**222,168**	**(53,876)**	**52,708**	**1,007**	**137,258**	**22,420**	**1,448,771**

5 Year Financial Summary As at 31 December, 2021

Royal Exchange General Insurance Company

FINANCIAL SUMMARY

	2021 ₦'000	2020 ₦'000	2019 ₦'000	2018 ₦'000	2017 ₦'000
ASSETS					
Cash and cash equivalents	15,980,243	9,777,898	10,619,459	11,325,338	11,333,888
Financial assets	5,856,412	5,139,048	1,412,190	1,422,679	1,842,965
Investment in associate	455,039	453,145	449,521	432,781	418,421
Deferred acquisition cost	362,286	225,256	162,488	217,457	248,260
Trade receivables	135,160	69,468	53,837	361,667	35,646
Other receivables and prepayment	1,063,778	1,218,453	882,465	745,873	3,255,643
Reinsurance assets	1,818,151	1,744,049	2,235,297	2,709,833	2,212,548
Statutory deposits	340,000	340,000	340,000	340,000	340,000
Intangible assets	64,556	-	-	-	1,389
Investment properties	3,856,305	3,856,706	4,275,855	4,239,347	3,660,719
Property and equipment	1,242,744	1,130,784	1,137,844	1,226,384	1,814,562
Right of use asset	32,806	71,472	76,895		
Employees retirement benefits/LSA	310,990	257,168	295,649	283,850	258,135
Deferred tax assets	-	-	-	-	235,968
Total Assets	**31,518,470**	**24,283,447**	**21,941,500**	**23,305,209**	**25,658,144**
EQUITY & LIABILITIES					
Share Capital & Reserves:					
Ordinary share capital	8,314,354	5,366,667	5,366,667	5,366,667	5,366,667
Share premium	1,277,616	802,737	802,737	802,737	802,737
Statutory contingency reserve	3,226,564	2,844,511	2,488,464	2,170,933	1,849,430
General reserve	577,353	709,711	691,534	354,360	44,853
Other component of equity	4,324	498,614	262,520	155,129	200,272
Total Equity	**13,400,211**	**10,222,240**	**9,611,922**	**8,849,826**	**8,263,959**
Liabilities:					
Bank overdrafts	17,007	32,699	29,030	54,220	49,068
Deferred income	174,533	138,244	109,332	144,133	143,798
Trade payables	10,886,461	7,739,026	5,998,661	5,465,549	9,910,957
Other liabilities	1,473,231	1,109,902	734,950	737,733	880,894
Finance lease obligations	26,176	55,703	63,927	49,473	89,061
Borrowings	-	-	-	31,708	330,499
Deposit for shares	-	-	-	2,000,000	-
Insurance contract liabilities	4,694,850	4,042,104	4,591,292	5,318,102	5,446,009
Income tax payable	285,555	388,492	293,033	376,966	266,976
Deferred tax liabilities	539,543	528,144	484,603	256,260	248,565
Employees retirement benefits	45,099	26,893	24,750	21,239	28,358
Total Liabilities	**18,118,259**	**14,061,207**	**12,329,578**	**14,455,383**	**17,394,185**
Total Equity & Liabilities	**31,518,470**	**24,283,447**	**21,941,500**	**23,305,209**	**25,658,144**
TURNOVER AND PROFIT					
Gross premium written	12,735,110	11,868,240	10,584,353	10,716,756	9,698,433
Net premium earned	5,493,489	5,275,791	5,478,494	5,501,036	4,235,774
Profit before taxation	339,809	1,024,099	974,643	1,154,518	394,077
Profit after taxation	249,696	793,578	654,705	735,327	265,719

Management

ROYAL EXCHANGE GENERAL INSURANCE COMPANY LIMITED

Managing Director
Mr. Benjamin Agili
HND, MBA, FCII, FIIN

Executive Director (Technical Operations)
Mrs. Jane Ekomwereren
B.A., PGD, ACII

Executive Director (Business Development)
Mr. Oyetunji Oshiyoye
B.Sc, MBA

General Counsel/Company Secretary
Ms. S. I. Ezeuko - General Manager
B.Ed., LLB, BL, ACIARB, PGD INSURANCE LAW, PGCL CORPORATE & COMMERCIAL LAW

Chief Financial Officer
Mr. Uyi Osagie
B.Sc, MBA, ACIIN

Head of Human Resources
Mr. Tudor Osademe
Bsc. MBA

Chief Digital and Information Officer
Mr. John Agbai
M.Sc, B.Eng

Chief Investment Officer
Mr. Kola Yakub
Bsc, Msc, ACA, CIIA, FCA

Head, Technical Division
Mr. Ayoku Kamoru
Bsc, LLB, BL, MBA, ACIIN, LLM

Head, Enterprise Risk Management and Strategy
Mr. Mbat Idongesit
Bsc, ACIM, AIOR

Head, Claims
Mrs. Olawunmi Makanjuola
BA, MBA

Head, Underwriting
Mrs. Adedoyin Akintayo
HND, MBA

Head, Oil and Gas
Mr. Akin-Francis Akinjide
HND, MMP, ACIIN

Head, Corporate Communications
Mrs. Jacquelline Nwandu
BA, MCIM

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Mr. Adekite Afolusho Titilayo
Bsc, MSc

Business Director (Lagos Main Branch)
Mrs. Victoria Afolayan
HND, MBA

Business Director (Financial Institutions and Bancassurance)
Mrs. Esther Odutan
BA, CIIN

Business Director (North)
Mr. Ojima Onalo
Bsc. MBA

Business Director (South-West)
Mr. Tolulope Sanni
BA, MBA, CIIN

Regional Director (South-South)
Ms. Karen Eradajaye
LLB, BL, AIICN

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103/7, Allen Avenue,
Opposite Alade Market, Ikeja,
Tel: 01-212-1826, 0708-621-0141, 01-295-5662

Aba
No. 83, Azikwe Road,
Aba (Second Floor)
Abia State
Tel: 0803-776-3428, 0803-390-5798

Abuja
26, Mahatman Ghandi Crescent,
Area 11,
Garki, Abuja.
Tel: 0803-590-0354,
0803-661-3580

Asaba
14, Dennis Osadebey Way,
Asaba, Delta State.
Tel: 0803-673-2911

Benin
Unity Bank Building
No. 98 New Lagos Road 113,
New Lagos Road,
Benin City
Edo State
Tel: 0806-081-4253

Enugu
Canute House, 19/25 Ogui Road,
Enugu State.
Tel: 04-229-108, 0802-313-3497

Ibadan
Old Sketch Building, First Floor,
Cocoa House Complex,
Dugbe, Ibadan,
Tel: 0809-468-6750, 0814-999-3555

Ikeja
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Port Harcourt
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Warri
Ogun House, 107,
Effurun/Sapele Road,
Opp. Stanbic IBTC Bank,
Effurun, Delta State.
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Corporate Events


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Notes

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Notes


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Protects against a variety of weather-induced crop losses

ROYAL EXCHANGE
General Insurance

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