REGENCY ALLIANCE INSURANCE PLC
(RC 223946)

AUDITED REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021

TAC PROFESSIONAL SERVICES
(CHARTERED ACCOUNTANTS)

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

We the undersigned hereby certify the following with regards to our Audited Financial Statements for the year ended December 31, 2021 that:

We have reviewed the report;

To the best of our knowledge, the report does not contain:
Any untrue statement of a material fact, or omit to state a material fact, which would make statement, misleading in the circumstances under which such statement were made;

To the best of our knowledge, the financial statement and financial information included in the report fairly present in all material respect the financial condition and results of operations of the company as of , and the period presented in the report.

We:

Are responsible for establishing maintaining internal control,
Having designed such internal control to ensure that material information relation to the company and its consolidated subsidiary is made know to such officers by others within those entries particularly during the period in which the periodic reports are prepared;
Have evaluated the effectiveness of the company's internal controls as of date within 90 days prior to the report;
Have presented in the report our conclusion about the effectiveness of our internal controls based on our evaluation as of the that date;

We have disclosed to the auditors of the company and audit committee:

All significant deficiencies in the design or operation of internal control which would adversely affect the company's ability to record, process, summarized and report financial data and have identified for the company's auditor any material weakness in the internal control, and
Any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal control;

We have identified in the report whether or not there were significant change in internal control or other factors that could significantly affect internal controls subsequent to the date of our evaluate, including any corrective action with regard to significant deficiencies and material weakness.

**MR. BIYI OTEGBEYE
FRC/2013/NBA/00000003749
GROUP MD/CEO**

**MR.KEHINDE OYADIRAN
FRC/2013/ICAN/00000003559
GROUP CFO**

CORPORATE INFORMATION

DIRECTORS	:	Mr. Clem Baiye (Acting Chairman) Mr. Biyi Otegbeye (Managing Director) Dr. Sammy Olaniyi (Executive) Mr. Kehinde Oyadiran (Executive) Mr. Matt Osayaba Aikhionbare,ON Chief Wale Taiwo SAN Mr. Donald James (Indpt. Non Exécutive Directory)
COMPANY SECRETARY	:	Anu Shobo FRC/2013/NBA/00000003654
AUDITORS	:	**TAC PROFESSIONAL SERVICES.** (Chartered Accountants) Plot 22, Adebisi Oguniyi Crescent. Off Oladimeji Alao Street. Lekki Phase 1 Lagos FRC/2012/ICAN/00000000325
SOLICITORS	:	**WALE TAIWO & CO.** (Legal Practitioners) 9B Wale Taiwo Close Off PSSDC Road Magodo GRA Phase 2 FRC/2014/NBA/00000008128
HEAD OFFICE	:	**Regency Place** 2 Ebun Street Gbagada Expressway Gbagada, Lagos. 08053499073-74 info@regencyalliance.com www.regencyalliance.com
BANKERS	:	First Bank of Nigeria Plc Sterling Bank Plc Zenith Bank Plc Access Bank Plc
REGISTRAR	:	Meristem Registrars Limited 305 Herbert Macaulay Way Sabo, Yaba Lagos
RE-INSURERS	:	African Reinsurance Corporation WAICA Reinsurance Limited Continental Reinsurance Limited
ACTUARY	:	TAF Consulting (Nigeria) Limited FRC/2013/NAS/00000002723
COMPANY RC NO.	:	RC 223946
COMPANY FRC REG. NO.	:	FRC/2013/0000000000598

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors of Regency Alliance Insurance Plc are responsible for the preparation of the consolidated and separate financial statements that present fairly the financial position of the Group and Company as at 31 December 2021, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act (CAMA),2020, Insurance Act 2003 and the Financial Reporting Council of Nigeria Act, 2011.

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 Group and Company's financial position and financial performance; and

making an assessment of the Group's and 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 Group and Company;

maintaining adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time, the financial position of the Group and Company, and which enable them to ensure that the financial statements of the Group and 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 Group and Company; and preventing and detecting fraud and other irregularities.
The Directors have assessed the Group's ability to continue as a going concern and have no reason to believe the Group and Company will not remain as a going concern in the year ahead.

The consolidated and separate financial statements of the Group and Company for the year ended 31 December 2021 were approved by the Directors on 08 March 2022.

On behalf of the Directors

....	....
DR. SAMMY OLANIYI	**MR. KEHINDE OYADIRAN**
DIRECTOR	**DIRECTOR**
FRC/2013/CIIN/00000003716	**FRC/2013/ICAN/00000003559**

DATED THIS 08TH DAY OF MARCH 2022

REPORT OF THE DIRECTORS

The Directors have the pleasure of presenting their Annual Report on the affairs of Regency Alliance Insurance Plc. ("the Company") together with the Financial Statements and the Auditors' Report for the year ended 31 December 2021.

1. LEGAL FORM AND PRINCIPAL ACTIVITY

The Company was incorporated on the 16th day of June 1993 as a private limited liability Company known as "Regency Insurance Company Limited" and was licensed by NAICOM to underwrite all classes of NON-Life Insurance Business. On the 11th of March 2005, the Company was licensed to underwrite Life Insurance Business in addition to the Non-Life Insurance Business thereby becoming a composite Insurance Company.

In 2007, after a successful merger with three other companies, the Company's name was changed to Regency Alliance Insurance Plc. The Company was re-registered and licensed to underwrite all classes of Non-Life Insurance Business.

The Company's principal activity is the provision of General Insurance cover to Institutional and individual clients.

The Company has three subsidiaries: RIC Properties & Investment Limited, RIC Microfinance Bank Limited and RIC Technologies Limited, and one associate company, Regency NEM Insurance Ltd Ghana.

The information on the subsidiaries is provided in note 11 to the Audited Financial Statements and Reports.

2. OPERATING RESULTS

The following is a summary of the Company's operating results:

	THE GROUP		THE COMPANY	
	2021	**2020**	**2021**	**2020**
	=N='000	**=N='000**	**=N='000**	**=N='000**
Profit Before Tax	345,503	660,457	343,275	681,137
Income Tax Expense	(22,896)	(70,168)	(22,530)	(52,550)
Profit For the year	**322,607**	**590,289**	**320,746**	**628,587**
Non Controlling Interest	(182)	32,077	-	-
	322,425	**622,366**	**320,746**	**628,587**
Transfer to Contingency Reserves	(153,554)	(196,295)	(153,554)	(125,717)
Other Transfers	376,246	3,388	-	3,388
Profit for the Year	**545,117**	**429,459**	**167,192**	**506,258**
Retained Profit Brought Forward	1,201,684	772,225	1,528,051	1,021,793
Dividend Paid	-	-	-	-
Retained Profit Carried Forward	**1,746,801**	**1,201,684**	**1,695,243**	**1,528,051**

REPORT OF THE DIRECTORS (cont'd)

3. **DIRECTORS**

3.a Directors who held office for the year 2021 are listed hereunder.

- MR. CLEM BAIYE – Acting Chairman
- MR. OLUBIYI O. OTEGBEYE Managing Director /Chief Executive Officer.
- MR. MATT OSAYABA AIKHIONBARE, OON - Director
- CHIEF WALE TAIWO, SAN Executive Director (APPOINTED WEF 27TH MAY 2021)
- MR. DONAL JAMES ETIM Independent Executive Director (APPOINTED WEF 27TH MAY 2021)
- DR. SAMMY OLANIYI - Executive Director (OPRS)
- MR. KEHINDE OYADIRAN – Executive Director (Fin/Admin)

3.b. **DIRECTORS' BENEFICIAL INTERESTS**

The direct and indirect interest of Directors of the Company in the issued share capital of the Company as recorded in the register of members as at 31 December 2021 and notified by the Directors for purpose of Sections 301 and 302 of the Companies and Allied Matters Act 2020 and the listing requirement of the Nigeria Exchange Limited (NGX0 are as stated below.

S/N	DIRECTORS	Direct Holdings	Indirect Holdings	Units
1	MR. CLEM BAIYE	1,000,000	*******	*******
2	MR. OLUBIYI O OTEGBEYE	789,328,879	*******	*******
3	MR. MATT OSAYABA AKHIONBARE, OON	*******	*******	*******
4	CHIEF WALE TAIWO, SAN	14,349,235	633,531,250	*******
5	DR. OLANIYI SAMMY	44,580,457	*******	*******
6	MR. OYADIRAN KEHINDE	206,250	*******	*******

Mr. Clem Baiye's holding is held jointly with another shareholder.

Chief Wale Taiwo's indirect interest is for Alexander Reisse Consulting Limited

REPORT OF THE DIRECTORS (cont'd)

3.c. DIRECTORS' INTEREST IN CONTRACT

None of the Directors has notified the Company of any declarable interest in any contract involving the Company in compliance with Section 303 of the Companies and Allied Matters Act 2020, during the year under review.

Chief Wale taiwo is however the principal Partner of Wale Taiwo and co, one of the Company's External Solicitors.

3.d DIRECTORSREMUNERATION

In compliance with the provisions of Section 34.5 of the Code of Corporate Governance for public companies as issued by Securities and Exchange Commission (SEC), the remuneration of the Company's Directors is disclosed as follows:

Remuneration	Description	Timing
Basic Salary	This represents part of the gross salary package for Executive Directors. This reflects the insurance industry competitive salary package and the extent to which the Company's objectives	Paid monthly during the financial year.
	have been met for the financial year.	
13th Month Salary	This represents part of the gross salary for Executive Directors	Paid during the last month of the year.
Directors' Fees	Allowances paid to Non-Executive Directors.	Paid once during the financial year.
Sitting Allowance	Allowances paid to Non-Executive Directors only for siting at the Board meetings and other business meetings.	Paid during the financial year.

REPORT OF THE DIRECTORS (cont'd)

4. ANALYSIS OF SHAREHOLDERS

(a) Active Shareholders Summary Position as at 31 December 2021

Range		***No. of Holders***	***Holders %***	***Holders Cum.***	***Units***	***Units %***	***Units Cum.***
1	1,000	716	13.03%	616	299,180	0.00%	299,180
1,001	5,000	982	17.87%	1,698	2,642,534	0.04%	2,941,714
5,001	10,000	655	11.92%	2,353	4,719,830	0.07%	7,661,544
10,001	50,000	1,611	29.32%	3,964	37,131,154	0.56%	44,792,698
50,001	100,000	502	9.14%	4,466	35,848,389	0.54%	80,641,087
100,001	500,000	634	11.54%	5,100	124,129,064	1.86%	204,770,151
500,001	1,000,000	121	2.20%	5,221	85,112,958	1.28%	289,883,109
1,000,001	5,000,000	177	3.22%	5,398	368,690,356	5.53%	658,573,465
5,000,001	10,000,000	35	0.64%	5,433	233,541,570	3.50%	892,115,036
10,000,001	ABOVE	62	1.13%	5,495	5,776,634,965	86.62%	6,668,750,000
Grand Total		**5,495**	**100.00%**		**6,668,750,000**	**100.00%**	

(b) **Substantial Interest in Share**

S/NO	**NAME**	**UNIT**	**%**
1	OLUBIYI OTEGBEYE	789,328,879	11.84%
2	ALEXANDER-REISSE CONSULTING. LTD	633,531,250	9.50%

REPORT OF THE DIRECTORS (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT

Information relating to investment and changes in property, plant and equipment is given in note 14 of the Financial Statements. In the opinion of the Directors, the market value of the Company's assets is not less than the value shown in the Financial Statements.

6. **DONATIONS AND CHARITABLE GIFTS**

There were no political donations made during the year under consideration, however, as a responsible and sensitive corporate entity, the Company in addition to various material gifts made cash donations to the underlisted institution in the course of the year.

RECEIPIENT	**2021**	**2020**
Wesley School for the Deaf,Surulere, Lagos	100,000.00	-
Modupe Cole Memorial Children	100,000.00	-
Rotary club of Ikeja	150,000.00	-
Pacelli School for the Blind	100,000.00	-
Love Home Orphanage	100,000.00	-
Little Saints Orphanage Home , Akoka Lagos	100,000.00	-
Heritage Home	100,000.00	
Wesley School for the Deaf, SuruLere,Lagos	-	100,000.00
Modupe Cole Memorial Children	-	100,000.00
Missionaries of Charity Mother, Theresal, Ketu Lagos	-	100,000.00
Nigeria Red Cross Motherless, Babies home, Makoko Lagos	-	100,000.00
Nigerian Insurers Association (COVID -19 Paliative)	-	3,000,000.00
Police community Relations Committee, Pedro, Lagos	-	200,000.00
Heart of Gold Children Hospice, Surulere Lagos	-	100,000.00
TOTAL	**750,000.00**	**3,700,000.00**

REPORT OF THE DIRECTORS (cont'd)

7. HUMAN RESOURCES

(a) **Employment of Disabled Persons**

On the employment of physically challenged persons, the Company operates a non-discriminatory policy while considering applications received for employment. The Company engages the most qualified applicant after necessary assessment irrespective of the applicant's physical condition, state of origin, ethnicity or religion.

In the event of any employee becoming disabled in the course of employment, the Company is in a position to arrange appropriate training to ensure the continuity of his or her employment without subjecting such employee to any disadvantage in his/her career development.

(b) **Health, Safety and Welfare at Workplace**

The Company has continuously improved the work environment to make it safe for all stakeholders. It also ensures safety rules and procedures are strictly enforced at the workplace, the rules and procedures are reviewed regularly. Fire prevention and firefighting equipments are installed within the Company's premises and Members of staff are trained and re-trained on the use of the equipment.

The Company in its efforts to ensure the reduction of the spread of the COVID-19 virus and staff protection continued to provide within the Head Office Complex and all Branch Office Premises relevant and necessary safety items. Members of staff were from time to time sensitized on the need to maintain all Covid 19 protocols to protect themselves within and outside the office complex.

The Company continued to invest in the IT infrastructure of the Company with a view to ensuring easy access to information and aiding members of staff to be able to work seamlessly both on and off site with minimum contact and reduced paper work.

As part of the welfare scheme for staff, the Company maintains medical scheme which provides medical facilities to members of staff and their immediate families. In addition, the Company also maintains Group Personal Accident and Life Insurance covers for all members of staff and in accordance with the Pensions Reforms Act 2004, the Company maintains a contributory pension plan for all members of staff.

REPORT OF THE DIRECTORS (cont'd)

(c) **Training and Development**

The development of the skills of the work force is regarded as having direct relationship with the performance and profitability of the Company, as such, the Company maintains a policy of continuous Training and Development of members of staff for optimal performance.

As a result of the Global Pandemic with the resultant effects and the different variants breaking out, most of the external trainings were virtual. However, some relevant internal trainings were arranged Physically for members of staff observing all Covid 19 protocols.

(d) **Gender Analysis**

The Company maintains a non- discriminatory gender employment policy and ensures adequate attention is given to gender parity in employing its work force. The structure of the workforce as at the 31st of December 2021 is as shown below;

S/N	CATEGORY	MALE NUMBER	FEMALE NUMBER	TOTAL	MALE %	FEMALE %
1	JUNIOR STAFF	32	21	53	60	40
2	SENIOR STAFF	5	5	10	50	50
3	LOWER MANAGEMENT	9	6	15	60	40
4	SENIOR MANAGEMENT	14	7	21	67	33
	TOTAL	**60**	**39**	**99**		

8. ACQUISITION OF OWN SHARES

The Company did not acquire any of its own shares during the year under review.

9. **RECAPITALISATION**.

In May 2019 the NAICOM directed that all Insurance Companies in Nigeria should Recapitalise, the Board immediately set about this, as a result of a series of occurrences including pending court cases, Though there seem to be no clear directive on the Recapitalisation as a result of it being challenged, the Board is not relenting on its efforts to ensure the Company is fully recapitalized so as to remain competitive in the Industry.

REPORT OF THE DIRECTORS (cont'd)

10. EFFECT OF COVID – 19 ON THE COMPANY'S OPERATIONS

During the year under review as in the previous year, the Company identified the following as high-risk areas in the Covid-19 and Post Covid-19 era.

Business Risk
Operational Risk
Investment Risk
Liquidity Risk
Regulatory Risk
Foreign Exchange volatility Risk
Cybersecurity Risk
Information Technology (IT) Infrastructure Risk
Customer attrition Risk
Health, Safety and Environment Risk

Below are the likely impact of the risks and steps taken to mitigate the effects thereof

Business Risk

As in 2020, the following sectors of the economy continued to be impacted strongly by the effects of the pandemic: Aviation, oil & gas, travels, hospitality, tourism, entertainments, events management. However as expected there was a gradual return to normalcy in the business environment towards the end of the year.

Though the Company reviewed downwards the revenue projections by 15%, it experienced a growth in premium income generation and was still able to end the year on a profitable note as the cost saving measures put in place in the previous year were sustained.

Operational Risk

In the area of operations, the Company has a cloud-based software package which is easily accessible online. Technical (Underwriting, Claims/Reinsurance) and Finance Operations are fully functional online real-time 24/7. The Company also used online meeting tools for Management and Departmental meetings where issues and matters were discussed, agreed and implemented. In addition, payments were received and made via the various online bank channels. All payments go through the normal approving channels albeit online.

It is worthy of note that the Company did not experience any disruption of her activities in the year.

REPORT OF THE DIRECTORS (cont'd)

Investment Risk

With the growth in the economy, the stock market was expected to perform better in 2021 than it did in 2020. Notwithstanding, the Company continues to monitor its exposure in the quoted equities to reduce any loss that might arise.

Interest rates on deposits however were either flat or trended downwards in line with the monetary policies. The Company continued to ensure that it gets the best rates possible in the market for its deposits.

Liquidity Risk

The Company has continued to meet its financial obligations especially as it pertains to claims payments as adequate reinsurance covers have been put in place for our various lines of businesses.

Regulatory Risk

The Legal and Compliance Department continued to notify Executive Management, the Management and all Departments of any new legislation, guideline or directive received from time to time.

In addition, the Internal Audit Department performs regulatory compliance audit in line with the Internal Audit mandate.

Insurance businesses are generally incepted on a “No Premium No Cover” basis, while allowing for a 30-day window in line with NAICOM guidelines. The Company continues to ensure strict compliance and in line with regulations, report defaulters whenever they arise.

Foreign Exchange volatility Risk

The Company managed this risk by ensuring that assets were held in foreign currencies to match the estimated liabilities that may arise. These assets also generate income as they are interest earning.

The Company also does scenario planning which anticipates multiple exchange rates where the foreign currency liabilities cannot be matched by the foreign currency assets (in cash and bank balances) and plans the volumes of transactions against worse-case scenarios. The impact of the foreign exchange volatility risk is disclosed in the financial statements in line with IFRS

REPORT OF THE DIRECTORS (cont'd)

Cybersecurity risk

One of the fallouts of the post Covid-19 pandemic was the rise in the use of the Internet in business transactions together with remote working which will entails the use of different devices outside the office.

The three main goals of Cybersecurity are Confidentiality, Integrity and Accessibility of data and information contained on the Company's **package.**

The Company's cybersecurity architecture is being enhanced and a new ICT/Cybersecurity policy is being finalised to address the various threats and vulnerabilities that could arise. The Company has continued to build capacity to respond and stay resilient to any cyber-attack. Efforts are on to conduct Data Privacy Impact Assessment of existing processes.

The Company will continue to

a. Raise awareness within the Company warning Staff of the heightened risk of COVID-19 themes phishing attacks
b. Enhance security awareness to our customers via email and text messages, providing tips on safe use of the Company's digital channels.
c. Share definitive sources of advice on how to stay safe and provide regular communications on the approach of the Company to the COVID-19 pandemic
d. Make sure that all staff set up strong passwords,
e. Provide remote workers with straightforward guidance on how to use remote working solutions including how to make sure they remain secure with tips on the identification of phishing
f. Assess third-party risks of vendors who provide support for critical systems, digital interfaces and channels.
g. Ensure that all provided laptops and devices on which Company's software is run have up to date anti-virus and firewall software
h. Run a helpline or online chat line which staff can easily access for advice, or report any security concerns including potential phishing
i. Disable USB drives to avoid the risk of malware.

Information Technology (IT) Infrastructure Risk

The Company over the years has continued to invest in IT infrastructure. It has and will continue to develop a technology strategy that aligns with business objectives through adequate governance for technology infrastructure management and investment. Presently, the Company's network is cloud based and this is closely being monitored in line with Cybersecurity risk policy.

In addition to the above, the Company is updating its technology risk management framework.

REPORT OF THE DIRECTORS (cont'd)

Customer Attrition Risk

The Company realises that the tastes and demands of her customers are ever evolving and dynamic. It also appreciates that due to the downturn in the economy, the preference for insurance among individual and corporate entities will reduce.

In view of the above, the Company has set out a clear vision for improved and interactive customer experience. The Company intends to use both data analytics and technology to develop new products that will be customer tailored and regulatory compliant.

The Company has also improved on its brand visibility by taking the Company into the homes and minds of its customers. We also ensured that our pricing policy and payment model continue to reflect the realities of the time.

Health, Safety and Environment Risk

The Covid-19 pandemic has brought to the fore the health, safety and environment risk that could adversely affect the Company.

In line with the NCDC guidelines, the Company

a. Has developed an infectious disease preparedness action plan to reduce the risk of exposure in the workplace and communicate it to all staff members.
b. Ensured that the contact details and emergency contact details of all staff members is kept up to date and is always easily accessible for use both by the Company or whenever statutorily required.
c. Ensured that staff members, through different media forms, know how to spot the symptoms of coronavirus and they have a clear understanding what to do if they feel unwell
d. Provided handwashing facilities and ensured employees have access to water and soap, and sanitisers while maintaining a clean and safe working environment.
e. Had policies and practices that enabled staff to work flexibly and remotely.
f. Enforced social distancing strategies to safeguard the health and safety of employees whose role requires face-to-face interactions with customers

g. Discouraged the sharing of work equipment, tools, computers, phones and desks
h. Limited physical meetings with clients and promoted the use of meeting technology support systems by conducting business meetings virtually and remotely

i. Continued to stay abreast of guidelines and recommendations from Federal and state health authorities, regarding changes in national directives as a result of the changing transition of coronavirus locally and nationally.

REPORT OF THE DIRECTORS (cont'd)

In addition to the above, the company encouraged all members of staff to be vaccinated against the Covid-19 virus. Virtually all members of staff have been fully vaccinated against the virus and some have even had the booster vaccination.

11. EFFECT OF THE ENDSARS UNREST ON THE COMPANY'S OPERATIONS

The civil unrest which broke out in the city of Lagos in October 2020 which is widely referred to as the EndSARS unrest was not without its effect on the Company.

Several claim reports in huge amounts have been received. The reports have been documented and all reported claims were paid in the course of the year on loses related to the unrest.

The Company remains committed to fulfilling its obligations to all our clients always and will continue to live up to expectation of its clients and other stakeholders.

12. EVENTS AFTER THE REPORTING PERIOD

As at 31st December 2021, there were no events after the reporting period which could have material effects on the financial position of the Company and profit attributable to the equity shareholders

13. AUDITORS

The Auditors, Messrs. TAC Professional Services have indicated their interest to continue serving the Company.

BY ORDER OF THE BOARD

ANU SHOBO
COMPANY SECRETARY
FRC/2013/NBA/00000003654
LAGOS, NIGERIA
8TH MARCH, 2022

CORPORATE GOVERNANCE REPORT

INTRODUCTION

The Company embraced the principles of Corporate Governance in all areas of its operations for the achievement of its corporate goals and enhancing the interest of all stakeholders. The Company complied with all applicable Corporate Governance Regulations as well as international best practices. During the reporting period, the Board made use of Committees with clearly defined terms of reference for its oversight functions. The Company has also entrenched the principles of Accountability and Transparency in Financial Reporting.

1. BOARD OF DIRECTORS

The Board is made up of highly respected individuals who are well exposed and experienced in their chosen professional fields with sufficient experience in insurance thus enabling them to provide broad guidance and oversight Functions for the Company.

During the year under review the Board consisted of 7 Directors (Executive and Non-Executive) unfortunately, one of the Non – Executive Directors passed on early in the year.

No two members of the same extended family are members of the Board.

1.1 ROLE OF THE BOARD

The Board had continued to play the underlisted roles amongst others.

- Ensuring good governance of the Company
- Setting performance objectives and ensuring the right strategies are employed to achieve set objectives.
- Formulation and Management of the Company's Risk Management Framework.
- Monitoring and evaluating Management performance and implementation of set objectives.
- Succession planning, appointment, appraisal and compensation for Board members and Senior Management staff.
- Performance appraisal and compensation of Board members and senior executives.
- Ensuring the financial and accounting integrity of the Company and the maintenance of ethical standards.
- Overseeing the effectiveness and adequacy of internal control systems.
- Ensuring that appropriate checks and balances are in place in compliance with the applicable Laws.
- Ensuring that the Company's operations are conducted in a fair and transparent manner that conforms to high ethical standards.
- Ensuring effective communication with shareholders and other stakeholders of the Company.

CORPORATE GOVERNANCE REPORT (cont'd)

1.2 CHAIRMAN AND CHIEF EXECUTIVE OFFICER

In compliance with the provisions of the existing Code of Corporate Governance and best practice, the person, position, role and responsibilities of the Acting Chairman and the Managing Director/ Chief Executive Officer are separate and distinct.

THE CHAIRMAN (Acting)

The Acting Chairman of the Board is a Non – Executive Director. He is responsible for managing and providing leadership for the Board. He ensures that adequate information in respect of the operations and performance of the Company is received by all Board members as at when due. The Chairman apart from ensuring that the Board functions cohesively also presides over and ensures that Meetings of the Board are properly conducted. The Chairman oversees the Annual Board evaluation process and discusses the outcome with individual Directors. He also presides at the Company's general meeting.

THE MANAGING DIRECTOR

The Managing Director is the Chief Executive Officer and head of the Management team. He is charged with the responsibility of overseeing the day-to-day administration of the Company, ensuring the Implementation of strategic and financial policies as well as compliance with relevant Regulatory Provisions and Extant Laws. The Managing Director reports regularly to the Board.

1.3 THE INDEPENDENT DIRECTOR

The Independent Director was appointed in compliance with the Code of Corporate Governance. He has no other business interests in the Company. As an Independent Director, he is responsible for the protection of the rights and interests of Shareholders.

1.3 BOARD CHANGES

In the course of the year, our esteemed Executive Director, Col. Isah Aminu Kontagora passed on thus creating additional vacancy on the Board. During the Company's 27th Annual General Meeting, two New Directors were elected to fill the existing vacancies.

CORPORATE GOVERNANCE REPORT (cont'd)

- Chief Wale Taiwo SAN Non-Executive Director
- Mr. Donald James Etim Independent Non – Executive Director

1.5 BOARD APPOINTMENT PROCESS

The Establishment and General-Purpose Committee of the Board is charged with the responsibility of leading the process of identifying, evaluating and nominating suitable persons to the Board for the purpose of appointing them to the Board.

The Committee considers candidates on merit against set objective and criteria for the benefit of diversity on the Board as well as the balance and mix of appropriate skills and experience.

1.6 BOARD PERFORMANCE EVALUATION

In furtherance of the Company's commitment to sound Corporate Governance practice, the Company ensured that the Performance of individual Directors and the Board is evaluated annually through a system of independent evaluation.

The Evaluation was undertaken by a competent external consultant and it covered all areas of the Board operations including appointment, individual competence, structure and relationship with the company.

1.7 MEETINGS OF THE BOARD

With the persistence of the Global Covid - 19 pandemic, a number of the meetings of the Board were held virtually. The Pandemic notwithstanding, the Board was however still able to hold the required quarterly meetings thus making a total of four meetings during the year under review. The fact that most of the meetings the Board held virtually did not preclude them from performing their responsibilities creditably well. The Board was able to formulate policies, evaluate performance of the Company, provide strategic direction and leadership for attaining the Company's objectives.

CORPORATE GOVERNANCE REPORT (cont'd)

RECORD OF DIRECTORS' ATTENDANCE

	NAME	STATUS	NUMBER OF MEETINGS HELD	NUMBER OF MEETINGS ATTENDED
1.	Mr. Clem Baiye	Acting Chairman	**4**	**4**
2.	Mr. Biyi Otegbeye	Managing Director	**4**	**4**
3.	Mr. Matt Osayaba Aikhionbare OON	Non – executive Director	**4**	**4**
4.	Mr. Sammy Olaniyi	Executive Director (Operations)	**4**	**4**
6.	Mr. Kehinde Oyadiran	Executive Director (Fin/Admin)	**4**	**4**

Board meetings were held on the 24th March, 29th April, 29th July and 28th October 2021

2 BOARD COMMITTEES

The Board performed its oversight functions through three Committees with clearly defined terms of reference. The Committees were made up of Executive and Non - Executive Directors The Committees in operation during the year under review were:

(a) Finance, Investment and General-Purpose Committee
(b) Enterprise Risk Management and Governance Committee
(c) Audit and Compliance Committee

CORPORATE GOVERNANCE REPORT (cont'd)

2.1 FINANCE, INVESTMENT AND GENERAL-PURPOSE COMMITTEE

The Committee was made up of two Non – Executive Directors and one Executive Director and was charged with the responsibility of budget monitoring and control, formulating and reviewing investment strategies and the Company's Investment portfolio and ensuring financial prudence and integrity of the Company, the Committee also reviewed the acquisition, preservation and disposal of assets,

The Committee met twice in the course of the year, record of the Committee's meetings and attendance are as stated below:

S/N	NAME	STATUS	**NUMBER OF MEETINGS HELD**	**NUMBER OF MEETINGS ATTENDED**
1..	Mr. Matt Osayaba Aikhionbare, OON	Non-Executive Director/ chairman	**2**	**2**
2.	Mr. Clem Baiye	Non – Executive Director	2	2
3.	Mr. Biyi Otegbeye	Managing Director	**2**	**2**

The committee's Meetings were held on the 24th March and 27th October 2021

2.2 ENTERPRISE RISK MANAGEMENT AND GOVERNANCE COMMITTEE

The Committee was made up of two Non-Executive Directors and two Executive Director and was charged with the responsibility for the recommendation for appointment of new Board members, risk assessment, review of the adequacy and effectiveness of the Company's risk management policies and control, review of compliance level with the existing Laws and Regulations; assessment of the Company's risk portfolio as well as regular review of corporate risk policies as well as all matters of corporate governance, staff matters and other matters that may specifically be referred to it by the Board.

The Committee met twice during the year. Members of the Committee and their record of attendance are as stated below:

CORPORATE GOVERNANCE REPORT (cont'd)

S/N	NAME	STATUS	**NUMBER OF MEETINGS HELD**	**NUMBER OF MEETINGS ATTENDED**
1.	Mr. Clem Baiye	Non-Executive Director chairman	**2**	**2**
2.	Mr. Matt Aikhionbare (coopted)	Non – Executive Director	**2**	**1**
3.	Mr. Kehinde Oyadiran	Executive Director	**2**	**2**
4.	Mr. Biyi Otegbeye	Managing director	**2**	**2**

The committee's Meetings were held on the 8th April and 28th July 2020

2.4 AUDIT COMMITTEE

The Committee was established in compliance with S. 404 (7) of the Companies and Allied Matters Act, 2020. The Audit Committee was made up of five members consisting of three elected Shareholders representatives and two members of the Board.

The Committee was set up to fulfill the statutory obligations as set out by the applicable Laws and NAICOM Regulations. The Committee also assisted the Board with its audit responsibilities and ensuring the Company's financial integrity through adequate internal control system.

The Committee met five times during the year under review. Members of the Committee and their record of attendance are as stated below:

CORPORATE GOVERNANCE REPORT (cont'd)

S/N	NAME	STATUS	NUMBER OF MEETINGS HELD	NUMBER OF MEETINGS ATTENDED
1.	Chief Amos Idowu, FCA	Shareholder/Chairman	**5**	**5**
2.	Mr. Solomon Akinsanya	Shareholder	**5**	**5**
3.	Chief Wale Taiwo SAN	Shareholder	**5**	**3**
4.	Dr. Akin Oladeji	Shareholder	**5**	**2**
4.	Mr. Matt Osayaba Aikhionbare OON	Non – Executive Director	**5**	**4**
5.	Dr. Sammy Olaniyi	Executive Director	**5**	**5**

The committee's meetings were held as follows 26th January, 22nd March, 27th April, 27th July and 26th October 2021. Dr. Akin Oladeji was elected during the Company's 27th Annual General meeting on the 27th May 2021, While Chief Wale Taiwo ceased to be a member of the committee from the same date.

2.5 EXECUTIVE COMMITTEE

The Executive Committee of the Company which consists of the Managing Director/Chief Executive Officer and the Executive Directors assist the Managing Director in the day-to-day running of the Company. The Committee's primary responsibility is the implementation of policies approved by the Board, the implementation of Financial and Strategic policies of the Company with a view to ensuring the Company remains profitable.

3. POLICIES AND PROCEDURES

3.1. Whistle blowing policy

In line with good Corporate Governance and best practice, the Company has in place a Whistle Blowing Policy. The policy makes provisions for Clients, Shareholders, Stakeholders, and Employees to disclose timeously any on - going illegal, illegitimate or suspicious activities in the Company which may affect the interest of the Company and or its Shareholders/Stakeholders. The whistle blower is adequately protected by the provisions of the policy.
During the year under review there was no whistle blowing activity.

CORPORATE GOVERNANCE REPORT (cont'd)

3.2. Anti-Corruption Policy.

The Company is aware of the adverse effect of corruption on the continued existence an organization and its profitability. The Company is therefore committed to high ethical standards and integrity in all transactions and does not tolerate corruption in any way. The Company has in place an Anti-Corruption Policy which guides the performance of duties and relationship of members of staff with clients and other parties with whom the Company transacts business howsoever.

The Internal Audit Department of the Company on a quarterly basis audits and reports on fraud and other malpractices if any.

During the year under review, the Company has no record of any corrupt practice involving members of staff, its agents or others representing the Company. In addition, the Company has neither been fined by any court of law or tribunal in respect of any corrupt practice.

3.3. Risk Management

The Company is in business basically to underwrite risk; however, the Company has put in place policies and procedures to identify, assess, evaluate and mitigate risks generally associated with its business.

The Company has in place a Risk Management Policy which clearly sets the Risk appetite and procedures for identifying, evaluating and mitigating risks.

The Enterprise Risk Management Department through the Management is accountable to the Board for the proper assessment, management and mitigation of risks. Management reports regularly to the Enterprise Risk Management Committee of the Board.

3.4. COMPLAINT POLICY AND PROCEDURE

The Company has continued to strive to ensure maximum satisfaction of clients and stakeholders and views the satisfaction of clients and other stakeholders as very important. However, in the unlikely event of any client or stakeholder being dissatisfied or having a complaint whatsoever, the Company has in place a robust complaint procedure to resolve promptly and satisfactorily complaints from any client and or stakeholder. The policy and procedure are on the Company's website ***wwwregencyalliance.com***

CORPORATE GOVERNANCE REPORT (cont'd)

3.5. **STAFF CODE OF CONDUCT**

The Company has in place a Staff Code of Conduct which spells out the expected professional behaviour of all members of staff from assumption of duties. All members of staff subscribe to the Code and are guided in the performance of their official duties by the Code.

SECURITY TRADING POLICY & PRICE SENSITIVE INFORMATION

The Company's Security Trading Policy prohibits insider trading by Directors, Management Staff, Employees, Related Entities, Associates, Consultants, Employees of subsidiaries and related persons who in the cause of their duties are privy to price sensitive information.

They are also precluded from passing such price sensitive information to third parties for the purpose of trading in the Company's shares.

Directors and employees have responsibility to inform the Company Secretary of every transaction in their shares and notify Securities and Exchange Commission within 48 hours of the occurrence of the transaction.

4. **Corporate Social Responsibility (CSR)**

At Regency Alliance Insurance Plc., our key business values have always been about people, the environment in which we operate, fulfilling our commitments to the government and people of Nigeria and being relevant in our immediate community.

These values are seen in: -

a) Our commitment to always deliver best in class service(s) to our customers
b) Partnering with likeminded organisations in attending to social welfare needs of our immediate community.
c) Empowering our staff to self-actualise, thrive and fulfil their personal/professional goals.

Our ethos is governed by these values, people, people and people.

Our focus is centred around people; our customers, who we are committed to serve and offer the best quality service and support to our clientele through the provision of best underwriting and ensure the preservation of the assets they have committed to our trust.

Living by our social contract with employees and other stakeholders has perhaps never been more important than it was these past few years. We strive to create an inclusive work environment that values the uniqueness of each individual's talents, experiences and ideas. With operations, business partners and colleagues located around the world, we recognise and encourage diverse voices—not only because it's the best source of innovation, but because it's the right thing to do.

As a corporate entity, we are responsible to the Nigerian public by providing employment and being a socially responsible and responsive company.

CORPORATE GOVERNANCE REPORT (cont'd)

FOCUS

Infrastructure Building

Regency Alliance Insurance Plc actively supports Government efforts in developing the country's physical infrastructure. We actively participate in development of our local communities by helping in developing infrastructures, landscaping and maintenance of access roads.

Youth Empowerment

Education is the key driver of our youth development programme, and we believe that education goes beyond the four walls of the classroom. Our commitment is seen through educating, empowering, and inspiring the youth through effective and innovative value adding activities. We also partner with institutions of learning on different programmes such as "Gown meet Town". This programme prepares students for professional engagements after their studies.

We encourage and reward academic excellence by offering guidance, mentorship, and employment opportunities for deserving students.

Community outreach & Charity projects

No demography of the society has felt the negative impact of Covid-19 than the inmates of charitable homes. We have through this programme regularly given back to the society and caring for the needy. Our outreach programs represent an opportunity for us and our staff to give back to the community. Every year, we visit and donate money and gift items to many charitable organizations.

During the year under consideration, we adopted a school, where we participate by providing some level of support towards the maintenance some of their school's sports facilities and programmes.

5. SUSTAINABILITY

The Company as a going concern believes in its continuous existence through the adoption of sustainable practices which will curb the depletion of natural resources and maintain the ecological balance of the various areas of operations.

Sustainability implies balancing social and environmental risks and opportunities in economic decisions including impact management. Regency Alliance Insurance Plc operates to reduce any negative impacts on the environment and enhance its positive impacts on stakeholders.

Presently, the Company is doing the following:

CORPORATE GOVERNANCE REPORT (cont'd)

1. Implementation of waste management practices aimed at the reduction of paper waste. Our focus is the reduction, reuse, and recycling of paper waste with the overall goal of reducing our carbon footprint.
2. Implementation of energy efficiency practices such as light out practices and the provision of alternate power sources.
3. Use of different IT tools for meetings and seminars to reduce business travel and carbon footprint.
4. The development of a virtual document management system.

Stakeholders

The main function of insurance is to protect the probable chances of loss. Insurance is important because both human life and business environment are characterized by risk and uncertainty. Insurance plays a key role in mitigation of risks. The time and amount of losses are uncertain and at the happening of risk, the person will suffer the loss in the absence of insurance. The insurance guarantees the payment of loss and thus protects the assured from sufferings.

The Company remains passionate and dedicated to managing the potential environmental & social risks of our business and applying the appropriate standards in the review of our business operations and those of our stakeholders, as well as in our relationship with the communities in which we operate.

The Company conducts operations within the financial market by collaborating with various market actors which are the stakeholders. They include the owners, managers and employees of insurance undertakings, agents, insurance brokers, private and institutional clients, banks, reinsurers.

The Company is making significant contribution to socioeconomic development by creating awareness through training and building the capacity of our employees in the subject of sustainability and enlightening our customers, clients, and all other stakeholders.

We seek to increase our clients' understanding of how environmental and social issues can impact their business, thereby reducing resistance to environmental and social risk management requirements and developing strong partnership for sustainability.

CORPORATE GOVERNANCE REPORT (cont'd)

Diversity in the Workplace

The Company operate diversity across the workplace at all categories in accordance with our organizational culture and demography. This has resulted in creating new ideas and perspective to different issues thereby enhancing our productivity and improved customer service relationship. The diversity ranges from gender, ethnicity, language, culture and beliefs.

- ✓ Percentage of employee per category

S/N	CATEGORIES	Male %	Female %	Percentage of full-time employee	Ratio of full-time employee and contract staff positions held by women
1	JUNIOR STAFF	64	37	100%	
2	SENIOR STAFF	50	50		Nil
3	LOWER MANAGEMENT	56	44		Nil
4	SENIOR MANAGEMENT	67	33		Nil

Age Group

Age Range(years)	Junior Staff	Senior Staff	Lower Management	Senior Management	Total
25-35	13	Nil	1	Nil	14
36-45	25	8	6	1	40
46-55	12	2	9	14	37
Above 55	2	Nil	5	4	11

CORPORATE GOVERNANCE REPORT (cont'd)

1) **Labour Practices**

The Company's Labor practice is all-inclusive, we have a conducive working environment with best labor practices. The employees are trained regularly, and they are allowed to participate in professional developmental programs. Our employee attrition rate is equally low, and the employee benefits are comprehensive.

- Average hours of training per annum per employee-by-employee category
  - ✓ On average, our employees received 28hours of training per annum.

- Employee Benefits put in place by the Company:
  - ✓ Health insurance for employee and their immediate family members
  - ✓ Group life Insurance Benefit for temporary disability and permanent
  - ✓ Group personal Accident Insurance both within and outside the working hours.
  - ✓ Pension Benefit in line with PENCOM regulations, both employee and employer contributions are remitted into the employee Retirement savings Account with their preferred Pension Fund Administrators.
  - ✓ Provision of clean and portable water for drinking and personal hygiene.
  - ✓ Contribution to the Federal Mortgage fund to enable employee to access the National Housing Fund for mortgage and homes.
  - ✓

- Employee Turnover Rate, the percentage of change for FTEs and Contract staff
  - ✓ Full Time Employee Turnover= 17.54%
  - ✓ Contract staff = 0%

- Availability and adherence to a non-discrimination policy
  - ✓ We have an anti-discriminatory policy based on gender equality, disability, religion and race or ethnicity. Competence is our priority in our decision making and employee recruitment and progression in career.

CORPORATE GOVERNANCE REPORT (cont'd)

2) Occupational Health & Safety

Our Company is committed to the occupational Health, Safety, and welfare of all our employees. Our Health and Safety policies and procedures guides and direct all employees to work safely and prevent injury, to themselves and others.
All employees are encouraged to participate in developing, implementing, and enforcing Health and Safety policies and procedure by taking all reasonable steps to prevent accidents and never sacrifice safety for expedience. The protection of health, safety and welfare of our employees is of great interest and is highly prioritized. We also ensure compliance with the occupational, health & safety regulations.

We have regular routine checks from the Fire and safety commission. Alternate exits are provided. Fire Extinguishers are placed in strategic position. Smoke detector and fire alarm are installed.

- ✓ Total Number of Injuries and fatalities relative to workforce =Nil
- ✓ We have policies on occupational and global health issues which adhere to best global practices.

3) Waste Management

The Company's waste management policy ensures that waste is disposed in a manner that does not jeopardize the environment, human health, or future generations. The goal of our waste management is to reduce the amount of natural resource consumed, reusing the materials taken from nature as much as it is possible, and creating as minimal waste as possible. We encourage employee to work in a paperless environment, recycle and or reuse the waste where possible.
The Company collaborate with Waste Management authorities of the various States Government and Private Sector Participation operators, for proper waste collection and disposal. The wastes are sorted, bagged and put in covered containers for easy evacuation.

CORPORATE GOVERNANCE REPORT (cont'd)

4) Energy

The Company ensures efficient use and consumption of energy within the organization and reduce energy wastage. We install energy saving bulbs and appliances to reduce energy consumption, also we have alternate energy supply from inverters. We are conscious of the noise and air pollution hence we procure silent generators and divert the fume to reduce pollution. The generator has a built-in noise control with sound reduction enclosures to reduce noise levels. It also has mufflers and silencers that helps lower and filter emissions for better environmental control in compliance with the regulations.

- ✓ Total Energy consumption per annum------------78,900KW

- ✓ Amount of reduction in energy consumption achieved as a result of conservation and efficiency initiatives------------5,029KW.

- ✓ Alternative energy research and planned investment-The company alternative energy research is on Electric Inverters and solar Energy.

6. SHARE HOLDING AND LEGAL STRUCTURE

There was no material alteration in the shareholding structure of the Company except for the usual changes as a result of it being traded on in the Capital market.

The Company remains 100% owned by individuals and corporate organisations.

6.1 <u>SHAREHOLDERS PROTECTION</u>

The Board is responsible for the protection of the statutory and general rights of the shareholders. The Board therefore ensures that all shareholders irrespective of the volume of their holding are treated fairly and they enjoy equal rights and access to information about the Company. The Company's report and other relevant information are made available to shareholders in plain easy to understand format.

CORPORATE GOVERNANCE REPORT (cont'd)

7. RETIREMENT OF DIRECTORS BY ROTATION

In accordance with section 285 of the Companies and Allied Matters Act, 2020, Mr. Matt Osayaba Aikhionbare retire by rotation, but being eligible offer himself for re-election.

8. COMPANY SECRETARY

The Company Secretary in line with the Extant Laws provides the needed support for the Board. The duties of the Company Secretary include updating Board members regularly with relevant information, planning and organising training for Directors, scheduling and arranging Board Meetings as well as ensuring that the proceedings of the meetings are accurately recorded.

The Company Secretary also acts as a link between the Audit Committee and the Board.

In addition to the support provided by the office of the Company Secretary to the Board, the Board reserves the right to seek and obtain advise as it may require from relevant independent external professionals at the Company's expense.

9. STATEMENT OF COMPLIANCE

The Company as public limited liability Company with its shares quoted on the Nigerian Stock Exchange is subject to the provisions of the National Code of Corporate Governance 2018 and other relevant Extant Laws and regulations. The Board of Director is charged with the responsibility of ensuring compliance with the Code of Corporate Governance and other Extant Laws and Regulations, the Board hereby submits that the Company complied with the provisions of the Code and other Extant Laws and Regulations during the year under review.

COMPLIANCE WITH EXISTING LAWS AND REGULATION

The Company's activities are regulated primarily by the National Insurance Commission, as a Company quoted on the Nigerian Stock Exchange, the Company is also responsible to The Nigerian Stock Exchange, The Securities and Exchange Commission as well as the Financial Reporting Council and the Corporate Affairs Commission.

The Company reports to the Nigerian Financial Intelligence Unit of the Economic and Financial Crimes Commission on matters relating to money laundering and combating the financing of terrorism.

During the year under review the Company complied with all existing relevant Laws, Regulations, Guidelines and Directives issued by Regulatory Authorities. The Company filed all Reports required to be filed by the Regulators and responded to all requests for information promptly.

Therefore, no penalty was paid by the Company during the year under consideration.

....	....
MRS. ANU SHOBO	MR CLEM BAIYE
SECRETARY	ACTING CHAIRMAN
FRC/2013/NBA/00000003654	FRC/ 2020/003/00000021054

MANAGEMENTS DISCUSSION AND ANALYSIS

This analysis is of the Group's performance as at 31st December 2021 and should be read in conjunction with the consolidated financial statements of the Group as at 31 December 2021.

The financial statements of the Group for the year ended 31st December 2021 comprise the financial statements of the parent company and its subsidiaries.

Business Profile

Regency Alliance Insurance Plc. (Regency Alliance) is a company incorporated under the Laws of the Federal Republic of Nigeria and is listed on the Nigerian Stock Exchange. It is licensed by the National Insurance Commission to carry out all forms on Non-Life Insurance business.
Regency Alliance has the following subsidiaries and associate

Name of Subsidiary	**Line of Business**
RegencyNem Insurance Limited-Ghana	Non-Life Insurance business **(Impaired)**
RIC Properties and Investment Limited	Financing Leasing
RIC Microfinance Bank	Microfinance banking
RIC Technologies Limited	Sale and Installation of vehicle trackers

Objectives and Strategies

Our objectives and strategies include:

1. The provision of innovative and quality service to our esteemed clients and customers.
2. The employment and retention of honest, diligent, professionally qualified, well trained and dedicated members of staff who are adequately remunerated.
3. To provide adequate returns to shareholders
4. To be a good corporate citizen.

Operating Results (in thousands of Nigerian Naira)

	GROUP			**COMPANY**		
	Dec-21	**Dec-20**	**%Change**	**Dec-21**	**Dec-20**	**%Change**
Gross premium written	5,118,468	6,543,160	(21.77)	5,118,468	3,878,536	31.97
Net premium income	2,941,004	4,486,261	(34.44)	2,941,004	2,475,203	18.82
Net Claim Expenses	1,031,285	1,779,629	(42.05)	1,031,285	871,279	18.36
Underwriting profit	1,314,730	2,026,983	(35.14)	1,314,730	1,137,227	15.61
Investment income & Other Incom	561,993	540,694	3.94	376,311	414,787	(9.28)
Operating expenses	981,867	1,939,844	(49.38)	908,432	896,326	1.35
Profit before tax	345,503	660,457	(47.69)	343,275	681,137	(49.60)
Profit after tax	**322,607**	**590,289**	(45.35)	**320,746**	**628,587**	(48.97)

The Company increased its gross premium written by 31.97% when compared with prior year's result, the Company's net claim increase by 18.82, Profit after tax of the group reduced by 45.35% While the Company reduced by 48.97%. The Group Investment and other income increase by 3.94% and while the company reduced by 9.28%.
During the year the Company 42% interest in Ghana Subsidiary was fully impaired as a result of going concern issue being face by the subsidiary resulting in nonperformance of the investment.

Moving Forward

The company has position itself for recapitalization in line with NAICOM requirement the company intends to expand its operation base while the subsidiaries are being repositioned to increase their contribution to the Group. Members of staff will continuously undergo internal and external training to keep them abreast of the changing environment and make them add value to the group.

REPORT OF THE AUDIT COMMITTEE

In compliance with the provisions of Section 359(6) of the Companies and Allied Matters Act (Cap. C20) Laws of the Federal Republic of Nigeria 2004, the members of the Audit Committee hereby report on the financial statements for the year ended 31st December 2021 as follows:

a) We have reviewed the scope and planning of the audit for the year ended 31st December 2021 and confirm that they were adequate.

b) The Company's reporting and accounting policies as well as the internal control systems conform to legal requirements and agreed ethical practices.

c) We are satisfied with the management's responses to the External Auditors' findings on management matters for the year ended 31st December 2021.

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Chief Atoyebi Idowu,FCA
FRC/2013/ICAN/00000003656
CHAIRMAN OF THE AUDIT COMMITTEE
3RD MARCH 2022

MEMBERS OF THE AUDIT COMMITTEE

Chief Atoyebi Idowu FCA	Shareholder's Representative (Chairman)
Mr. Solomon Sunday Akinsanya	Shareholder's Representative (Member)
Chief Wale Taiwo (SAN)	Non-Executive Director (Member)
Mr. Sammy Olaniyi	Executive Director (Member)
Mr. Matt Osayaba Aikhionbare OON	Non-Executive Director (Member)
Dr. Akin Oladeji	Shareholder's Representative (Member)

TAC Professional Services
• Chartered Accountants •

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INDEPENDENT AUDITORS REPORT
TO THE MEMBERS OF REGENCY ALLIANCE INSURANCE PLC

Report on the Audited Financial Statements

Opinion

We have audited the consolidated financial statements of **Regency Alliance Insurance Plc ("the Company") and its subsidiaries (together "the Group") set out on pages 39 to 116**, which comprise the consolidated and separate statements of financial position as at 31 December 2021, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statement of changes in equity and the consolidated and separate statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, these financial statements present fairly, in all material respects, the financial position of **Regency Alliance Insurance Plc ("the Company")** and its subsidiaries (together "the Group") as at 31 December 2021, and of the consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), and the requirements of the Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2020, the Insurance Act 2003, the Financial Reporting Council of Nigeria Act No.6 2011 and relevant National Insurance Commission (NAICOM) guidelines and circulars.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matter	How the matter was addressed in the audit
1. Valuation of insurance Liabilities – N4.3billion The Valuation of insurance contract liabilities involves complex and subjective judgements about future events made by both internal and independent external actuary about a variety of uncertain future outcomes. Insurance contract liabilities comprises unearned premium reserve, Outstanding claims and claims incurred but not reported (IBNR). We consider the IBNR which is estimated to be N1.59 billion as the most judgement aspect of the insurance contract liabilities. Consistent with the insurance industry practice, an independent actuarial was engaged by the company to test the adequacy of the valuation of the non-life business as at 31st December 2021. The complexity and intricacy of the valuation models may give rise to errors as a result of inadequate/ incomplete data or the design of or application of the models. Economic assumptions such as interest rates both current and future inflation rates, and actuarial assumptions such as customer behavior and uniform risk are significant basis to determine these liabilities. Significant judgment is applied in setting these assumptions. Insurance contract liabilities are disclosed in note 16	• We evaluated the design and operating effectiveness of controls over the estimation of outstanding claims and unearned premiums which are components of insurance contract liabilities. • We tested on a sample basis, correspondences and policy documents included in the customers files which were used in determining the outstanding claims and unearned premium reserve. • We tested the accuracy, completeness and appropriateness of underlying data used in the actuarial valuations by performing checks between data recorded in the financial statements and financial data used by the director's expert. • Performed subsequent year claim payments to confirm the reasonableness of the initial loss estimates.

2. **Impairment of Subsidiary (Regency Nem Insurance Limited, Ghana)**	Our Procedures in relation to the Impairment of Regency Nem Insurance Limited Ghana includes, among others:
The 42% holding in Regency Nem Ghana Limited was fully impaired as a result of going concern issue faced by the subsidiary resulting to non-performance of the investment. The impairment of investments in subsidiaries was recognized by us as a key audit matter, as the assessment of the recoverable amount is based on a number of assumptions and estimates, in particular regarding the amount of future cash flows and the adopted discount rate. The key assumptions were disclosed in Note 11(a) to the consolidated financial statements.	❖ Assessment of compliance of the accounting policy applied by the Entity with regard to identification and recognition of impairment of investments in subsidiaries with appropriate financial reporting standards; ❖ Assessment of the Entity's internal control relevant to the identification of impairment triggers and impairment testing of investments in subsidiaries; ❖ For investments in subsidiaries for which impairment triggers are identified, an assessment of the reasonableness of the judgments and assumptions adopted by the Entity to arrive at the estimates of the recoverable amount of investments in subsidiaries and, consequently, the amount of recognized impairment allowance, including: • Assessment of the discounted cash flow model used by the Entity, in terms of its compliance with relevant financial reporting standards and commonly used models of impairment testing and internal consistency of the applied methodology, • Assessment of the rationality of the key macroeconomic assumptions adopted by the Entity, including in particular the discount rate, by comparing them to external sources, • Assessment of the rationality of projections of future cash flows, including their assumed levels of revenues, costs and capital expenditures by among others comparing the adopted assumptions with historical financial information, ❖ Assessment of the correctness and completeness of disclosures in the separate financial statements regarding the valuation of investments in subsidiaries and their impairment testing.

Going Concern

The consolidated financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. As part of our audit of the consolidated financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the consolidated financial statements is appropriate.

Management has not identified a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern, and accordingly none is disclosed in the consolidated financial statements. Based on our audit of the consolidated financial statements, we also have not identified such a material uncertainty. However, neither management nor the auditor can guarantee the Group's ability to continue as going concern.

Information Other than the Financial Statements and Audit Report thereon

The Directors are responsible for the other information. The other information comprises the information included in [the directors' report, chairman's statement, audit committee report, Value added statement and financial summary but does not include the consolidated financial statements and our audit report thereon.

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

Responsibilities of the Directors and Those Charged with Governance for the Consolidated Financial Statements

The company's directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and requirements of the Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2020, the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission (NAICOM) guidelines and circulars and for such internal control as the directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic altêrnative but to do so.
Those charged with governance are responsible for overseeing the Company's financial reporting process.

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

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

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

We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2020 we report to you, based on our audit, that:

1. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. in our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and
3. The group's statement of financial position and profit and loss account are in agreement with the books of account.
4. The group financial statement is in compliance with section 28 (2) of the Insurance Act 2003.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
36/ICAN
1141883

TUNDE FANIYI
FRC/2012/ICAN/00000000325
For: TAC Professional Services
(Chartered Accountants)

Lagos, Nigeria
March, 2022

• Audit • Forensic • Taxation • Financial • Business Advisory

NOTES TO THE ACCOUNTS
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
1.0 GENERAL INFORMATION

1.1 Reporting Entity

The company was incorporated in Nigeria under the Companies and Allied Matters Decree 1990 as Regency Insurance Company Limited on the 16th day of June 1993 and was licensed by the National Insurance Commission (NAICOM) to underwrite all classes of Non-Life insurance business. On the 11th day of March 2005, the company obtained license to underwrite Life Insurance business in addition to the Non-Life Insurance business thereby becoming a composite insurance company. However, after a successful merger with three other companies in 2007, the company's name was changed to Regency Alliance Insurance Plc.

The company, which is listed on the Nigerian Stock Exchange, was registered and now licensed to underwrite all classes of Non-Life Insurance business risk associated with accident, fire, marine and oil and gas among others. The registered address of the company is at 2, Ebun Street, Gbagada Lagos, Nigeria.

1.2 Going Concern

The financial statements of Regency Alliance Insurance Plc and it's subsidiaries have been prepared on a going concern basis. The directors of the company have a reasonable expectation that the group and the company have adequate resources to continue in operational existence for the foreseeable future. The annual financial statement of the group for the year ended 31 December 2021 comprises the parent company and its subsidiaries.

1.3 Principal Activities

Regency Alliance Insurance Plc. and its subsidiaries (the Group) are engaged in various business lines ranging from general accident insurance, oil/gas insurance, property leasing and investment and banking business.

The underwriting strategy adopted by the group attempts to ensure that the underwritten risks are well diversified in terms of type, amount of risk and industry.

The Company's principal activity continues to include risk management and claims advisory services to corporate and retail customers in Nigeria. The company's insurance claims received prompt and effective services to all numerous clients and the company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. The investment portfolio of the company ranges from financial instruments, investment in unquoted shares and subsidiaries.

1.4 Authorisation For Issue

The consolidated financial statements, including the assets and liabilities of the Company and its Subsidiaries, and were approved for issue by the Board on 08th March 2022.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.0. <u>Basis of Preparation</u>

2.1 Statement of Compliance with International Financial Reporting Standards

The consolidated and separate financial statements of the group have been prepared in accordance with and comply with International Financial Reporting Standards (IFRSs), as issued by the International Accounting Standards Board (IASB) and adopted by the Financial Reporting Council of Nigeria.

Statement of compliance

The consolidated and separate financial statement of the group comply with, International Financial Reporting Standards (IFRS), Companies and Allied Matters Act CAP C20 LFN 2004, Financial Reporting Council Act 2011, Investment and Securities Act 2007, Insurance Act 2003 of Nigeria, relevant National Insurance Commission (NAICOM) guidelines and circulars, the Banking's and Other Financial Institutions Act of Nigeria, and relevant Central Bank of Nigeria circulars to the extent that these laws are not in conflict with the requirement of IFRS.

2.2 Basis of Measurement

These financial statements have been prepared on the historical cost basic except for the following:

- Non-derivative financial instruments, carried at fair value through profit or loss, are measured at fair value
- Available-for-sale financial assets are measured at fair value through equity. However, when the fair value of the Available-for-Sale financial assets cannot be measured reliably, they are measured at cost less impairment.
- The liability for defined benefit obligation is recognised as the present value of the defined obligation less the fair value of the plan assets.
- The plan assets for defined benefit obligations are measured at fair value
- Assets and Liabilities held for trading are measured at fair value
- Assets and Liabilities held to maturity are measured at amortised cost less impairment
- Loans and Receivables are measured at amortised cost less impairment.

2.3 Judgment, Estimates and Assumptions

The preparation of financial statements requires directors to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The results of which forms the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if their revision affects only that period or if there revision affects both current and future periods.

2.3.1 Critical Accounting Judgments and Estimates

Critical accounting estimates are those which involve the most complex or subjective judgments or assessments, and relate to general insurance reserves, the determination of fair value for financial assets and liabilities, impairment charges, the determination of fair values of assets and liabilities attributable to business combinations, deferred policy acquisition costs and deferred taxes.

In each case, the determination of these items requires management to make informed judgments based on information and financial data that may change in future periods. Because of the uncertainties involved in such judgments, actual outcomes and results may differ from assumptions and estimates made by management.

a) Fair value of financial assets and liabilities

All financial assets and liabilities are recorded initially at fair value. Subsequently, quoted equity financial assets, financial assets and liabilities at fair value through profit or loss are carried at fair value , as of the reporting date. All other financial instruments are carried at amortized cost, with their fair values disclosed.

b) Fair value of unquoted equity financial instruments

The fair values of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data using valuation models. The models used to determine fair values are validated and periodically reviewed by quailed personnel independent of those that sourced them. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. Changes in assumptions about these factors could affect the reported air value of the relevant securities.

c) Fair value of HTM investment securities

Financial instrument designated as held-to-maturity are carried by the group at amortized cost. The quoted prices for the determination of the fair of such instruments are readily available for quoted instruments. Valuation techniques are used for unquoted instruments by using discount cash flow valuation techniques. In the latter cases, the fair values are estimated from observable data in respect of similar financial instruments.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

d) Liabilities arising from Insurance Contract:

i) Claims arising from non-life insurance contracts

Liabilities for unpaid claims are estimated on a case by case basis. The liabilities recognized for claims fluctuate based on the nature and severity of the claim reported. Claims incurred but not reported (IBNR) are determined using statistical analyses which arise from the claims development tables in respect of not less than five (5) years' experience. The Group deems liabilities reported as being adequate since such liabilities have been subjected to the liability adequacy test by certified actuary.

ii) Unexpired risk and unearned premium

In determining unearned premium, the policy is taken to be evenly spread across the period of cover for all policies except engineering policies where policies are skewed towards the later policy coverage period.

e) Impairment of Trade Receivables

In accordance with the accounting policies on financial assets, the Group tests annually whether trade receivable has suffered any impairment. In respect of premium receivables, the group makes allowances for amounts not collected as at time of preparing its financials. The carrying amount of loans and receivables is reduced through an impairment allowance determined using an analytical method based on knowledge of each loan group or receivable.

f) Deferred Acquisition Costs

Deferred acquisition costs (DAC) generally consist of commissions, underwriting expenses and policy issuance costs. The amount of acquisition costs to be deferred is dependent on judgments as to which issuance costs are directly related to and vary with the acquisition.

The related asset is amortized over the premium earning pattern for non-life.

Those direct and indirect costs incurred during the financial year arising from the writing or renewing of insurance contracts and all other acquisition costs are recognized as an expense when incurred.
DAC for general insurance are amortized over the period in which the related revenues are earned. The reinsurers' share of deferred acquisition costs is amortized in the same manner as the underlying asset amortization is recorded in the statement of comprehensive income.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period and are treated as a change in an accounting estimate under as required by IAS 8..

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value, an impairment loss is recognized in the statement of comprehensive income. DAC are also considered in the liability adequacy test for each reporting period.

DAC are derecognized when the related contracts are either settled or disposed off.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

g) Deferred taxes

Deferred income tax liabilities are recorded for temporary differences, which are based on the difference between financial statement carrying amounts and income tax bases of assets using enacted income tax rates and laws.

The utilization of deferred tax assets arising from temporary differences depends on the generation of sufficient taxable profits in the period in which the underlying asset or liability is recovered or settled.

(h) Regulation

The Group is regulated in Nigeria by the National Insurance Commission (NAICOM) under the National Insurance Act of Nigeria. The Act specifies certain provisions which have impact on financial reporting as follows:

i) section 21 (1) requires maintenance of contingency reserves at specified rates as set out under note 3.28 to cover fluctuations in securities and variation in statistical estimates;

ii) section 10(3) requires insurance companies in Nigeria to deposit 10 per centum of the minimum paid up share capital with the Central Bank of Nigeria.

iii) section 25 (1) requires an insurance company operating in Nigeria to invest and hold investments in Nigeria assets equivalent to not less than the amount of policy holders' funds in such accounts of the insurer. Note 16 sets out assets allocation that covers policy holders' funds.

iv) the requirement to provide 10 per cent for outstanding claims in respect of claims incurred but not reported at the end of the year under review under section 20 (1b). However, claims incurred but not reported liabilities have been estimated in line with accounting policy 3.17 to comply with IFRS.

Section 59 of the Financial Reporting Council of Nigeria Act, (FRCN Act) provides that in matters of financial reporting, if there is any inconsistency between the FRCN Act and other Acts which are listed in section 59(1) of the FRCN Act, the FRCN Act shall prevail. The Financial Reporting Council of Nigeria acting under the provisions of the FRCN Act has adopted IFRS as the national financial reporting framework of Nigeria. Consequently, the provisions of section 20(1b) of the National Insurance Act, described in(iv) above which conflict with the provisions of IFRS have not been adopted:

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.0 Significant Accounting Policies

Significant accounting policies are defined as those that are reflective of significant judgments and uncertainties, and potentially give rise to different results under different assumptions and conditions.

The accounting policies set out below have been consistently applied to all periods presented in these financial statements.

These policies have been consistently applied to all years presented unless otherwise stated.

3.1.1 Basis Of Consolidation

3.1.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquire and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non- controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interests proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

3.1.2 Changes in ownership interests in subsidiaries without change of control

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

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

3.2. Foreign Currency Translation

The Nigerian Naira is the Group's functional and reporting currency. Foreign currency transactions are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate ruling at the reporting sheet date; the resulting foreign exchange gain or loss is recognized in profit or loss. Unrealized exchange differences on non-monetary financial assets (investments in equity instruments) are a component of the change in their entire fair value and are recognised in equity **(translation reserve**). For a non-monetary financial asset held for trading or designated at fair value through profit or loss, unrealized exchange differences are recognized in profit or loss. For non-monetary financial investments available-for-sale, unrealized exchange differences are recorded in other comprehensive income and transfer to equity when the asset is sold or becomes impaired.

3.3 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, demand deposits with banks and other short-term highly liquid investments that are readily convertible into cash and are subject to an insignificant risk of change in fair value. The deposits have original maturities of three months or less from the acquisition date.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.4 FINANCIAL ASSETS

The Group classifies its financial assets into the following categories: at fair value through profit and loss, loans and receivables, held to maturity and available for sale. The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

3.4.1 Classification

(a) Financial assets at fair value through profit and loss are classified as follows:

i) Investment securities held for trading; and

ii) Those designated at fair value through profit and loss at inception.

A financial asset is classified into the „financial assets at fair value through profit and loss‟ category at inception if acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking, or if so designated by management.

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

(b)Available for sale

Available-for-sale investments are financial assets that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices or that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit and loss.

(c) Held-to-maturity investment securities

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

i) Those that the Group upon initial recognition designates as at fair value through profit or loss;

ii) Those that the Group designates as available for sale; and

iii) Those that meet the definition of loans and receivables

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Interest on held-to-maturity investments are included in the statement of profit or loss and are reported as „Investment income‟. In the case of impairment, it is been reported as a deduction from the carrying value of the investment and recognised in the income statement as "impairment charge for credit losses‟ within operating expenses. Held-to-maturity investments comprise of Government bonds, Treasury bills and other deposit with original maturity day greater than 90 days. These are initially recognised at fair value

(d) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Group intends to sell in the short term or that it has designated as at fair value through profit and loss or available for sale. Receivables arising from insurance contracts are also classified in this category and are reviewed for impairment as part of the impairment review of loans and receivables. Those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Loans and receivables are initially recognised at fair value – which is the cash consideration to originate or purchase the loan including any transaction costs – and measured subsequently at amortised cost using the effective interest rate method. Loans and receivables are reported in the statement of financial position as loans and advances to customers or as investment securities. Interest on loans is included in the income statement and is reported as "Interest income". In the case of impairment, the impairment loss is reported as a deduction from the carrying value of the loan and recognised in the income statement as "impairment charge for credit losses‟ within operating expenses.

Loan granted to staff at below market rate are fair valued by reference to expected future cashflows and current market interest rates for instruments in a comparable or similar risk class and the different between the historical cost and fair value is accounted for as employee benefits under staff costs where these are considered material.

Receivables arising out of Insurance arrangements are also classified in this category and reviewed for impairment in line with IAS 39. Receivables in the financial statement are disclosed as trade receivables, reinsurance receivables and other receivables.

Trade receivables

Trade, reinsurance and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Trade receivables arising from insurance contracts are stated after deducting allowance made for specific debts considered doubtful of recovery. Impairment of trade receivables are presented within other operating expenses.

Trade and Other receivables amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value. Trade receivables are reviewed at every reporting period for impairment.

3.4.2 Recognition and measurement

Financial assets are initially recognised at fair value plus, in the case of all financial assets not carried at fair value through profit and loss, transaction costs that are directly attributable to their acquisition. Financial assets carried at fair value through profit and loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from them have expired or where they have been transferred and the Group has also transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity financial assets are carried at amortised cost using the effective interest method.
Gains and losses arising from changes in the fair value of the „financial assets at fair value through profit and loss‟ category are included in the income statement in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the statement of comprehensive income as part of Investment income when the Group's right to receive payments is established.
Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as net realised gains on financial assets within Investment income.
Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the Group's right to receive payments is established. Both are included in the investment income line.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.4.3 Determination of fair value

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges. The quoted market price used for financial assets held by the Group is the current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry, company, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid - offer spread or significant increase in the bid - offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, NIBOR, MPR etc.) existing at the dates of the statement of financial position.

The Group uses widely recognised money market rates in determining fair values of non-standardised financial instruments of lower complexity like placements, and treasury bills. These financial instruments models are generally market observable. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. In cases where the fair value of unlisted equity instruments cannot be determined reliably, the instruments are carried at cost less any impairment.

The fair value for loans and receivables as well as liabilities to banks and customers are determined using a present value model on the basis of contractually agreed cash flows, taking into account credit quality, liquidity and costs. The fair values of contingent liabilities and irrevocable loan commitments correspond to their carrying amounts.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.4.4 De-recognition of financial instruments

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3.4.5 Reclassification of financial assets

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

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

3.4.6 Impairment of Financial Assets

The group assesses as each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence of impairment exists if one or more loss events occurred after the initial recognition of the asset which impacts the estimated future cash flows such as:

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Significant financial difficulty of the issuer or debtor;

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

In addition, for an available-for-sale financial asset, a significant or prolonged decline in the fair value of below its cost is also considered objective evidence of impairment. While the determination of what is significant or prolonged is a matter of judgments. In respect of equity securities that are quoted, the group is guided by the following:

- a decline in excess of 20% is generally regarded as significant; and
- a decline in quoted price that persists for nine months is considered to be prolonged.

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

3.4.6a Financial Assets Carried At Amortised Cost

For financial assets measured at amortized cost, the company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying value and the present value of the estimated future cash flows discounted at the original effective interest rate. Objective evidence of impairment exists if it is probable that the group will not be able to collect principal and/or interest due according to the contractual terms of the instrument Impairment is the product of the loss given default rate and the gross value of each trade receivables.

3.4.6b Available-for-sale Financial Assets

When there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that had been recognized directly in OCI is recognized in income as an impairment loss. The impairment loss is the difference between the acquisition cost and the current fair value, less any impairment loss on that security previously recognized in income.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

If the fair value of a security increases in a subsequent period, and the increase can be objectively related to an event occurring after the impairment loss was recognized in income, the impairment loss is reversed through income, up to the amount of the previously recognized impairment loss, as adjusted for any amortization already recognized in income. Any further gains are recognized directly in OCI. Any subsequent losses, to the extent that they do not represent further impairment losses, are also recognized in OCI.

Objective evidence of impairment exists for an available-for-sale equity security when its fair value is below the weighted-average cost by a significant amount.
Impairment thresholds are determined quarterly on the basis of the underlying price volatility of securities within the equity market in which the group invests which is basically the Nigerian Stock Exchange. Additionally, the group considers an equity security to be impaired when its fair value has been below the weighted-average cost for a prolonged period of 24 consecutive months or longer.

3.4.7 Trade Receivable

Trade receivables on insurance contract include amount due from agents, brokers, and co-insurance and insurance contract holders.
The company adopts the 'No Premium, No Cover' policy in respect of Insurance Contract. Insurance covers are only granted on receipt of full premium in advance or full premium notification (credit note) from a licensed Insurance Broker. Full premium notification (credit note) shall subsist for a period of 30days.
Any premium not received, in respect of premium notification, after 30days is fully impaired and the cover cancelled. Hence no impairment was recognized.

3.4.8 Offsetting Financial Assets and Financial Liabilities

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to settle the asset and settle the liability simultaneously.

3.5 Reinsurance contracts

Contracts entered into with reinsurers under which the Group is compensated for losses on one or more long-term policy contracts issued by the Group and that meet the classification requirements for insurance contracts are classified as long-term reinsurance contracts. The expected claims and benefits to which the Group is entitled under these contracts are recognised as assets where material.

If there is objective evidence that the reinsurance asset is impaired, the carrying amount is reduced to a recoverable amount, and the impairment loss is recognised in the statement of comprehensive income.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.5.1 Reinsurance asset

Reinsurance assets consist of short - term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and with the terms of each reinsurance contract.

The reinsurance asset is reviewed quarterly for impairment. Where there are objective evidence that the insurance asset is impaired, the Group reduces the carrying amount of the insurance asset to its recoverable amount and recognises that impairment loss in the statement of comprehensive income. Evidence that the reinsurance asset is impaired is gathered where the reinsurance Group has refused payment of any balance.

3.5.2 Reinsurance liabilities

Liabilities are valued gross before taking into account reinsurance. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

3.6 Deferred acquisition costs (DAC)

Acquisition costs comprise all direct and indirect costs arising from the writing of insurance contracts (life and non-life contracts). Deferred acquisition costs represent a proportion of commission which are incurred during a financial year and are deferred to the extent that they are recoverable out of future revenue margins. It is calculated by applying to the acquisition expenses the ratio of unearned premium to written premium.

Commissions and other acquisition costs that vary with and are related to securing new contracts and renewing existing contracts are capitalised as an intangible asset. All other costs are recognised as expenses when incurred. The DAC is subsequently amortised over the life of the contracts as follows:
For short-duration life insurance contracts, deferred acquisition cost is amortised over the terms of the policies as premium is earned.
For long-term insurance contracts with fixed and guaranteed terms, deferred acquisition cost is amortised in line with premium revenue using assumptions consistent with those used in calculating future policy benefit liabilities; and

For long-term insurance contracts without fixed terms and investment contracts, deferred acquisition cost is amortised over the expected total life of the contract Group as a constant percentage of estimated gross profit margins (including investment income) arising from these contracts. The resulting change to the carrying value of the DAC is charged to statement of comprehensive income.

3.7 Other Receivables and Prepayments

Other receivable and prepayment are stated after deductions of amount considered impairment losses. These are loans and receivables other than investment securities, insurance trade receivables and reinsurance assets. When a debt is deemed not collectable, it is written off against the related impairment or directly to profit or loss account to the extent not previously provided for. Any subsequent recovery of written –off impairment is credited to profit or loss.
Prepayments represent prepaid expenses and are carried at cost less amortisation expenses in profit or loss.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.8 Inventory

Inventories are stock of tracker devices used to track down vehicles that are held for sale in the ordinary course of business of the group. They are initially recognized at cost. The cost comprises of actual purchase price and cost of freight.

The group uses First in First Out (FIFO) method for valuation purpose.

3.8.1 Measurement

In line with IAS 2, the group has elected to measure inventories at the lower of cost and net realizable value.

3.9 Intangible Assets

3.9.1 Goodwill

Goodwill is measure at cost less recorgnised impairment.

Goodwill arises on the acquisition of a subsidiary company or the acquisition of a business. It represents the excess of the cost of an acquisition over the Group's share of the fair value of the identifiable net assets of the subsidiary or business at the date of acquisition. Goodwill is not amortised. But tested annually for impairment. The gain or loss on the disposal of a subsidiary or business includes the carrying amount of goodwill attribute to the entity or business sold.

Goodwill is not recognised when an interest in an existing subsidiary is increased. The difference between the cost of the acquisition and the minority interest acquired is accounted for directly in equity. When an interest in an existing subsidiary is decreased without a loss of control, the difference between the proceeds received and the share of the net assets disposed of, including an appropriate portion of the related goodwill is accounted for directly in equity.

For impairment purposes, the carrying amount of goodwill is allocated to cash generating units (CGU), reviewed annually for impairment and written down where this is considered necessary. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense in the statement of comprehensive income and is not subsequently reversed.

Goodwill in respect of associates and joint ventures is included in the carrying amount of investments in associates and joint ventures. For impairment purposes each investment is tested for impairment individually and goodwill is not tested separately from the investment in associates and joint ventures, nor is any impairment allocated to any underlying assets.

3.9.2 Purchased and Developed Computer Software

The Group recognises computer software acquired as intangible asset.

Software acquired by the Group is stated at cost less accumulated amortisation and accumulated impairment losses. Acquired intangible assets are recognised at cost on

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

acquisition date and are to be amortised for the period of five years using straight-line method.
Subsequent to initial recognition, these assets are carried at cost less accumulated amortization and impairment losses in value, where appropriate.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Cost of Computer software recognized as assets are amortized over their estimated useful lives not exceeding 5 years. Amortisation methods and useful lives are reviewed at each financial year-end and adjusted if appropriate.

Intangible assets are derecognised at disposal date or at the date when it is permanently withdrawn from use without the ability to be disposed of. The differences between the carrying amounts at the date of de-recognition and any disposal proceeds, as applicable, is recognised in the statement of comprehensive income.

Expenditure on internally developed software is recognised as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits and can reliably measure the costs to complete the development. The capitalised cost of internally developed software include all cost directly attributable to developing the software and capitalised borrowing costs, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

However, the Group does not have internally developed software at the date of reporting.

3.9.3 Trademarks and licenses

No value is attributed to internally developed trademarks, patents and similar rights. Costs incurred on in renew its operating licenses annually with both NICOM and CBN are recognized in profit or loss as incurred. Expenditure on the development and marketing of the Group's brands is also recognized in profit or loss as incurred.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.10 Property, Plant and Equipment

Recognition and measurement

Own use property is defined as property plant and equipment held by the group for use in the supply of services or for administrative purposes. Land and buildings comprise mainly outlets and offices occupied by the Group.

All other Property, Plant and equipment, are initially recognized at cost and subsequently measured or carried at cost less accumulated depreciation and any accumulated impairment loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Maintenance and repair costs are charged to statement of profit or loss as incurred.

Property and equipment are derecognised at disposal date or at the date when it is permanently withdrawn from use without the ability to be disposed of. The differences between the carrying amounts at the date of de-recognition and any disposal proceeds, as applicable, is recognised in 'other income' in the statement of profit or loss.

If the expected residual value is equal to or greater than the carrying value, no depreciation is provided for. The residual values, estimated useful lives of the assets and depreciation methods are reviewed at each statement of financial position date and adjusted as appropriate.

Depreciation:

Depreciation is recognized so as to write off the cost or valuation of assets (other than freehold land) less their residual values over their useful lives. These assets are depreciated usually on a straight-line basis to statement of profit or loss over the following estimated useful lives:

- Motor vehicles - 4 years
- Furniture and fixtures - 5 years
- Office equipment - 5 years
- Plant and machinery - 5 years
- Library Books - 5 years
- Building - 20-50 years
- Leasehold Land - Not depreciated

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying value of the asset exceeds its expected recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value-in-use. Assets are grouped on cash generating unit (CGU) level if the recoverable amount cannot be separately determined.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 profit or loss.

3.11 Assets Held for Sale

Non-current assets held for sale and discontinued operations

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Impairment losses on initial classification as held for sale and subsequent gains or losses on measurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment los

In the statement of comprehensive income of the reporting period, and of the comparable period, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes. In the statement of financial position, non-current assets held for sale are usually separately identified.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized. However, the decision to sell and actual sales take place within the year.

3.12. Investment properties

Investment property comprises investment in land or buildings held primarily to earn rentals or capital appreciation or both (Including property under construction for such purposes).

Investment property is measured initially at its cost, including transaction costs. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. Directly attributable expenditure includes, for example, professional fees for legal services, property transfer taxes and other transaction costs. Investment property is subsequently measured at fair value. The fair value is determined annually by independent valuation experts on the highest and best-use basis. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss as "Fair value gains/loss on investment properties" in the year in which they arise.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property located on land that is held under an operating lease is classified as investment property as long as it is held for long-term rental yields. The initial cost of the property is the lower of the fair value of the property and the present value of the minimum lease payments. The property is carried at fair value after initial recognition. If an item of property, plant and equipment becomes an investment property because its use has changed, any difference arising between the carrying amount and the fair value of this item at the date of transfer is

recognised in revaluation reserves Investment properties are derecognised either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses together with exchange gain or losses on the retirement or disposal of an investment property are recognised in the other comprehensive income as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon the disposal of such investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss

3.13 Lease

Leases are divided into finance and operation lease. The determination of whether an arrangement is a lease contains a lease, is based on the substance of the arrangement at the inception date and requires an assessment of whether the fulfillment of the arrangement is dependent on the uses of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

(i)Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(ii)Finance lease

Leases of assets where the company has substantially all the risks and rewards of ownership are classified as finance leases

Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in deposits from banks or deposits from customers depending on the counter party. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b)The Group is the lessor

(i) Operating lease

When assets are subject to an operating lease, the assets continue to be recognised as property and equipment based on the nature of the asset. Lease income is recognised on a straight line basis.

(ii) Finance lease

When assets are held subject to a finance lease, the related asset is derecognised and the present value of the lease payments (discounted at the interest rate implicit in the lease) is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method (before tax), which reflects constant periodic rate of return.

The subsidiary Ric Properties and Investment engaged in finance lease.

3.14 Impairment of Other Non-Financial Assets

Assets that have an indefinite useful life–for example, land are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

3.15 Statutory Deposit

3.15.1 Statutory Deposit (Insurance)

These deposits represent bank balances required by the insurance regulators of the Group to be placed with relevant central banks of the Group's operating jurisdictions. The deposits are not available for day to day use and are stated at amortised cost.

3.15.2 Statutory Reserves (Microfinance Bank)

Central bank of Nigeria requires all Microfinance Banks to make an annual appropriation to a statutory reserve. As stipulated in Section 18.1.7 of the revised regulatory and supervisory guidelines for Microfinance banks in Nigeria

- An appropriation of 50% of profit after tax is made if the statutory reserve is less than the paid-up share capital,
- 25% of profit after tax if the reserve is 50% or more and greater than the paid-up share capital.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.15.3 Statutory Credit Reserve.

In compliance with the Prudential Guidelines for licensed Microfinance Institutions, the microfinance bank assesses qualifying financial assets using the guidance under the Prudential Guidelines. The guidelines apply objective and subjective criteria towards providing for losses in risk assets. Risk assets are classed with attendants provision as per the table below based on objective criteria.

Classification	Provision requirement	Basis
Performing	1%	Interest / Principal not due
Pass and Watch	5%	Interest / Principal over due by 1 day but less than 30 days
Substandard	20%	Interest / Principal over due by 31 days but less than 60days
Doubtful	50%	Interest / Principal over due by 61 days but less than 90 days
Lost	100%	Interest / Principal over due by 91 days and above

A more accelerated provision may be done using the subjective criteria. A 1% provision is taken on all risk assets are not specifically provisioned. The results of the application of Prudential Guidelines and the impairment determined for these assets under IAS 39 are compared. The IAS 39 determined impairment charge is always included in the statement of profit or loss. Where the Prudential Guidelines provision is greater, the difference is appropriated from Retained Earnings and included in a non-distributable reserve "Statutory credit reserve". Where the IAS 39 impairment is greater, no appropriation is made and the amount of the IAS 39 impairment is recognised in Income Statement.

3.15.4 Collateral

The microfinance bank obtains collateral where appropriate, from customers to manage their credit risk exposure to the customer. The collateral normally takes the form of a lien over the customer's assets and gives the company a claim on these assets for both existing and future customer in the event that the customer defaults.

Collateral received in the form of securities is not recorded on the statement of financial position. Collateral received in the form of cash is recorded on the statement of financial position with a corresponding liability. These items are assigned to deposits received from bank or other counterparties. Any interest payable or receivable arising is recorded as interest expense or interest income respectively.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.16. NON-Life Insurance Contract Liabilities

a). Technical Reserves
These are the reserves computed in compliance with the provision of Section 20, 21, and 22 of the Insurance Act 2003. They are:

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

c). Reserves for unexpired risk
The provision for unearned premiums represents that part of written premiums, gross of commission payable to intermediaries that is estimated to be earned in subsequent periods. The change in the provision is recorded in the income statement to recognize revenue over the period of the risk.

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

d). Reserves for outstanding claims
The reserve for outstanding claims is maintained at the total amount of outstanding claims incurred and reported plus claims incurred but not reported ("IBNR") as at the reporting date. The IBNR is based on the liability adequacy test.
Material salvage and other recoveries including reinsurance recoveries are presented as assets.

In many cases delays experienced in the notification and settlement of certain types of general insurance claims result in the ultimate cost varying from the original assessment. Adjustments to the amounts of claims provisions established in prior years are reflected in the financial statements for the period in which the adjustments are made and disclosed separately, if material.

The liability for Incurred but not Reported (IBNR) claims is calculated at the end of the reporting period, using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation. The liability was not discounted for time value of money; and no further provision was made for equalization or catastrophe reserves (as prohibited by IFRS 4).

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.17 *Liability Adequacy Test*

At the end of each reporting date, a Liability Adequacy Test (LAT) is performed by an Actuary to ensure the adequacy of the contract liabilities net of any related Deferred Acquisition Cost and Reinsurance recoveries. Where a shortfall is identified, an additional provision is made and the company recognizes the deficiency in profit or loss.

3.18 Liabilities and Related Assets under Liability Adequacy Test

The net liability for insurance contracts is tested for adequacy by discounting current estimates of all future contractual cash flows and comparing this amount to the carrying value of the liability net of deferred acquisition costs. Where a shortfall is identified, an additional provision is made and the company recognizes the deficiency in the statement of profit or loss and other comprehensive income for the year.

Incurred but Not Reported (IBNR) claim reserves were determined by projecting Ultimate Claims using Chain Ladder method and then deducting for claims paid to date and outstanding amounts on reported claims. The paid claims development factors are adjusted, where felt necessary due to data limitations and credibility issues. Loss Ratio method is used where use of Chain Ladder method was not appropriate or possible.

Unearned Premium Reserve (UPR), for all policies except Engineering, is determined by apportioning the premium over the duration of policy and calculating UPR based on premium in respect of remaining term of the policy. However, for engineering policies, policies at risk amounts are skewed towards the later policy coverage period. Hence UPR determination is based on a different approach which results in higher premium being earned at later stages of the policy.

3.19 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction cost of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it's probable that some or all of the facility will be drawn down, the fees capitalised as a prepayment for liquidity service and amortised over the period of the facility to which it related.

Borrowings are classified as non-current liabilities under where the group has an unconditional right to defer settlement for at least 12 months after the date of the statement of financial position.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.20 Trade Payables

Trade payables are recorgnised initially at fair value and subsequently measure at amortised cost using effective interest method. The value of a non-interest bearing liability is its discounted repayment amount. If the effect of discounting is immaterial, discounting is omitted.

3.21 Provisions, Contingent Liabilities, Commitments and Financial Guarantees

Provisions, contingent liabilities, commitments and financial guarantees are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of such an obligation. Provisions are discounted when the effect of the time value of money is considered material.

Restructuring provisions comprise employee termination costs and costs related to onerous contracts. Restructuring provisions are recognized when the group has a present obligation as a result of a detailed formal plan, which has been announced to those affected and the amount can be reasonably estimated.

3.22 Other payable

Other payable are initially recorgnised at fair value and subsequently measured at armortised cost.

3.23. Employee Benefits

a). **Pension obligation**

The group operates a defined contributory pension scheme for eligible employees. Employees and the Group contribute 8.5% and 10.5% respectively of the qualifying staff's salary in line with the provision of Pension Reform Act 2014. Under the defined contributory scheme, the group pays fixed contributions to a separate entity – Pension Fund Administrators; employees also pay a fixed percentage to the same entity. Once the contributions have been paid, the company retains no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to finance benefits accruing under the retirement benefit plan.

The company's obligations are recognized in the profit or loss as employee benefit expenses when they are due.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

b). *Short-term benefits*

Short-term employee benefit obligations include wages, salaries and other benefits which the Company has a present obligation to pay, as a result of employees' services provided up to the reporting sheet date. The accrual is calculated on an undiscounted basis, using current salary rates. A provision is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

c). Termination Benefits

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

3.24 Current and Deferred Income Tax

The group provides current tax expense according to the tax laws of each jurisdiction in which it operates. Tax is recognized in the income statement, 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.

Deferred income taxes are recognized using the asset and liability method. Deferred income taxes are recorded for temporary differences, which are based on the difference between financial statement carrying amounts and income tax bases of assets and liabilities using enacted income tax rates and laws. Losses for tax purposes are treated as deferred tax assets to the extent it is probable that they can be utilized against future taxable income in the respective jurisdictions.

Current and deferred tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and when there is a legally enforceable right to offset them.

Taxes payable by either the parent company or its subsidiaries on expected distributions to the parent company of the profits of subsidiaries are not recognized as deferred income taxes unless a distribution of those profits is intended in the foreseeable future.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.24.1 Minimum Tax

Where the group has no taxable profit or liability arising from its tax assessment for the year, a minimum tax assessment shall be mandatory in line with the provision of the Company Income Tax Act (as amended)

3.25 Equity

Share Capital

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

Dividend on ordinary shares

Dividends on the company's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the company's shareholders.

Earnings per share

Basic earnings per share is calculated by dividing net income

available to ordinary shareholders by the weighted average number of ordinary shares in issue during the year, excluding the weighted average number of ordinary shares purchased by the Group and held as Treasury shares.
Earnings per share has also been calculated on the adjusted operating profit before impairment of goodwill and other adjusting items, after tax, attributable to ordinary shareholders, as the directors believe this figure provides a better indication of operating performance.

For the diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares, such as convertible debt and share options granted to employees. Potential or contingent share issuances are treated as dilutive when their conversion to shares would decrease net earnings per share.

3.26 Retained Earnings

Retained earnings are the amount of retained profit not apportioned to any specified reserve and which is available for distribution to shareholders. Retained earnings are carried at book value. This account accumulates net profits or losses from operations.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.27 Fair Value and Other Reserves

Fair value reserve represents unrealized gains/losses resulted from the valuation of available-for-sale and held for trading financial assets based on current market prices and other reserves represent foreign exchange difference resulted from translation of foreign subsidiary operation at year end.

3.28 Contingency Reserve

The company maintains contingency reserves in accordance with the provisions of the Section 21(2) of Insurance Act 2003 to cover fluctuations in securities and variations in statistical estimates at the rate equal to the higher of 3% of total premium or 20% of the net profit after until the reserve reaches the greater of minimum paid up capital or 50% of net premium for general business.

3.29 Insurance Contracts

The Group enters into insurance contracts as its primary business activities. Insurance contracts are those that the Group accepts significant insurance risk from another party (the policy holder) by agreeing to compensate the policy holder or other beneficiary, if a specified uncertain future event (the insured event) adversely affects the policy holder or the other beneficiary. The Group issues contracts that transfer insurance risk or financial risk or both. Insurance contracts are those contracts that transfer significant insurance risk.

3.30 Revenue Recognition

Revenue comprises the fair value for services, net of value-added tax. Revenue is recognised as follows

Non-life insurance

a) Premium

Gross premium comprise the premium on insurance contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. Premium on reinsurance inward are included in gross written premium and accounted for as if the reinsurance was considered direct business, taking into account the product classification of the reinsured business.

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

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

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

b) Unearned premium

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

c) Gross premium Income

This represents the earned portion of premium received and is recorgnised as revenue including changes in unearned premium. Premiums are earned from the date of attachment of risk, over the insurance period, based on the pattern of risk underwritten. Outward reinsurance premiums are recorgnised as expenses in accordance with the pattern of risk reinsured.

d) Reinsurance

The Group cedes reinsurance in the normal course of business for the purpose of limiting its net loss potential on policies written. Premium ceded comprise written premiums ceded to reinsurers, adjusted for the reinsurers' share of the movement in the provision for the unearned premiums.

Reinsurance arrangements do not relieve the company from its direct obligations to its policyholders. Premium ceded, claims reimbursed and commission recovered are presented in the statement of profit or loss and other comprehensive income and statement of financial position separately from the gross amounts.

Reinsurance assets represent balances due from reinsurance contracts. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

Reinsurance recoverable is estimated in a manner consistent with the outstanding claims provision and claims incurred associated with the reinsurer's policies and are in accordance with the related insurance contract. They are measured at their carrying amount less impairment charges.

Amounts recoverable under reinsurance contracts are assessed for impairment at each statement of financial position date. If there is objective evidence of impairment, the company reduces the carrying amount of its insurance assets to its recoverable amount and recognizes the impairment loss in the statement of profit or loss and other comprehensive income as a result of an event that occurred after its initial recognition, that the company may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the company will receive from the reinsurer. The Group had the right to set-off

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

re-insurance payables against the amount due from re-insurance and brokers in line with the agreed arrangement between both parties.

e) Commission earned

Commissions are recorgnised on ceding business to the re-insurer, and are credited to the profit or loss over the period the service is provided.

3.31 Expenses

a). *Claims*

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

The provision for outstanding claims for reported claims is estimated based on current information and the ultimate liability may vary as a result of subsequent information and events and may result in significant adjustments to the amounts provided. Adjustments to the amounts of claims provision for prior years are reflected in the profit or loss in the financial period in which adjustments are made, and disclosed separately if material. The measurement of non-life insurance contract liabilities has been set out under note 3.14.

b) Salvage and subrogation reimbursements

Some insurance contracts permit the Group to sell property acquired in settling a claim (like salvage). Estimates of salvage recoveries are included as an allowance in the measurement of the insurance liability for claims. Salvage property is recognized as an asset when the liability is settled. The allowance is the amount that can reasonably be recovered from the disposal of the property.

The Group may also have the right to pursue third parties for payment of some or all costs (like subrogation). Subrogation reimbursements are also considered as an allowance in the measurement of the insurance liability for claims and are recognized as assets when the liability is settled. The allowance is based on an assessment of the amount that can be recovered from the action against the liable third party.

c). *Underwriting expenses*

Underwriting expenses are made up of acquisition and maintenance expenses comprising commission and policy expenses, proportion of underwriting staff cost. Underwriting expenses for insurance contracts are recognized as an expense when incurred, with the exception of acquisition costs which are recognized on a time apportionment basis in respect of risk.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

d). *Receivables and payables related to insurance contracts*

Receivables and payables are recognized when due. These include amounts due to and from agents, brokers and insurance contract holders.

If there is objective evidence that the insurance receivable is impaired, the Group reduces the carrying amount of the insurance receivable accordingly and recognizes that impairment loss in the statement of profit or loss. The Group gathers the objective evidence that an insurance receivable is impaired using the same methodology adopted for financial assets held at amortized cost. The impairment loss is calculated under the same method used for these financial assets.

3.32 Other Revenue and Expense Recognition

a) Fees and commission

Fees and commission income and expense that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

Other fees and commission income, including account servicing fees, investment management fees, sales commission, placement fees and syndication fees, are recognised as the related services are performed. When a loan commitment is not expected to result in the draw-down of a loan, the related loan commitment fees are recognised on a straight-line basis over the commitment period.

b) Interest

Interest income and expense are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes all transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

Interest income and expense presented in the statement of profit or loss include interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis. Interest income and expense on all trading assets and liabilities are considered to be incidental to the Group trading operations and are presented together with all other changes in the fair value.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

c) Net interest income
Net interest income includes interest on loan and advances earned and interest expenses incurred.

d) Net Trading Income
Net trading income includes income received on sale of goods and has been recognized in line with IAS 18 'revenue recognition' criteria and related cost incurred.

e) Investment and other operating income
Investment and other operating income comprise interest income earned on short-term deposits, rental income and dividends and foreign exchange differences. Investment income, other than interest income, is recognized at fair value and on an accrual basis.

Interest income is recognized in the statement of profit or loss as it accrues and is calculated using the effective interest rate method.

Investment expenses consist of costs relating to investment management services and operating expenses for real estate held for investment. These expenses are recognized on an accrual basis.

Rental income is recognized on an accrual basis.

f) Dividend income
Dividend income is recognized when the right to receive payment is established, the right to receive dividend is established when the dividend has been duly declared.

g) Management and other operating expenses
Management and other operating expenses are expenses other than claims and underwriting expenses. They include depreciation expenses, employee benefit and other operating expenses. They are accounted for on an accrual basis and recognized in the income statement upon utilization of the service or at the date of origination.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

h) Borrowing Cost

These are interest and other cost that the group incurred in connection with the borrowing of funds. The cost include rate calculated using the effective interest rate method. The costs are recognized as an expense in the period in which they are incurred.

3.33 Segment Reporting

A reporting segment is an operating segment or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. This financial information is reported on the basis as used internally for evaluating operating segment performance and deciding how to allocate resources to operating segment. For the company the Chief operating decision maker is the Executive Management Team

The Group's primary format for segment reporting is based on business/subsidiaries segments. Significant geographical regions have been identified as the secondary basis of reporting.

3.34 Dividends

Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders. Dividends that are proposed but not yet declared are disclosed in the notes to the financial statements.

3.35 Cash Flows Method

IAS 7 permits a number of options in the presentation of cash flow from operating activities as either direct or indirect method. However, where statement of cash flow is prepared using the indirect method, the company shall be required to reconcile the net cash flows from operating activities to the direct method. The Group has presented its cash flow from operating activities using direct method.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.36 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

3.36.1 Standards and interpretations effective during the reporting period but not yet adopted

Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4) – Insurance contract effective 1 January 2018

The company has elected to apply the temporary exemption (deferral approach) for IFRS 9 and qualifies for the temporary exemption based on the followings.

(a) Its activities are predominantly connected with insurance contracts.

(b) It has not previously applied any version of IFRS 9;

(c) The carrying amount of its liabilities arising from insurance contracts and insurance connected liabilities for the Company sum up to 4.3billion as at 31 Dec 2021 which is greater than 90 per cent of the total carrying amount of all its liabilities as at 31 Dec 2021 ;

(d) As at 31 December 2015, which is the reporting date that immediately precedes 1 January 2016, the carrying amount of the group and Company liabilities arising from insurance connected contracts were 91% and 93% for the Group and the Company respectively which is greater than 90 per cent of the total carrying amount of all its liabilities as at that date as showcases in the predominant test presented below;

	Group		Company	
	2015		2015	
Liabilities	**Carrying Amount**	**Insurance Contract**	**Carrying Amount**	**Insurance Connected Contracts**
	=N='000	=N='000	=N='000	=N='000
Insurance Contract Liabilities	2,096,391	2,096,391	1,617,026	1,617,026
Trade Payables	26,102	-	-	-
Provision and Other Payable	133,500	34,117	49,382	-
Retirement benefit obligation	2,700	2,700	2,166	2,166
Provision for Current Income Tax Liabi	270,911	270,911	242,497	242,497
Deferred income tax liabilities	122,229	-	86,612	-
Total	**2,651,833**	**2,404,119**	**1,997,683**	**1,861,689**
Predominant Ratio		**91%**		**93%**

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(e)The company carry out predominant re-assessment as per permitted by Amendments to IFRS 4 at the end of reporting period ended 2020, at which the company's liability connected to insurance is 93% as shown below:

REASSESMENT				
	Group		Company	
	31-Dec-20			
Liabilities	Carrying Amount	Insurance Contract	Carrying Amount	Insurance Connected Contracts
	N'000	N'000	N'000	N'000
Insurance Contract Liabilities	4,341,272	4,341,272	**2,971,806**	2,971,806
Trade Payables	21,939	-	6,525	6,525
Provision and Other Payable	787,351	468,064	151,846	34,057
Retirement benefit obligation	3,013	3,013	3,013	3,013
Provision for Current Income Tax Liabilities	225,833	225,833	201,499	201,499
Deferred income tax liabilities	93,998	-	103,475	-
Total	**5,473,406**	**5,038,182**	**3,438,164**	**3,216,900**
Reassesment Ratio		**92%**		**94%**

(f)The company activities have remained the same and are predominantly connected with insurance contracts as reflected in (d) above the most recent predominant re-assessment.

(g) There has been no any significant change in our business activities and model since 31 December 2015, which is the reporting date that immediately proceeds 1 January 2016.

(h) The nature and carrying amounts of the liabilities connected with insurance contracts are disclosed in notes 17, 18, and 21 respectively.

IFRS 9 - Financial instruments effective 1 January 2018

IFRS 9 is part of the IASB's project to replace IAS 39. It addresses classification, measurement and impairment of financial assets as well as hedge accounting. IFRS 9 replaces the multiple classification and measurement models in IAS 39 with a single model that has only three classification categories: amortised cost, fair value through OCI and fair value through profit or loss. It includes the guidance on accounting for and presentation of financial liabilities and derecognition of financial instruments which was previously in IAS 39. Furthermore, for non-derivative financial liabilities designated at fair value through profit or loss, it requires that the credit risk component of fair value gains and losses be separated and included in OCI rather than in the income statement. IFRS 9 also requires that credit losses expected at the balance sheet date (rather than only losses incurred in the year) on loans, debt securities and loan commitments not held at fair value through profit or loss be reflected in impairment allowances.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Furthermore, the IASB has amended IFRS 9 to align hedge accounting more closely with an entity's risk management.

The revised standard establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39.

The Group currently categorizes of its financial assets as Held to maturity and fair value through profit or loss with the fair value changes recognised in profit or loss, available for sale with the fair value recorgnised in OCI. The Group intends to classify most of its financial assets as financial assets at fair value through profit or loss and amortised cost, with few equity securities classified as fair value through OCI. The Group does not expect any material impact in the measurement of these financial assets under IFRS 9, as the assets will continue to be measured at fair value.

The Group has elected to apply the temporary exemption (deferral approach) for IFRS 9 - Financial Instruments. The expected impact of IFRS 9 on the group financial statement has been summarised in note 55.2.4 of the financial statement.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated and separate financial statements of the Group as it does not have any interest rate hedge relationships.

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated and separate financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)
Amendments to IAS 1 and IAS 8 Definition of 'Material'

The amendments provide a new definition of 'material' that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

IFRS 16 and COVID-19 — Extension of practical expedient

The IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16). The pronouncement amended IFRS 16 Leases to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. On issuance, the practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2021. The 2021 amendments are effective for annual reporting periods beginning on or after 1 April 2021. Lessees are permitted to apply it early, including in financial statements not authorised for issue. In effect, it is available to be applied now, subject to any local endorsement requirements. The 2021 amendments are applied retrospectively with the cumulative effect of initially applying it being recognised in opening retained earnings. The disclosure requirements of Paragraph 28(f)1 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors do not apply on initial application

Earlier application is permitted. This amendment had no impact on the financial statement of the Group.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

On 27 August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. With publication of the phase two amendments, the IASB has completed its work in response to IBOR reform. Effective for annual periods beginning on or after 1 January 2021.

The amendments provide temporary reliefs which address the financial reporting effects when an intergroup offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments is not expected to have a significant impact on the separate financial statements of the Group.

3.36.2 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

► A specific adaptation for contracts with direct participation features (the variable fee approach)

► A simplified approach (the premium allocation approach) mainly for short-duration contracts

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. The Group will not adopt the new standard before effective date which is 1 January 2023.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements. Effective for annual periods beginning on or after 1 January 2022.

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately.

The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments to IFRS 3 is not expected to have a significant impact on financial statements of Group.

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.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

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 beginning of that earliest period presented. The Directors anticipate that the amendment will have an impact of the Fiancial Statements if such tranactions occur. The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 10 Consolidated Financial Statements 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 recognized 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 remeasurement 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 recognized 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 Group's consolidated financial statements in future periods should such transactions arise.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The 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. This is not expected to have a material impact on the Group Financial Statements

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. The Directors anticipate that the amendment will have an impact of the Financial Statements if such transactions occur.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Annual Improvements 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. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a). 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 derecognize 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 pre tax or post- tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment. The amendment is effective for annual reporting periods beginning on or after 1 January 2022, with earlier application permitted

These amendments are not expected to have a material impact on the Group Financial Statements.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

These amendments are not expected to have a material impact on the Group Financial Statements.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimate.

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty"

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

• A change in accounting estimate that results from new information or new developments is not the correction of an error

• The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

The Directors anticipate that the amendment will have an impact of the Financial Statements if such changes in accounting estimates and errors occur.

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease

Following the amendments to IAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognizes:

• A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:

– Right-of-use assets and lease liabilities

– Decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related asset

• 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 that date.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

The Directors anticipate that the amendment will have an impact of the Financial Statements if such transactions occur

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	GROUP		COMPANY	
		31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
		=N='000	=N='000	=N='000	=N='000
ASSETS					
Cash and Cash Equivalents	4	2,256,131	1,998,354	2,100,321	1,431,473
Financial Assets	5	5,244,303	5,937,982	5,031,368	4,804,960
Trade Receivables	6	216,984	208,010	16,011	7,202
Reinsurance Assets	7	2,206,757	2,269,782	2,206,757	1,127,475
Deferred Acquisition Cost	8	124,381	253,827	124,381	85,069
Other Receivables and Prepayments	9	53,710	193,400	18,917	20,236
Inventory	10	4,725	6,267	-	-
Investment in Subsidiaries	11	-	-	473,116	1,026,170
Intangible Assets	12	21,595	11,491	21,560	7,820
Investment Properties	13	635,547	621,919	510,000	505,000
Property, Plant and Equipment	14	805,114	820,605	796,625	737,551
Statutory Deposits	15	300,000	424,110	300,000	300,000
Total Assets		**11,869,247**	**12,745,746**	**11,599,055**	**10,052,954**
LIABILITIES					
Insurance Contract Liabilities	16	4,313,541	4,341,272	4,313,541	2,971,806
Trade Payables	17	43,247	21,939	4,552	6,525
Provision and Other Payables	18	294,697	787,351	151,846	194,728
Retirement Benefit Obligation	19	2,774	3,013	2,774	3,013
Provision for Current Income Tax Liabilities	20	142,848	225,833	127,817	201,499
Deferred Income Tax Liabilities	21	103,475	93,998	103,475	101,077
Deposit for shares	22	245,000	245,000	245,000	245,000
Total Liabilities		**5,145,582**	**5,718,406**	**4,949,005**	**3,723,649**
EQUITY					
Total equity attributable to owners of the parent:					
Issued and Paid up Share Capital	23	3,334,375	3,334,375	3,334,375	3,334,375
Contingency Reserve	24	1,620,433	1,866,521	1,620,433	1,466,878
Retained Earnings	25	1,746,801	1,201,684	1,695,243	1,528,051
Fair Value Reserves on Available for sale	26	-	7,769	-	-
Other Reserves-Translation Reserve	27	-	63,387	-	-
Total		**6,701,609**	**6,473,736**	**6,650,050**	**6,329,304**
Non-controlling Interest in Equity:					
Non-controlling Interest in Equity		22,057	553,604		-
Equity and Liabilities		**11,869,248**	**12,745,746**	**11,599,055**	**10,052,954**

The financial statements were approved by the board of directors on March 08, 2022 and signed on behalf of the board of diirectors by the directors listed below:

MR CLEM BAIYE	**MR BIYI OTEGBEYE**	**MR KEHINDE OYADIRAN**
FRC/2020/003/00000021054	**FRC/2013/NBA/00000003749**	**FRC/2013/ICAN/00000003559**
(Acting Chairman)	**(Managing Director/Chief Executive Officer)**	**(Chief Finance Officer)**

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

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

		GROUP		COMPANY	
	Note	**2021 =N='000**	**2020 =N='000**	**2021 =N='000**	**2020 =N='000**
Gross Premium Written	28	5,118,468	6,543,160	5,118,468	3,878,536
Gross Premium Income	29	4,657,792	6,552,055	4,657,792	3,934,024
Reinsurance Expenses	30	(1,716,788)	(2,065,793)	(1,716,788)	(1,458,821)
Net Premium Income		**2,941,004**	**4,486,261**	**2,941,004**	**2,475,203**
Fees and Commission Income	31	100,097	242,796	100,097	66,646
Net Underwriting Income		**3,041,101**	**4,729,057**	**3,041,101**	**2,541,849**
Claims Expenses (Gross)	32	(2,127,572)	(2,941,048)	(2,127,572)	(1,290,562)
Claim Expenses Recovered from Reinsurance	33	1,096,287	1,161,419	1,096,287	419,283
Underwriting Expenses	34	(695,086)	(922,444)	(695,086)	(533,343)
Underwriting Profit		**1,314,730**	**2,026,983**	**1,314,730**	**1,137,227**
Interest Income	35(a)	38,480	44,021	-	-
Interest Expense	35(b)	(1,827)	(6,937)	-	-
Net Trading Income	36	8,118	6,412	-	-
Finance Income	37	37,716	39,397	-	-
Finance Cost	38	(6,571)	(7,338)	-	-
Investment Income	39	369,513	443,513	364,730	331,557
Other Operating Income	40	13,939	218,010	11,581	12,373
Fair value Gain on Investment Properties	13	5,000	9,038	5,000	9,038
Net Gain/(loss) on Finacial Assets	41	102,625	(166,885)	108,720	87,269
Employee Benefit Expenses	42	(373,794)	(833,311)	(334,370)	(370,436)
Other Operating Expenses	43	(608,072)	(1,106,533)	(574,062)	(525,890)
Impairment on Subsidiary	11	(553,054)	-	(553,054)	-
Impairment on trade receivables	6(bi)	(1,300)	(5,914)	-	-
Result of Operating Activites		**345,503**	**660,457**	**343,275**	**681,137**
Profit Before Tax		**345,503**	**660,457**	**343,275**	**681,137**
Income Tax Expense	20	(22,896)	(70,168)	(22,530)	(52,550)
Profit For the year		**322,607**	**590,289**	**320,746**	**628,587**
Other Comprehensive Income/(Loss)					
Items that may be subsequently reclassified to the profit or loss account:					
Net Unrealised fair value gain/(loss) on AFS financial asset	5.3(a&b)	-	1,330	-	-
Foreign exchange translation difference	28	-	85,997	-	-
Income tax relating to component of other comprehensive income	26	-	(399)	-	-
Total other comprehensive income net of tax		**-**	**86,928**	**-**	
Total comprehensive income for the Year		**322,607**	**677,217**	**320,746**	**628,587**
Profit After Taxation					
Atributable:					
to Owner's of parent		322,425	622,366	320,746	628,587
to Non Controlling Interest		182	(32,077)	-	-
		322,607	**590,289**	**320,746**	**628,587**
Total comprehensive income for the Year					
Atributable:					
to Owner's of parent		322,425	708,523	320,746	628,587
to Non Controlling Interest		182	(31,306)		
		322,607	**677,217**	**320,746**	**628,587**
Earnings per share					
Basic and diluted earnings per shares (in kobo)		4.84	8.85	4.81	9.43

GROUP

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Share Capital =N='000	Contingency Reserve =N='000	Retained Earnings =N='000	Fair Value Reserves =N='000	Foreign Exchange Translation Reserve =N='000	Parent Total =N='000	Non Controlling Interest =N='000	Total =N='000
At 1 January 2021	3,334,375	1,866,521	1,201,684	7,769	63,387	6,473,735	585,682	7,059,418
Profit after tax for the Year	-	-	322,425	-	-	322,425	182	322,607
Transfer to Contingency Reserves		153,554	(153,554)			-	-	-
	-	**153,554**	**168,871**	**-**	**-**	**322,425**	**182**	**322,607**
Other comprehensive income							-	-
Change in the value of Unquoted investment	-	-	-	-	-	-	-	-
Income tax relating to component of other comprehensive income				-	-	-	-	-
Total comprehensive income for the Year net of tax	**-**	**153,554**	**168,871**	**-**	**-**	**322,425**	**182**	**322,607**
Transaction with owner's of equity, recorded directly in equity								-
distribution to owners							-	-
Transfer Adjustment on Derecognition of Ghana subsidiary		(399,642)	376,246	(7,769)	(63,387)	(94,552)	(563,807)	(658,359)
			-	-	-	-	-	-
	-	(399,642)	376,246	(7,769)	(63,387)	(94,552)	(563,807)	(658,359)
At 31 December 2021	**3,334,375**	**1,620,433**	**1,746,801**	**-**	**-**	**6,701,609**	**22,057**	**6,723,666**

GROUP

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Share Capital =N='000	Contingency Reserve =N='000	Retained Earnings =N='000	Fair Value Reserves =N='000	Foreign Exchange Translation Reserve =N='000	Parent Total =N='000	Non Controlling Interest =N='000	Total =N=
At 1 January 2020	**3,334,375**	**1,670,226**	**772,225**	**10,226**	**(22,610)**	5,764,442	**585,682**	6,350,124
Profit after tax for the Year			622,366			622,366	(32,077)	590,289
Transfer to Contingency Reserves		196,295	(196,295)			-	-	-
	-	**196,295**	**426,071**	**-**	**-**	**622,366**	**(32,077)**	**590,289**
Other comprehensive income								
Change in the value of Unquoted investment				1,330		1,330		1,330
Exchange Difference		-			85,997	85,997		85,997
Income tax relating to component of other comprehensive income				(399)		(399)		(399)
Total Comprehensive Income for the year net of tax	**-**	**196,295**	**426,071**	**931**	**85,997**	**709,293**	**(32,077)**	**677,217**
Transactio with Owner's of equity, recorded directly in equity								
Distribution to Owners								
Transfer Adjustment on Fair value reserve of disposed unquoted ec	**-**	**-**	**3,388**	**(3,388)**				
			3,388	**(3,388)**				
Total comprehensive income for the quarter	-	-	-	-	-	-	-	-
At 31 December 2020	**3,334,375**	**1,866,521**	**1,201,684**	**7,769**	**63,387**	**6,473,736**	**553,604**	**7,027,340**

THE COMPANY

REGENCY ALLIANCE INSURANCE PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE Year ENDED 31 December 2021

	Share Capital =N='000	Contingency Reserve =N='000	Retained Earnings =N='000	Fair Value Reserves =N='000	Total =N='000
At 1 January 2021	**3,334,375**	**1,466,878**	**1,528,052**	**-**	**6,329,305**
Total comprehensive income for the year					
Profit/Loss after tax for the year			320,746		**320,746**
Transfer to Contingency Reserves		153,554	(153,554)		**-**
	-	**153,554**	**167,192**	**-**	**320,746**
Other comprehensive income					
Total comprehensive income for the year net of tax	**-**	**153,554**	**167,192**	**-**	**320,746**
Transaction with owner's of equity, recorded directly in equity distribution to owners					
			-	-	**-**
Total Transaction with owners	**-**	**-**	**-**	**-**	**-**
At December 2021	**3,334,375**	**1,620,433**	**1,695,243**	**-**	**6,650,050**

STATEMENT OF CHANGES IN EQUITY
FOR THE Year ENDED 31 DECEBER 2020

	Share Capital =N='000	Contingency Reserve =N='000	Retained Earnings =N='000	Fair Value Reserves =N='000	Total =N='000
At 1 January 2020	**3,334,375**	**1,341,161**	**1,021,793**	**3,388**	**5,700,717**
Profit after tax for the Year			628,587		**628,587**
Transfer to Contingency Reserves		125,717	(125,717)		**-**
	-	**125,717**	**502,870**	**-**	**628,587**
Other comprehensive income					
Change in the value of Unquoted investment	**-**	**-**	-	-	**-**
Income tax relating to component of other comprehensive income	**-**	**-**	-	-	**-**
Total comprehensive income for the year	-	**125,717**	**502,870**	**-**	**628,587**
Transaction with owner's of equity, recorded directly in equity distribution to owners					
			3,388	(3,388)	**-**
Total Transaction with owners			**3,388**	**(3,388)**	**-**
At 31 December 2020	**3,334,375**	**1,466,878**	**1,528,051**	**-**	**6,329,304**

STATEMENT OF CASH FLOWS

		THE GROUP		THE COMPANY	
	Notes	2021	2020	2021	2020
Cash Flow From Operating Activities					
		=N='000	=N='000	=N='000	=N='000
Premium Received	6a(ii)	5,109,659	6,541,589	5,109,659	3,876,965
Reinsurance Premium Paid		(2,015,095)	(2,102,748)	(2,015,095)	(1,445,931)
Commission Received	31(a)	105,241	266,969	105,241	90,820
Gross Claim paid	32(a)	(1,246,513)	(1,489,985)	(1,246,513)	(581,635)
Claim Expenses Recovered from Reinsurance	33(a)	313,340	326,786	313,340	291,586
Acquisition Expenses	8.1	(441,244)	(804,223)	(441,244)	(331,807)
Maintenance Expenses	34(b)	(293,154)	(210,073)	(293,154)	(210,073)
Other Intrest Received (net of expenses)		36,653	37,084	-	-
Cash Received From Customers		82,202	107,617	-	-
Cash Paid to Suppliers/Creditors		(31,347)	(26,846)	-	-
Cash Paid to and On behalf of Employees		(410,193)	(944,962)	(370,769)	(442,175)
Cash Payments for Other Operating Expenses		(850,879)	(1,117,221)	(817,945)	(600,832)
Tax Paid		(93,815)	(111,276)	(93,815)	(63,559)
Net Cash Generated From Operating Activities		**264,853**	**472,714**	**249,704**	**583,358**
Cash Flow From Investing Activities					
Purchase of Financial Asset-HTM	5.1(b)	(1,312,791)	(2,142,118)	(1,312,791)	(2,038,089)
Proceeds From Disposal of HTM	5.1(b)	1,406,201	433,102	1,406,201	-
Purchase of Financial Asset-FVTPOL	5.2(a)	-	(56,701)	-	-
Receipt From Repayment Of Loan & Advances	5.4(a&b)	249,978	279,041	8,037	90,733
Additional to Loan & Receivables	5.4(a&b)	(253,782)	(262,828)	(5,932)	(3,915)
Addition to Statutory Deposit	15	-	(15,969)	-	-
Investment Income Received	39	369,513	443,513	364,730	331,557
Other Operating Income Received	40	1,784	9,737	413	7,303
Acquisition of Property, Plant & Equipment/Capital work in Progress	14	(116,742)	(58,627)	(115,812)	(10,006)
Proceeds From Disposal of Property, Plant & Equipment		1,885	13,541	1,885	11,527
Addition to Investment properties/Capital work in Progress	13	(8,628)	-	-	-
Proceeds From Disposal of Unquoted Investment		-	3,054	-	3,054
Rental Income Received	40	10,270	8,606	9,283	7,638
Acquisition of Intangible Asset	12	(18,000)	(6,265)	(18,000)	(3,151)
Share Issue/Deposit for Shares in Subsidiaries		-	-	-	(82,731)
Net Cash Generated From Investing Activities		**329,687**	**(1,351,915)**	**338,014**	**(1,686,081)**
Cash Flow From Financing Activities					
Deposit for Shares		-	245,000	-	245,000
Net Cash Generated From Financing Activities		**-**	**245,000**	**-**	**245,000**
Net Increase/(Decrease) In Cash and Cash Equivalents		594,540	(634,201)	587,717	(857,723)
Effect of Derecognition of Ghana Subsidiary on Cash and Cash Equivalients		(417,895)	-	-	-
Effect of Movement in Exchange Rate on Cash and Cash Equivalents		81,131	80,968	81,131	69,205
Net Increase/(Decrease) In Cash and Cash Equivalents during the year		**257,776**	**(553,234)**	**668,848**	**(788,518)**
Cash and Cash Equivalents as at 1 January		1,998,354	2,551,588	1,431,473	2,219,991
Cash and Cash Equivalent as at 31 December 2021		**2,256,131**	**1,998,354**	**2,100,321**	**1,431,473**

NOTES TO THE ACCOUNTS

	2021 N'000	2020 N'000	2021 N'000	2020 N'000
4 Cash and Cash Equivalents				
Cash in Hand	10,584	5,456	7,910	3,560
Bank Balances-Current Account	392,870	684,303	368,611	233,853
Shortterm placements:	-	-	-	-
Fixed Deposit	762,296	679,322	633,419	564,787
Treasury bills with maturity period <90 days	1,090,382	629,273	1,090,382	629,273
Total	**2,256,131**	**1,998,354**	**2,100,321**	**1,431,473**

The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

For the purpose of the cashflow statement, cash and cash equivalent comprise of the following balances with less than 3 months maturity from the date of acqisition.

The Group does not have significant restriction on its ability to access or use its assets and settle its liabilities other than those resulting from the supervisory frame work within which the group operate. The supervisory framework require the insurance subsidiaries to keep certain levels of regulatory capital and liquid asset.

	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Cash in Hand	10,584	5,456	7,910	3,560
Bank Balances-Current Account	392,870	684,303	368,611	233,853
Shortterm placements:	-		-	
Fixed Deposit	762,296	679,322	633,419	564,787
Treasury bills with maturity period <90 days	1,090,382	629,273	1,090,382	629,273
Total cash & cash equivalents	**2,256,131**	**1,998,354**	**2,100,321**	**1,431,473**
Current	2,256,131	1,998,354	2,100,321	1,431,473
Non- Current				

	2021 N'000	2020 N'000	2021 N'000	2020 N'000
5 Financial Assets				
The financial assets are summarised below by measurement category:				
Held to maturity (note 5.1)	4,431,141	5,031,368	4,425,641	4,224,934
Fair Value through Profit or Loss - quoted Investment - (note 5.2)	603,717	639,385	600,553	572,964
Available-for-sale - Unquoted Investment (note 5.3)	-	40,104	-	-
Loans and Receivables (note 5.4)	209,445	227,126	5,173	7,061
	5,244,303	**5,937,982**	**5,031,368**	**4,804,960**
Current	5,244,303	5,897,879	5,031,369	4,804,960
Non- Current	-	40,104	-	-
5.1 Held-to-maturity financial assets, at amortised cost				
Treasury Bill with Maturity period >90 days	2,189,352	923,675	2,183,852	871,061
Government of Nigeria Bond	200,214	1,318,785	200,214	1,318,785
Deposit with Corporate Institution with Maturity period >90 day	2,041,576	2,788,907	2,041,576	2,035,088
	4,431,141	**5,031,368**	**4,425,641**	**4,224,934**
5.1(a) Analysis of Held to Maturity				
At the beginning of the year	5,031,368	3,164,836	4,224,934	1,992,338
Derecognition of Ghana subsidiary Asset	(800,934)	-	-	-
Addition during the year	1,312,791	2,142,118	1,312,791	2,038,089
Disposal/Repayment During the Year	(1,406,201)	(433,102)	(1,406,201)	-
Impairment Loss	-	-	-	-
Accrued Interest	294,116	200,778	294,116	194,507
Market value as at 31 December	**4,431,141**	**5,074,631**	**4,425,641**	**4,224,934**
Impairment (kept in books for record-RegencyNem Ghana)	-	(43,263)	-	-
Carrying value	**4,431,141**	**5,031,368**	**4,425,641**	**4,224,934**

Held to maturity relates to Federal government treasury bill, Federal Govenment 13% coupon rate Bond payable half yearly and other deposit with corporate institution with maturity period above 90 days.

None of these investment securities have been pledged to third party as collateral.

The Group does not have significant restriction on its ability to access or use its assets and settle its liabilities other than those resulting from the supervisory frame work within which the group operate. The supervisory framework requires the insurance subsidiaries to keep certain levels of regulatory capital and liquid asset.

	2021 N'000	2020 N'000	2021 N'000	2020 N'000
5.1(b)Analysis of HTM For the purpose of cash flow:				
At the beginning of the year	5,031,368	3,164,836	4,224,934	1,992,338
Derecognition of Ghana subsidiary Asset	(800,934)	-		
Addition during the year	1,312,791	2,142,118	1,312,791	2,038,089
Disposal/Repayment During the Year	(1,406,201)	(433,102)	(1,406,201)	-
Impairment Loss	-	-	-	-
Accrued Interest	294,116	200,778	294,116	194,507
Market value as at 31 December	**4,431,141**	**5,074,631**	**4,425,641**	**4,224,934**
Impairment (kept in books for record-RegencyNem Ghana)	-	(43,263)	-	-
Carrying value	**4,431,141**	**5,031,368**	**4,425,641**	**4,224,934**

NOTES TO THE ACCOUNTS (CONT'D)

	GROUP		COMPANY	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
5.2 **Analysis of quoted financial assets FVTPOL are shown:**				
a. Quoted Investments				
At the beginning of the year	639,385	564,460	572,964	554,900
Derecognition of Ghana subsidiary Asset	(62,916)			
Exchange difference	-	105		
Addition during the year*	-	56,701	-	-
Disposal/Repayment During the Year	-	-	-	-
Fair Valua Gain/(Loss)	27,248	18,119	27,589	18,064
Impairment Loss	-		-	-
Market value as at 31 December	**603,717**	**639,385**	**600,553**	**572,964**

The Group classified its quoted investment at market value which is a reasonable measurement of fair value since price of the shares are quoted in an active market.
The sensitivity analysis for quoted equity financial instruments illustrates how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates at the reporting date.

A 5% basis point movement in market rates will result in addition/reduction in the value of the assets by; Group of =N=30.1Milliom(2020,=N=31.9m) and Company =N=30Million(2020,=N=28.6m)

	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020
5.3 **Available-for-sale - Financial assets**				
(a).Dominion Trust Limited	-		-	-
(b).Others,Own by Subsidiary (Regency Nem Insurance Ltd Ghana)	-	40,104	-	-
(c) Profund Securities Limited	-	-	-	-
	-	**40,104**	**-**	**-**
5.3(a&b) Analysis of Unquoted Investment:				
At the beginning of the year	40,104	45,759	-	7,596
Exchange difference	-	612	-	-
Derecognition of Ghana subsidiary Asset	(40,104)			
Addition during the year	-	-	-	-
Disposal/Repayment During the Year	-	(7,596)	-	(7,596)
Fair Valua Gain/(Loss)	-	1,330	-	-
Impairment Loss	-	-	-	-
Balance as at 31 December	**0**	**40,104**	**-**	**-**
5.3(c) Profund Securities Limited	2,072	2,072	2,072	2,072
5.3 c(i) Impairment on Profund Securities Financial asset				
At the beginning of the year	(2,072)	(2,072)	(2,072)	(2,072)
Addition during the year	-	-	-	-
Reversal during the year	-	-	-	-
Balance as at 31 December	**(2,072)**	**(2,072)**	**(2,072)**	**(2,072)**
Carrying Value	-	-	-	-

The unquoted equity instruments are measured at fair value and classified as available-for-sale. The fair value of the unquoted equity have been determined using adjusted net asset method and was based on the latest audited financial statement of the investee companies. The fair value of the assets cannot be readily and reliably measured as there is no active market for both types of companies.The fair value of the investment has been categorised as Level 3 fair value based on non observable market inputs into the valuation technique.
The group intends to dispose of the shares at a price above the initial investment purchase price.
During the year 2020 the company disposed its investment in Dominion Trust Limited with carrying value of =N=7.3million. A total proceed of =N=3.05million was realised from its disposal

NOTES TO THE ACCOUNTS (CONT'D)

	GROUP 2021 N'000	GROUP 2020 N'000	COMPANY 2021 N'000	COMPANY 2020 N'000
5.4 Loans and receivables comprise as shown below:				
Staff Loan (note 5.4a)	5,173	23,010	5,173	7,061
Loans and Advances_Ric Microfinance Bank (note 5.4b)	204,272	204,116	-	-
	209,445	**227,126**	**5,173**	**7,061**
(a)Staff Loan and Advances				
Balance as at the beginning of the year	23,010	104,133	7,061	91,724
Derecognition of Ghana subsidiary Asset	(15,949)	-	-	-
Addition during the Year	5,932	12,369	5,932	3,915
Repayment During the Year	(8,037)	(97,014)	(8,037)	(90,733)
Fair Valua Gain/(Loss)	-	-	-	-
Impairment Loss	-	-	-	-
Accrued Interest	217	3,524	217	2,155
Interest Received In Cash	-	-	-	-
	5,173	**23,010**	**5,173**	**7,061**

Staff loans and advances are measured at amortised cost using effective interest rate,the effective inerest rate for the purpose of staff loan valuation is the applicable interest rate at the time of availment Loan granted to staff at below market rate are fair valued by reference to expected future cashflows and current market interest rates for instruments in a comparable or similar risk class and the difference between the historical cost and fair value is accounted for as employee benefits under staff costs where these are considered material.

	GROUP 2021 N'000	GROUP 2020 N'000	COMPANY 2021 N'000	COMPANY 2020 N'000
(b) Bank Loan and Advances				
Balance as at the beginning of the year	204,116	136,187	-	-
Addition during the Year	247,850	250,459	-	-
Repayment During the Year	(241,940)	(182,027)	-	-
Fair Valua Gain/(Loss)	(5,754)	(503)	-	-
Impairment Loss	-	-	-	-
Balance as at 31 December	**204,272**	**204,116**	**-**	**-**
(c) Loan and Advances-Maturity Profile				
Under 1 month	51,885	50,909	-	-
1-3 months	86,475	83,005	-	-
3-6 months	54,047	53,030	-	-
6-12 months	21,619	19,871	-	-
Over 12 months	2,162	3,462	-	-
	216,188	**210,277**	**-**	
Allowance for impairment on loan and Advances	**(11,915)**	**(6,161)**	**-**	**-**
	204,272	**204,116**	**-**	
(a+b)	**209,445**	**227,126**	**5,173**	**7,061**
Current	209,445	227,126	5,173	7,061
Non-Current				

(d) Provision for impairment on loan and advances to Customers

Classification	Percentage	Principal	GROUP 2021 N'000	GROUP 2020 N'000	COMPANY 2021 N'000	COMPANY 2020 N'000
Performing	1%	189,680	1,897	1,996	-	-
Non - Performing:			-	-		
Pass and Watch	5%	6,374	319	274	-	-
Sub Standard	20%	7,768	1,554	576	-	-
Doubtful	50%	8,438	4,219	764	-	-
Lost	100%	3,927	3,926	2,551	-	-
		216,187	**11,915**	**6,161**	**-**	-

	GROUP 2021 N'000	GROUP 2020 N'000
(e) Balance as at 1 January	6,161	5,658
Less: Balance as at 31st December,	11,915	6,161
Transfer to Statement of Profit or loss & Other Comprehensive Income	**(5,754)**	**(503)**

The allowance for impairment of loans and advances to Customers is calculated in line with Prudential guidelines issued by Central Bank of Nigeria for each Non-performing Account rated as Pass and Watch, Sub-standard Doubtful and Loss Facility as follows:

Interest and /or principal Outstanding for:	Categorization	percentage
Below 30 days	Paas & watch	5%
31 - 60 days	Sub-standard	20%
61 - 90 days	Doutful	50%
91 days & above & restructured facilities	Loss	100%

While a general provision of 1% is made on all performing account balances.

NOTES TO THE ACCOUNTS (CONT'D)

	GROUP		COMPANY	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
6 Trade Receivables				
a Due from Brokers and Other Intermidaries	16,011	7,202	16,011	7,202
b Due from Finance Lease rental	186,926	191,310	-	-
c Due From Sales of Tracker	14,046	9,498	-	-
	216,984	**208,010**	**16,011**	**7,202**
Current	216,984	208,010	16,011	7,202
Non-Current	-	-		
6a (i) Due from brokers and Other Intermidiaries				
Premium receivable	16,011	7,202	16,011	7,202
Impairment -premium receivables	-	-	-	-
	16,011	**7,202**	**16,011**	**7,202**
6a(ii) Analysis of premium received during the Year				
Balance as at 1 January	**7,202**	**5,631**	**7,202**	**5,631**
Gross written Premium Receivable	5,118,468	6,543,160	5,118,468	3,878,536
Premium Received during the Year	(5,109,659)	(6,541,589)	(5,109,659)	(3,876,965)
Balance as at 31 December	**16,011**	**7,202**	**16,011**	**7,202**
6a(iii) Age Analysis - Premium Debtor				
Due Within 30 Days	16,011	7,202	16,011	7,202
Due After more than 30 days	-	-	-	-
	16,011	**7,202**	**16,011**	**7,202**

The premium receivables were not impaired, this is in line with Group policy on 'No Premium No Cover'. The Group only recognised receivables from broker and intermidiaries, however such premium receivable should not exceed a period of 30 days.

	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020
(6b) Analysis of due from Finance Lease Rental				
Under One Year	184,389	183,082		
1 - 5 Year	18,236	22,628		
5 Years and Above	-	-		
	202,625	**205,710**	-	-
Provision for Impairment on finance lease rental(6b.i)	**(15,699)**	**(14,400)**		
	186,926	**191,310**	**-**	**-**
6b(i) Movement on impairement of lease Rental	-	-	-	-
At the beginning of year	14,400	8,486		
Allowance made during the year	(1,300)	(5,914)	-	
Balance as at 31 December	**15,699**	**14,400**	**-**	

Receivables from Lease Rental represent the Subsidiary's (RIC Properties and Investment Ltd) gross investment in minimum lease payments receivables as at reporting date.
All lease agreement is for period of one year.
The allowance for impairment on finance lease represents accumulated allowance for uncollectable lease payment receivable.
RIC Properties and investment provides finance lease for corporate body as well as individual, in the area of household equipment, motor cars, office and household furnitures and real estate.

	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020
(6c) Due from Sale of Traker				
Under One Year	14,046	9,498	-	-
Above one year	-	-	-	-
	14,046	**9,498**	**-**	**-**

NOTES TO THE ACCOUNTS (CONT'D)

	GROUP		COMPANY	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
7 Reinsurance Assets				
Prepaid Reinsurance-UPR	952,252	922,631	952,252	655,918
Reinsurance Share of Outstanding Claims	336,443	902,303	336,443	53,807
Reinsurance Share of Outstanding IBNR	917,701	444,350	917,701	417,253
Reinsurance Recoverable on Claims Paid	361	498	361	498
	2,206,757	**2,269,782**	**2,206,757**	**1,127,475**
		-		
Current	2,206,757	2,269,782	2,206,757	1,127,475
Non-Current	-	-	-	-

The reinsurance asset of the Company were based on independent actuaries valuation report authorised by Junaid Akram on behalf of TAF Consulting Nigeria Limited.
A professional actuary registered in Nigeria with the Financial Reproting Council of Nigeria with registration no-(FRC number 'FRC/2014/NAS/00000006904')
Kindly note that our consultant has not effect FRC Rule 2(b)

	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020
7.1 Prepaid Reinsurance-UPR				
Balance as at 1 January	922,631	885,677	655,918	668,808
Derecognition of Ghana subsidiary Asset	(266,713)	-	-	-
Reinsurance Cost During the year	2,013,122	2,102,748	2,013,122	1,445,931
	2,669,041	**2,988,424**	**2,669,040**	**2,114,739**
Reinsurance Expenses/Amortisation during the year	(1,716,788)	(2,065,793)	(1,716,788)	(1,458,821)
Balance as at 31 December	**952,252**	**922,631**	**952,252**	**655,918**
7.2 Movement in the Reinsurance Share of Recoverables on Outstanding Claim				
Balance as at 1 January	902,303	174,320	53,807	38,834
Derecognition of Ghana subsidiary Asset	(848,496)	-	-	-
Exchange difference	-	6,075	-	-
Changes Outstanding Claims	282,636	721,908	282,636	14,973
Balance as at 31 December	336,443	902,303	**336,443**	**53,807**
7.3 Movement in Reisurance Share of Outstanding IBNR				
Balance as at 1 January	444,350	332,123	417,253	305,026
Derecognition of Ghana subsidiary Asset	(27,097)			
Charges During the year	500,448	112,227	500,448	112,227
Balance as at 31 December	**917,701**	**444,350**	**917,701**	**417,253**
7.4 Reinsurance Recoverable on Claims Paid				
Balance as at 1 January	498	-	498	-
Charges During the Period	(137)	498	(137)	498
Balance as at 1 January	**361**	**498**	**361**	**498**

There were no indicators of impairments on re-insurance assets. Therefore, no impairment is required in respect of these assets.
The carrying amounts disclosed above is in respect of the reinsurance of insurance contracts which approximates to the fair value at the reporting date.

8 Deferred Acquisition Cost

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

	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020
General Accident	11,127	19,947	11,127	12,225
Oil & Gas	11,590	2,150	11,590	2,150
Fire	10,603	43,363	10,603	9,634
Motor	31,140	95,236	31,140	23,939
Aviation	9,050	3,963	9,050	3,963
Bond	129	32,392	129	283
Engineering	25,001	23,993	25,001	16,139
Marine	25,365	32,184	25,365	16,621
Emp/Liability	376	598	376	115
	124,381	**253,827**	**124,381**	**85,069**

NOTES TO THE ACCOUNTS (CONT'D)

		GROUP		COMPANY	
		2021	2020	2021	2020
		N'000	N'000	N'000	N'000
8.1	**Movement in deferred acquisition cost**				
	At beginning of the year	253,827	160,676	85,069	76,532
	Derecognition of Ghana subsidiary Asset	(168,758)	-	-	-
	Addition during the Year	441,244	804,223	441,244	331,807
	Amortisation during the Year	(401,932)	(712,371)	(401,932)	(323,270)
	Exchange difference	-	1,299	-	-
	Balance as at 31 December	**124,381**	**253,827**	**124,381**	**85,069**
	Current	124,381	253,827	124,381	85,069
	Non-Current	-	-	-	-
9	**Other Receivables and Prepayments**				
a	Prepaid Insurance on Group assets and Group Life Policy	9,386	8,723	6,565	8,723
b	Prepaid rent	12,864	159,936	6,835	5,704
c	Sundry Receivable & Prepayment	31,460	24,742	5,516	5,809
		53,710	**193,400**	**18,917**	**20,236**
	Current	53,710	193,400	18,917	20,236
	Non-Current				
a	**Prepaid Insurance premium on Group Asset**				
	At beginning of the year	8,723	7,000	8,723	7,000
	Addition during the year	20,061	20,285	14,666	17,701
	Charge to income statement	(19,397)	(18,563)	(16,823)	(15,978)
	Balance as at 31 December	9,386	8,723	6,565	8,723

Prepaid insurance premium on group asset represents insurance premium paid in advance to provide insurance cover for the Property,Plant and equipment of the Group and life insurance policy cover for the sfaff.

b	**Prepaid rent**				
	At beginning of the year	159,936	118,252	5,704	5,611
	Exchange difference	-	1,671	-	-
	Derecognition of Ghana subsidiary Asset	(148,288)	-	-	-
	Addition during the Year	21,310	148,374	14,906	10,690
	Charge to income statement	(20,094)	(108,362)	(13,774)	(10,598)
	Balance as at 31 December	**12,864**	**159,936**	**6,835**	**5,704**
c	**Sundry Receivable & Prepayment**				
	At beginning of the year	24,742	115,092	5,809	4,138
	Derecognition of Ghana subsidiary Asset	(7,160)	-	-	-
	Movement	13,878	(90,350)	(293)	1,671
	At end of the year	**31,460**	**24,742**	**5,516**	**5,809**

Sundry receivable & Prepayment represent subsidiary's RegencyNem Ghana Limited receivables, Ric Microfinance Bank' receivables on ATM account, stock of cheque book,SMS alert, prepayment on 3years antivirus licence for the company.

10	**Inventory**				
	Opening balance as at 1 January	6,267	7,743	-	-
	Purchases during the Year	2,411	2,701	-	-
	Issued out	(3,952)	(4,176)	-	-
	Balance as at 31 December	**4,725**	**6,267**	**-**	**-**

Inventory represents stock of trackers held by RIC Technologies Limited as at the reporting date

	Current	4,725	6,267		
	Non-Current				

NOTES TO THE ACCOUNTS (CONT'D)

	GROUP 2021 N'000	GROUP 2020 N'000	COMPANY 2021 N'000	COMPANY 2020 N'000
11 Investment in Subsidiaries				
a Regency Nem Insurance Limited, Ghana	-	-	-	553,054
b RIC Properties & Investment Ltd	-	-	300,000	300,000
c RIC Microfinance Bank Limited	-	-	161,396	161,396
d RIC Technologies Limited	-	-	11,720	11,720
Total (a+b+c+d)	**-**	**-**	**473,116**	**1,026,170**
Current				
Non-Current		-	473,116	1,026,170
a Regency Nem Insurance Limited, Ghana	-	-		
Opening balance as at 1 January			553,054	553,054
Impairment			(553,054)	-
Balance as at 31 December	**-**	**-**	**0**	**553,054**
a(i) Impairment of Subsidairy				
Carrying value	-	-	553,054	-
Recoverable value	-	-	-	-
Impairment	**-**	**-**	**553,054**	**-**

Regency alliance Insurance Plc hold 42% interest in RegencgNem Ghana Limited subsidiary. This investment has been fully impaired as a result of going concern issues faced by the Company resulting in non performance of the investment. The impairement was based on its carrying value, determined by discounting the furture cashflow to be generted from the investment. The recoverable amount has been determined to be zero. Hence impairment loss was fully allocated to investment in RegencyNem Ghana sudsidiary and included in Profit or loss account.

	GROUP 2021 N'000	GROUP 2020 N'000	COMPANY 2021 N'000	COMPANY 2020 N'000
b RIC Properties & Investment Ltd				
Opening balance as at 1 January	-	-	300,000	217,269
Addition during the year	-	-	-	82,731
Balance as at 31 December			**300,000**	**300,000**

During the financial year 2020 the company injected the sum of =N=82.7million as additional capital in 'Ric Properties & Investment Limited' to boost its property business.This increase the Parent's holding in Ric properties from 96% to 97% respectively.

	GROUP 2021 N'000	GROUP 2020 N'000	COMPANY 2021 N'000	COMPANY 2020 N'000
c RIC Microfinance Bank Limited				
Opening balance as at 1 January	-	-	161,396	161,396
Addition during the year	-	-	-	-
Balance as at 31 December	**-**	**-**	**161,396**	**161,396**
d RIC Technologies Limited				
Opening balance as at 1 January	-	-	11,720	11,720
Addition during the year	-	-	-	-
Balance as at 31 December	-	-	11,720	11,720

Regency Alliance is the Parent Company with significant interest in the subsidiary Companies as at 31 December 2021 were as follows:

Subsidiary	Activity	Effective Entity holding %	Non Conrolling Interest %	Place of Incorporation	Date of incorporation /Acquisition
Domestic / non-Insurance subsidiaries:					
Regency Nem Insurance Ghana Limited (Impaired)	Insurance	0	0	Ghana	2015
RIC Microfinance Bank Limited	Banking operation	95	5	Nigeria	17th December, 2008
RIC Technologies Limited	Sale of vehicle trackers	90	10	Nigeria	18th April, 2009
RIC Properties and Investment Limited	Property leasing and investment	97	3	Nigeria	4th January, 2005

Significant restrictions

The Group does not have significant restriction on its ability to access or use its assets and settle its liabilities other than those resulting from the supervisory frame work within which the group operate. The supervisory framework requires the insurance subsidiaries to keep certain levels of regulatory capital and liquid asset.

NOTES TO THE ACCOUNTS (CONT'D)

	GROUP		COMPANY	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
12 Intangible Assets				
Intangible Assets- Computer Software				
COST				
Opening balance as at the beginning of the Year	140,121	133,831	94,219	91,068
Exchange difference	-	24	-	-
Derecognition of Ghana subsidiary Asset	(45,622)	-	-	-
ADDITIONS	18,000	6,265	18,000	3,151
Balance as at 31 December	**112,499**	**140,121**	**112,219**	**94,219**
Accumulated Amortisation				
Opening balance as at the beginning of the Year	128,668	116,780	86,399	76,424
Exchange difference	-	15	-	-
Derecognition of Ghana subsidiary Asset	(42,043)			
Charge for the year	4,279	11,873	4,261	9,976
Balance as at 31 December	**90,904**	**128,668**	**90,660**	**86,399**
Carrying Amount as at the end of the year	**21,595**	**11,491**	**21,560**	**7,820**
Current				
Non-Current	21,595	11,491	21,560	7,820

The intangible assets of the group comprise the computer software with life span of five years. The computer softwares are accounted for using the cost model i.e cost less accumulated armortisation and less accumulated impairment. The amortization is charged to the statement of profit or loss and other comprehensive income on straight line method in line with the Company's policy.

The computer software has been assesed for Impairment, there were no indication of impairment on the intangible asset, hence no impairment was recognised.

	GROUP		COMPANY	
	2021	2020	2021	2020
13 Investment Properties/Capital work inprogress				
Opening balance as at 1 January	621,919	612,881	505,000	495,962
Addition during the year	8,628	-	-	-
Fair value Gain	5,000	9,038	5,000	9,038
Balance as at 31 December	**635,547**	**621,919**	**510,000**	**505,000**
Current				
Non-Current	635,547	621,919	510,000	505,000

NOTES TO THE ACCOUNTS (CONT'D)

(a).Below is a breakdown of investment properties showing movement during the year;

	01-Jan-21	Addition/Reclassification	Disposal	fair value gain	31-Dec-21
No-21, Point Road, Apapa Lagos	505,000	-	-	5,000	**510,000**
		-	-	-	-
	505,000	**-**	**-**	**5,000**	**510,000**

(b). List of the Investment Properties and carrying amount

Laocation	Date of Acquisition	Description	Carrying Amount	Nature of Title
No-21, Point Road, Apapa Lagos	2007	2 block of 3bedroom on 4,000sqm of land	510,000	Consent granted by Federal Government of Nigeria and all necessary fees has been paid.

Investment Properties represent the Group/Company's investment in land and Buildings for the purpose of capital appreciation. The Company's Investment properties are stated at fair value, which has been determined based on valuations performed by Tunji Ologbon Partnership (Estate Surveyor and Valuer), a professional firms of Estate Surveyors and valuers registered with Financial Reporting Council of Nigerial (FRC)with registration NO-FRC/2012/NIESV/00000000097. The valuation was based on open market value, Comparism method was adopted to arive at the worth of the land.This involves the analysis of recent sales and available listing of similar properties for sales within the neigborhood allowing for a differences in the location, condition,time,quality of the infrastructures and other enviromental factors that are likely influence the value of the land in its undeveloped state.

Details of the Valuer

The investment properties were independently valued as at 31 December 2021 by Tunji Ologbon Partnership (an estate surveyor& valuer) duly registered with the Financial Reporting Council of Nigeria. The valuer, which is located at N0. 14, Oladipo Kuku Street, Off Alen Avenue,Ikeja Lagos, is a qualified member of the Nigerian Institution of Estate Surveyors and Valuers with FRC No.FRC/2012/NIESV00000000097.

The subsidiary's Capital Work in Progress (RIC Properties and Investment Ltd) represent blocks of hostel under development, the group applied cost model in its valuation The fair value can not be readily determined as they were still under construction.
There are no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal. The Group has no contractual obligations to purchase,construct or develop investment property or for repairs or enhancement.
The Group had no capital commitment as at reporting date and no Group Investment Property was pledged as a security for liabilities
The decision to dispose the Group Investment property was made during the year and effected before year end. This did not give room for classification as held for sale on the face of statement of Financial Position
Kindly note that our consultant has not effect FRC Rule 2(b)

The fair value disclosure on investment properties is as follows:

	Fair value measurement using		
	Quoted price in active market	**Significant Observable Input**	**Significant Unobservable Input**
Group	**Level 1**	**Level 2**	**Level 3**
Date of valuation - 31 December 2021	**N'000**	**N'000**	**N'000**
Investment Properties	**-**	**-**	**635,547**

	Fair value measurement using		
	Quoted price in active market	**Significant Observable Input**	**Significant Unobservable Input**
Company	**Level 1**	**Level 2**	**Level 3**
Date of valuation - 31 December 2021	**N'000**	**N'000**	**N'000**
Investment Properties	**-**	**-**	**510,000**

NOTES TO THE ACCOUNTS (CONT'D)

14

THE GROUP 2021

PROPERTY, PLANT AND EQUIPMENT

	LEASEHOLD LAND =N='000	BUILDING =N='000	MOTOR VEHICLE =N='000	OFFICE EQUIPMENT =N='000	FURNITURE AND FITTINGS =N='000	PLANTS AND MACHINERY =N='000	LIBRARY =N='000	TOTAL =N='000
COST/VALUATION								
Opening Balance as at January 1 2021	494,404	385,981	714,465	349,329	110,356	78,973	241	2,133,749
Derecognition of Ghana Subsidiary Asset	(0)	(130,016)	(285,160)	(134,596)	(61,338)	(43,108)	0	(654,218)
Addition during the Year	-	86,924	19,223	4,387	5,178	1,030	-	116,742
Disposal	-	-	(380)	(2,929)	(5,546)	(1,166)	-	(10,021)
Closing Balance as at December 31, 2021	494,404	342,890	448,148	216,191	48,650	35,728	241	1,586,252
ACCUMULATED DEPRECIATION								-
Opening Balance as at January 1 2021		191,437	617,471	330,616	103,750	69,630	240	1,313,144
Derecognition of Ghana Subsidiary Asset	-	(121,972)	(232,870)	(127,724)	(56,901)	(40,208)	(0)	(579,674)
Charged for the Year	-	5,144	44,940	3,976	1,290	2,340	-	57,689
Disposal	-	-	(380)	(2,929)	(5,546)	(1,166)	-	(10,021)
Closing Balance as at december 31, 2021	-	74,609	429,162	203,939	42,592	30,596	240	781,138
Carrying Amount as at december 31, 2021	494,404	268,281	18,986	12,252	6,058	5,133	1	805,114
Carrying Amount as at december 31, 2020	494,404	194,544	96,993	18,713	6,607	9,343	1	820,605

GROUP 2020

PROPERTY, PLANT AND EQUIPMENT

	LEASEHOLD LAND =N='000	BUILDING =N='000	MOTOR VEHICLE =N='000	OFFICE EQUIPMENT =N='000	FURNITURE AND FITTINGS =N='000	PLANTS AND MACHINERY =N='000	LIBRARY =N='000	TOTAL =N='000
COST/VALUATION								
Opening Balance as at January 1 2020	491,404	380,413	753,203	330,075	103,250	75,033	241	2,133,619
Exchange difference	-	5,568	6,521	2,748	3,568	6,586	-	24,991
Additions	3,000	-	33,147	18,373	3,538	549	-	58,629
Disposal	-	-	(78,407)	(1,887)		(3,195)	-	(83,488)
Closing Balance as at december 31, 2020	494,404	385,981	714,465	349,329	110,356	78,973	241	2,133,749
ACCUMULATED DEPRECIATION								
Opening Balance as at January 1 2020		180,666	603,345	317,005	95,518	66,975	240	1,263,749
Exchange difference	-	4,773	6,856	4,859	4,256	3,568	-	24,312
Charge for the period		5,998	76,124	10,639	3,976	2,282		99,019
Disposal	-	-	(68,854)	(1,887)	-	(3,195)	-	(73,936)
Carrying amount	-	191,437	617,471	330,616	103,750	69,630	240	1,313,145
Carrying Amount as at december 31, 2020	494,404	194,544	96,993	18,713	6,607	9,343	1	820,605
Carrying Amount as at December 31, 2019	491,404	199,747	149,858	13,070	7,732	8,058	1	869,871

i. There are no other lease asset included in the Group's property,plants and equipments apart from leasehold land as at 31 December 2021
ii. The Group had no capital commitment as at reporting date, there was no restriction on the title of Group asset and no Group asset was pledged as a security for liabilities
iii. The Group asset has been assessed for impairment and there was no indication of impairment on the asset, hence no impairment was recorgnised.
iv. The decision to dispose the Group asset was made during the year and effected before year end. This did not give room for classification as held for sale on the face of statement of Financial Position
v. The disposedasset of the Group were scrap assets with no carrying value

NOTES TO THE ACCOUNTS (CONT'D)

14 PROPERTY, PLANT AND EQUIPMENT

COMPANY 2021	LEASEHOLD LAND =N='000	BUILDING =N='000	MOTOR VEHICLE =N='000	OFFICE EQUIPMENT =N='000	FURNITURE AND FITTINGS =N='000	PLANTS AND MACHINERY =N='000	LIBRARY =N='000	TOTAL =N='000
COST/VALUATION								
Opening Balance as at January 1 2021	494,404	250,986	401,098	170,980	45,617	27,959	241	1,391,284
Addition/Capital Work in Progress	-	86,924	18,928	4,052	5,178	730	-	115,812
Disposal	-	-	(380)	(2,929)	(5,546)	(1,166)	-	(10,021)
Closing Balance as at december 31, 2021	494,404	337,911	419,646	172,103	45,248	27,522	241	1,497,075
ACCUMULATED DEPRECIATION								
Opening Balance as at January 1 2020	-	69,128	356,830	161,992	43,992	21,551	240	653,734
Charged for the Year	-	5,020	44,500	3,794	1,154	2,271	-	56,738
Less:Disposal	-	-	(380)	(2,929)	(5,546)	(1,166)	-	(10,021)
Closing Balance as at december 31, 2021	-	74,148	400,950	162,857	39,599	22,656	240	700,451
Carrying Amount as at december 31, 2021	494,404	263,763	18,695	9,246	5,649	4,867	1	796,625
Carrying Amount as at december 31, 2020	494,404	181,858	44,268	8,988	1,625	6,407	1	737,551

PROPERTY, PLANT AND EQUIPMENT

COMPANY 2020	LEASEHOLD LAND =N='000	BUILDING =N='000	MOTOR VEHICLE =N='000	OFFICE EQUIPMENT =N='000	FURNITURE AND FITTINGS =N='000	PLANTS AND MACHINERY =N='000	LIBRARY =N='000	TOTAL =N='000
COST/VALUATION								
Opening Balance as at January 1 2020	491,404	250,986	467,939	167,023	45,450	30,605	241	1,453,647
Addition during the Year	3,000	-	447	5,844	167	549	-	10,006
Disposal	-	-	(67,288)	(1,887)	-	(3,195)	-	(72,370)
Closing Balance as at december 31, 2020	494,404	250,986	401,098	170,980	45,617	27,959	241	1,391,284
ACCUMULATED DEPRECIATION								
Opening Balance as at January 1 2020	-	64,109	362,335	159,732	42,902	22,547	240	651,864
Charge for the period	-	5,020	52,231	4,147	1,090	2,200		64,688
Disposal	-	-	(57,735)	(1,887)	-	(3,195)	-	(62,817)
Closing Balance as at december 31, 2020	-	69,129	356,830	161,992	43,992	21,551	240	653,734
Reclassification of Investment Property			-	-	-	-	-	-
Carrying Amount as at december 31, 2020	494,404	181,858	44,268	8,988	1,625	6,407	1	737,551
Carrying Amount as at December 31, 2019	491,404	186,878	105,605	7,291	2,548	8,058	1	801,784

i. There are no other lease asset included in the Company's property,plants and equipments apart from leasehold land as at 31 December 2021
ii. The Company had no capital commitment as at reporting date, there was no restriction on the title of Company asset and no Company asset was pledged as a security for liabilities
iii. The Company asset has been assessed for impairment and there was no indication of impairment on the asset, hence no impairment was recorgnised
iv. The decision to dispose the Company asset was made during the year and effected before year end. This did not give room for classification as held for sale on the face of statement of Financial Position
v. The disposed asset of the Company were scrap asset with no carrying value

NOTES TO THE ACCOUNTS (CONT'D)

	GROUP		COMPANY	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
15 Statutory Deposits				
Openning balance	424,110	406,436	300,000	300,000
Exchange difference	-	1,704	-	-
Derecognition of Ghana subsidiary Asset	(124,110)	-	-	-
Movement	-	15,969	-	-
Carrying Amount as at the end of the year	**300,000**	**424,110**	**300,000**	**300,000**
Current				
Non-Current	300,000	424,110	300,000	300,000

The Statutory Deposit represents amounts deposited with the Central Bank of Nigeria(CBN) pursuant to Section 10(3) of the Insurance Act,2003. The deposits are not available for use by the Group on a normal course of day to day business.The Company has statutory deposit of =N=300,000,000.00 with (CBN) in line with Insurance Act,2003 .

	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020
16 Insurance Contract Liabilities				
Provision for unearned premium (note 16.a)	1,634,802	1,722,123	1,634,802	1,174,126
Provision for outstanding claims (note 16.b)	689,750	1,299,175	689,750	611,985
Incurred But Not Reported (IBNR) (16.c)	1,988,989	1,319,974	1,988,989	1,185,695
	4,313,541	**4,341,272**	**4,313,541**	**2,971,806**
Current	4,313,541	4,341,272	4,313,541	2,971,806
Non-Current				
Allocation of Asset To Policy holders fund				
Cash and Cash Equivalients	2,100,321	1,998,354	2,100,321	1,431,473
Reinsurance asset	2,206,756	2,269,782	2,206,757	1,127,475
FGN Treasury bills/bond	6,465	73,136	6,464	412,858
	4,313,541	**4,341,272**	**4,313,541**	**2,971,806**

The Insurance contract liabilities of the Company were based on independent actuaries valuation report authorised by Junaid Akram on behalf of TAF Consulting Nigeria Limited. A professional actuary registered in Nigeria with the Financial Reproting Council of Nigeria with registration no-(FRC number 'FRC/2014/NAS/00000006904')
Kindly note that our consultant has not effect FRC Rule 2(b)

	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020
16a. Movement in unearned premuim provision(UPR):				
Openning balance	1,722,123	1,722,757	1,174,126	1,229,614
Derecognition of Ghana subsidiary Liability	(547,997)	-	-	-
Movement during the year	460,676	(8,895)	460,676	(55,488)
Exchange difference	-	8,261	-	-
Carrying Amount as at the end of the year	**1,634,802**	**1,722,123**	**1,634,802**	**1,174,126**

The company does not make provision for premium deficiency. This is because all classes of business in which the company is involved report a profit i.e the premium written is in excess of claims incurred.

	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020
16a.(i) Provision for unearned premium				
General Accident	165,936	210,403	165,936	157,584
Oil and Gas	474,946	323,801	474,946	323,801
Fire	52,525	171,697	52,525	47,386
Motor	249,121	390,835	249,121	190,696
Aviation	73,356	37,005	73,356	37,005
Bond	574	36,645	574	1,415
Engineering	307,272	244,971	307,272	175,517
Marine	310,120	294,992	310,120	240,138
Emp/Liability	952	11,774	952	584
	1,634,802	**1,722,123**	**1,634,802**	**1,174,126**
16b. Movement in outstanding claims provision:				
Openning balance	1,299,175	304,606	611,985	203,210
Exchange diffence	-	(127,781)	-	-
Derecognition of Ghana subsidiary Liability	(687,190)	-	-	-
Claim incured in the current year	1,324,278	2,612,335	1,324,278	990,410
Claims paid during the year	(1,246,513)	(1,489,985)	(1,246,513)	(581,635)
Balance as at 31 December	**689,750**	**1,299,175**	**689,750**	**611,985**

NOTES TO THE ACCOUNTS (CONT'D)

	GROUP		COMPANY	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
16.b(I)Provision for outstanding claims				
General Accident	33,434	81,167	33,434	24,166
Oil and Gas	303,026	395,853	303,026	395,853
Fire	69,989	183,498	69,989	64,891
Motor	60,460	186,298	60,460	63,395
Aviation	3,800	2,100	3,800	2,100
Bond	-	120,102	-	-
Engineering	42,488	125,157	42,488	53,347
Marine	176,057	106,734	176,057	7,737
Emp/Liability	496	98,266	496	496
	689,750	**1,299,175**	**689,750**	**611,985**
16.c Incurred But Not Reported (IBNR)				
Openning balance	1,319,974	991,261	1,185,695	885,543
Derecognition of Ghana subsidiary Liability	- 134,279	-	-	-
Movement during the year	803,294	328,713	803,294	300,152
Carrying Amount as at the end of the year	**1,988,989**	**1,319,974**	**1,988,989**	**1,185,695**
Current	1,988,989	1,319,974	1,988,989	1,185,695
Non-Current				

The Group
16. b(ii) Age analysis of Outstanding Claim Year 2021

OUSTANDING CLAIM		TOTAL OUTSTANDING CLAIMS				
PER CLAIMANT	**0-90 DAYS**	**91-180 DAYS**	**181-270 DAYS**	**271-365 DAYS**	**365 DAYS +**	**TOTAL**
1 - 250,000	6,035	3,990	2,346	1,401	32,110	**45,883**
250,001 - 500,000	4,824	800	4,037	12,213	60,118	**81,992**
500,001 - 1,500,000	2,117	9,980	4,777	4,251	14,963	**36,088**
1,5000,001 - 2,500,000	3,987	2,000	2,240	3,336	22,078	**33,640**
2,500,001 - 5,000,000	-	-	10,348	-	13,846	**24,194**
5,000,001 - ABOVE	22,294	162,000	-	9,679	273,980	**467,953**
GRAND TOTAL	**39,256**	**178,770**	**23,748**	**30,881**	**417,096**	**689,750**

The Group
16.b(iii) Age analysis of Outstanding Claim Year 2020

OUSTANDING CLAIM		TOTAL OUTSTANDING CLAIMS				
PER CLAIMANT	**0-90 DAYS**	**91-180 DAYS**	**181-270 DAYS**	**271-365 DAYS**	**365 DAYS +**	**TOTAL**
1 - 250,000	6,414	1,978	1,837	1,446	57,000	**68,675**
250,001 - 500,000	3,431	3,592	13,680	23,240	65,422	**109,365**
500,001 - 1,500,000	29,141	1,847	6,394	12,832	60,310	**110,524**
1,5000,001 - 2,500,000	9,536	-	24,366	7,693	60,851	**102,446**
2,500,001 - 5,000,000	28,820	4,876	-	23,622	89,042	**146,360**
5,000,001 - ABOVE	-	-	-		761,805	**761,805**
GRAND TOTAL	**77,341**	**12,293**	**46,277**	**68,833**	**1,094,433**	**1,299,176**

The Company
16.b(iv) Age analysis of Outstanding Claim Year 2021

OUSTANDING CLAIM		TOTAL OUTSTANDING CLAIMS				
PER CLAIMANT	**0-90 DAYS**	**91-180 DAYS**	**181-270 DAYS**	**271-365 DAYS**	**365 DAYS +**	**TOTAL**
1 - 250,000	6,035	3,990	2,346	1,401	32,110	**45,883**
250,001 - 500,000	4,824	800	4,037	12,213	60,118	**81,992**
500,001 - 1,500,000	2,117	9,980	4,777	4,251	14,963	**36,088**
1,5000,001 - 2,500,000	3,987	2,000	2,240	3,336	22,078	**33,640**
2,500,001 - 5,000,000	-	-	10,348	-	13,846	**24,194**
5,000,001 - ABOVE	22,294	162,000	-	9,679	273,980	**467,953**
GRAND TOTAL	**39,257**	**178,770**	**23,748**	**30,881**	**417,095**	**689,750**

The Company
16.b(v) Age analysis of Outstanding Claim Year 2020

OUSTANDING CLAIM		TOTAL OUTSTANDING CLAIMS				
PER CLAIMANT	**0-90 DAYS**	**91-180 DAYS**	**181-270 DAYS**	**271-365 DAYS**	**365 DAYS +**	**TOTAL**
1 - 250,000	5,345	1,978	1,312	1,205	27,143	**36,983**
250,001 - 500,000	2,287	3,592	7,200	2,800	46,563	**62,442**
500,001 - 1,500,000	8,326	1,847	695	1,283	18,847	**30,998**
1,5000,001 - 2,500,000	5,960	-	4,061	4,049	15,643	**29,713**
2,500,001 - 5,000,000	16,011	4,876	-		19,357	**40,244**
5,000,001 - ABOVE	-	-	-		411,605	**411,605**
GRAND TOTAL	**37,929**	**12,293**	**13,268**	**9,337**	**539,158**	**611,985**

NOTES TO THE ACCOUNTS (CONT'D)

The Group recorgnised the existing oustanding claim in her book based on the fact that some claim were still under processing and awaiting documentation as analysed below.

OUTSTANDING CLAIMS (SIGNED DISCHARGE VOUCHER YET TO BE PAID)

PER CLAIMANT	0-90 DAYS N'000	NO. OF CLAIMS	91-180 DAYS N'000	NO. OF CLAIMS	181-270 DAYS N'000	NO. OF CLAIMS	271-365 DAYS N'000	NO. OF CLAIMS	365 DAYS + N'000	NO. OF CLAIMS	TOTAL N'000
1 - 250,000	664	30	-	-	-	-	-	-	-	-	**664**
250,001 - 500,000	942	3	-	-	-	-	-	-	-	-	**942**
500,001 - 1,500,000	-	-	-	-	-	-	-	-	-	-	**-**
1,5000,001 - 2,500,000	3,987	2	-	-	-	-	-	-	-	-	**3,987**
2,500,001 - 5,000,000	-	-	-	-	-	-	-	-	-	-	**-**
5,000,001 - ABOVE	22,294	1	-	-	-	-	-	-	-	-	**22,294**
GRAND TOTAL	**27,886**	**36**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**27,886**

PLEASE NOTE THAT THE COMPANY DO NOT HAVE ANY OUTSTANDING CLAIM WITH SIGNED DISCHARGE VOUCHER
THAT HAS STAYED BEYOND 90 DAYS IN ACCORDANCE WITH SECTION 70 (1A) OF THE INSURANCE ACT 2003

OUTSTANDING CLAIMS (BEING ADJUSTED/AWAITING SETTLEMENT DECISION)

PER CLAIMANT	0-90 DAYS N'000	NO. OF CLAIMS	91-180 DAYS N'000	NO. OF CLAIMS	181-270 DAYS N'000	NO. OF CLAIMS	271-365 DAYS N'000	NO. OF CLAIMS	365 DAYS + N'000	NO. OF CLAIMS	TOTAL N'000
1 - 250,000	864	9	730	8	368	3	303	12	8,383	211	**10,648**
250,001 - 500,000	962	2	-	-	387	1	1,013	3	7,258	19	**9,620**
500,001 - 1,500,000	1,616	2	4,750	4	1,309	2	2,863	3	8,819	12	**19,357**
1,5000,001 - 2,500,000	-	-	-	-	2,240	1	1,720	1	18,274	9	**22,234**
2,500,001 - 5,000,000	-	-	-	-	10,348	3	-	-	8,846	3	**19,194**
5,000,001 - ABOVE	-	-	162,000	1	-	-	9,679	1	263,180	5	**434,859**
GRAND TOTAL	**3,442**	**13**	**167,480**	**13**	**14,652**	**10**	**15,579**	**20**	**314,760**	259	**515,912**

PLEASE NOTE THAT MAJORITY OF THESE CLAIMS INVOLVE LONG TAIL LIABILITY AND SPECIAL RISK CLAIMS THAT TAKES
A LONG WHILE TO CONCLUDE THE ADJUSTMENT

OUTSTANDING CLAIMS (AWAITING SUPPORTING DOCUMENTS)

CLAIMS PER	0-90 DAYS N'000	NO. OF CLAIMS	91-180 DAYS N'000	NO. OF CLAIMS	181-270 DAYS N'000	NO. OF CLAIMS	271-365 DAYS N'000	NO. OF CLAIMS	365 DAYS + N'000	NO. OF CLAIMS	TOTAL N'000
1 - 250,000	4,507	106	3,261	84	1,978	97	1,098	67	23,728	1,628	**34,571**
250,001 - 500,000	2,920	7	800	2	3,650	9	11,200	28	52,861	133	**71,430**
500,001 - 1,500,000	501	1	5,230	5	3,468	4	1,388	1	6,144	6	**16,731**
1,5000,001 - 2,500,000	-	-	2,000	1	-	-	1,616	1	3,804	2	**7,420**
2,500,001 - 5,000,000	-	-	-	-	-	-	-	-	5,000	1	**5,000**
5,000,001 - ABOVE	-	-	-	-	-	-	-	-	10,800	1	**10,800**
GRAND TOTAL	**7,928**	**114**	**11,291**	**92**	**9,096**	**110**	**15,302**	**97**	**102,335**	**1,770**	**145,952**

PLEASE NOTE THAT MAJORITY OF THESE CLAIMS INVOLVE LONG TAIL LIABILITY AND SPECIAL RISK CLAIMS THAT TAKES
A LONG WHILE TO FULLY DOCUMENT THE CLAIMS. FURTHERMORE, IN MAJORITY OF THE CASES, WE ARE NOT
THE LEAD INSURER IN MOST OF THE CLAIMS UNDER THIS CATEGORY

Claim Development tables

Inaddition to scenario testing, the development of insurance liabilities provides a measure of the Company's ability to estimate the ultimate value of claims. The top half of each table below illustrates how the Company's estimate of total claims outstanding for each year has changed at successive year-ends. The bottom half of the table reconciles the cumulative claims to the amount appearing in the Financial Position.

Claims Paid Triangulations as at December 2021

GENERAL ACCIDENT	*Development Year*									
Accident year	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Pre 2012	100,624	149,515	159,885	174,242	177,174	179,866	179,866	179,925	181,806	181,806
2012	34,765	49,572	52,511	66,912	66,966	66,966	66,966	66,966	66,966	66,966
2013	-	86,519	137,231	166,838	184,416	184,429	184,429	184,484	184,484	184,484
2014	-	1,200	134,611	176,645	180,301	182,052	182,147	182,171	182,171	182,171
2015	-	-	70	66,015	81,906	91,671	93,039	93,213	99,571	99,573
2016	-	-	-	-	28,542	47,448	52,429	52,704	52,704	52,736
2017	-	-	-	-	-	49,447	77,144	83,550	84,685	84,685
2018	-	-	-	-	-	15,003	26,497	45,279	58,821	58,935
2019	-	-	-	-	-	-	-	23,946	48,271	55,015
2020	-	-	-	-	-	-	-	-	22,845	78,486
2021	-	-	-	-	-	-	-	-	-	23,747

MOTOR	*Development Year*									
Accident year	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Pre 2012	14,500	56,564	58,286	65,777	65,801	65,801	65,801	65,801	65,801	65,801
2012	84,586	102,882	102,939	104,681	104,681	104,681	104,681	104,681	104,681	104,681
2013	-	92,206	121,317	123,293	123,447	123,447	123,447	123,447	123,447	123,447
2014	-	-	186,156	223,346	224,057	224,822	224,822	224,822	224,822	224,822
2015	-	-	4,533	79,521	94,343	102,839	102,959	102,959	102,959	102,959
2016	-	-	-	-	76,319	102,930	113,229	114,430	114,430	114,430
2017	-	-	-	-	-	88,935	98,707	98,707	98,707	99,122
2018	-	-	-	-	-	29,745	81,284	95,350	95,350	98,370
2019	-	-	-	-	-	-	31,505	76,717	110,162	113,842
2020	-	-	-	-	-	-	-	-	24,979	64,222
2021	-	-	-	-	-	-	-	-	-	42,938

NOTES TO THE ACCOUNTS (CONT'D)

FIRE *Development Year*

Accident year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Pre 2012	2,441	6,769	7,177	9,771	9,771	9,771	9,771	9,771	9,771	9,771
2012	21,983	37,652	38,777	39,234	39,234	39,234	39,234	39,234	39,234	39,234
2013	-	41,679	42,769	42,816	43,004	43,004	43,004	43,004	43,004	43,004
2014	-	-	123,136	137,372	138,105	138,105	138,116	138,208	138,208	138,208
2015	-	-	-	38,822	40,301	40,387	40,804	40,804	40,804	40,804
2016	-	-	-	-	24,729	31,362	31,368	31,781	31,781	31,781
2017	-	-	-	-	-	5,293	29,029	29,091	29,363	29,363
2018	-	-	-	-	-	33,516	48,232	63,840	63,881	63,922
2019	-	-	-	-	-	-	-	22,603	26,352	52,979
2020	-	-	-	-	-	-	-	-	8,294	45,482
2021	-	-	-	-	-	-	-	-	-	58,718

ENGINEERING *Development Year*

Accident year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Pre 2012	632	632	2,857	5,024	5,024	5,024	5,024	5,024	5,024	5,024
2012	6,654	12,331	13,121	13,231	13,257	13,276	13,276	13,429	13,429	13,429
2013	-	3,872	8,082	9,051	10,236	10,304	10,603	10,603	10,603	10,603
2014	-	-	21,021	67,286	70,654	75,329	75,426	75,426	75,426	75,426
2015	-	-	-	25,570	37,849	38,676	40,826	40,826	40,826	40,826
2016	-	-	-	-	22,317	58,611	61,145	61,218	61,218	61,218
2017	-	-	-	-	-	32,608	70,069	101,134	102,798	102,798
2018	-	-	-	-	-	26,936	49,369	58,527	60,568	61,042
2019	-	-	-	-	-	-	-	19,632	26,298	30,464
2020	-	-	-	-	-	-	-	-	119,427	147,693

OIL/ENERGY *Development Year*

Accident year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Pre 2012	120,671	146,463	166,661	169,787	169,787	169,787	169,787	169,787	169,787	169,787
2012	930	17,205	52,796	94,248	94,248	94,248	94,248	94,248	94,248	94,248
2013	-	15,733	28,855	28,855	28,855	28,855	68,755	68,755	78,352	78,352
2014	-	-	1,490	20,858	20,858	20,858	20,858	20,858	20,858	20,858
2015	-	-	-	47,710	47,710	47,710	47,710	47,710	47,710	47,710
2016	-	-	-	8,772	16,244	103,630	115,262	115,262	115,262	191,456
2017	-	-	-	-	-	117,258	222,258	448,118	644,121	1,066,803
2018	-	-	-	-	-	91,250	116,947	288,871	343,091	382,110
2019	-	-	-	-	-	-	-	85,112	91,322	94,192
2020	-	-	-	-	-	-	-	-	25,644	25,644

MARINE HULL *Development Year*

Accident year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Pre 2012	-	8,194	8,194	8,194	8,194	8,194	8,194	8,194	8,194	8,194
2012	2,097	2,097	2,097	2,097	2,097	2,097	2,097	2,097	2,097	2,097
2013	-	7,305	7,395	7,395	7,395	7,395	7,395	7,395	7,395	7,395
2014	-	-	18,115	18,115	18,115	18,115	18,115	18,115	18,115	18,115
2015	-	-	-	2,912	2,912	2,912	2,912	2,912	2,912	2,912
2016	-	-	-	-	5,824	8,153	8,153	8,153	8,153	8,153
2017	-	-	-	-	-	7,489	12,093	19,601	19,601	19,601
2018	-	-	-	-	-	-	5,622	164,580	164,580	164,580
2019	-	-	-	-	-	-	-	261	8,406	8,406
2020	-	-	-	-	-	-	-	-	1,089	1,089
2021	-	-	-	-	-	-	-	-	-	949

EMPLOYEE LIABILITY *Development Year*

Accident year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Pre 2012	634	52,702	60,752	61,289	61,289	61,289	61,289	61,289	61,289	61,289
2012	2,331	5,652	7,055	7,055	7,055	7,055	7,055	7,055	7,055	7,055
2013	-	44,598	44,611	44,611	44,611	44,611	44,611	44,611	44,611	44,611
2014	-	3,745	11,345	11,345	11,345	11,345	11,345	11,345	11,345	11,345
2015	-	-	-	311	1,930	1,930	1,930	1,930	1,930	1,930
2016	-	-	-	-	674	1,067	1,067	1,067	1,067	1,067
2017	-	-	-	-	-	842	956	958	985	985
2018	-	-	-	-	-	-	524	524	903	903
2019	-	-	-	-	-	-	-	151	151	151
2020	-	-	-	-	-	-	-	-	-	-

MARINE CARGO *Development Year*

Accident year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Pre 2012	17,089	17,089	27,911	27,911	27,911	27,911	27,911	27,911	27,911	27,911
2012	1,072	5,024	5,105	5,105	5,105	5,105	5,105	5,105	5,105	5,105
2013	-	2,851	2,851	3,821	3,821	3,821	3,821	3,821	3,821	3,821
2014	-	-	51,236	58,134	58,463	58,463	58,463	58,463	58,463	58,463
2015	-	-	21,947	45,764	48,403	48,403	48,403	48,403	48,403	48,403
2016	-	-	-	-	199	181	181	181	181	181
2017	-	-	-	-	-	2,670	2,670	2,670	2,670	2,670
2018	-	-	-	-	-	-	784	784	784	784
2019	-	-	-	-	-	-	-	6,086	6,157	6,157
2020	-	-	-	-	-	-	-	-	971	1,039

AVIATION *Development Year*

Accident year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Pre 2012	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-
2013	-	515	3,206	3,223	3,223	3,223	3,223	3,223	3,223	3,223
2014	-	-	-	7,591	7,591	7,591	7,591	7,591	7,591	7,591
2015	-	-	-	9,972	10,840	11,276	11,276	11,276	11,276	11,276
2016	-	-	-	-	6,613	7,006	7,006	7,006	7,006	7,006
2017	-	-	-	-	-	105	402	402	402	402
2018	-	-	-	-	-	-	78,378	92,083	92,083	96,144
2019	-	-	-	-	-	-	-	1,995	2,657	2,657
2020	-	-	-	-	-	-	-	-	975	10,595

BONDS *Development Year*

Accident year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Pre 2012	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	2,500	12,500	12,500	12,500
2019	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-

NOTES TO THE ACCOUNTS (CONT'D)

	2021 N'000	2020 N'000	2021 N'000	2020 N'000
17 Trade Payables				
Due to Treaty Reinsurer	4,552	6,525	4,552	6,525
Deposit and Other Accounts- (note 17.2-Ric Microfinance Bank)	38,695	15,414	-	
	43,247	**21,939**	**4,552**	**6,525**
Current	43,247	21,939	4,552	
Non-Current	-	-		
17.2 (a) Summary:				
Current Deposit Account	4,374	8,165	-	-
Savings Deposit Account	7,233	4,389	-	-
Fixed Deposit Account	27,088	2,860	-	-
	38,695	**15,414**	**-**	**-**
(b)Maturity profile:				
Under 1 Month	14,440	8,126		
1-3 months	3,072	7,288		
Above 6Months	21,183	-		
	38,695	**15,414**	**-**	**-**
	-	-		
18 Provision and Other Payables				
CBN MSME Dev't Fund	21,880	21,880	-	-
(b). Others Provision and Payable	272,817	765,471	151,846	194,728
	294,697	**787,351**	**151,846**	**194,728**
Current	**272,817**	**765,471**	**151,846**	**194,728**
Non-Current	**21,880**	**21,880**	**-**	**-**

CBN MSME Dev't Fund belong to the Subsidiary (Ric Microfinance Bank Limited)

Micro Small and Medium Enterprises Development Fund is an intervention fund Given By Central Bank of Nigeria to Nigerian Microfinance Bank to boost small and medium scale enterprises The carrying amounts disclosed above approximate the fair value at the reporting date.

	2021 N'000	2020 N'000	2021 N'000	2020 N'000
18(b).Analysis of Other Provision and Paybles				
Accrued Rental Income	1,533	3,067	1,533	3,067
Accrued Expenses	67,763	234,483	51,255	97,747
Other trade payable (Subsidiaries)	104,463	434,007	-	-
Unearned Commission received(note-18b(i)	39,201	34,057	39,201	34,057
Unclaimed Dividend	59,857	59,857	59,857	59,857
	272,817	**765,471**	**151,846**	**194,728**
18b(i) Movement in Commission and Fee Income				
Unearned fees and Commission income at 1 January	**34,057**	**9,884**	**34,057**	**9,884**
Fees and Conmmission Income During the Year	105,191	266,969	105,191	90,820
Fees and Conmmission Earned During the Year	(100,047)	(242,796)	(100,047)	(66,647)
Deferred Fees and Commission as at 31 December	**39,201**	**34,057**	**39,201**	**34,057**

NOTES TO THE ACCOUNTS (CONT'D)

	GROUP		COMPANY	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
19 Pension Benefits Obligations				
Balance as at the beginning of the year	3,013	3,007	3,013	3,007
Charge to Income Statement	36,159	36,159	36,159	36,159
	39,172	**39,166**	**39,173**	**39,166**
Benefit Paid During the Year	(36,399)	(36,153)	(36,399)	(36,153)
Balance as at 31 December	2,774	**3,013**	**2,774**	**3,013**
	-	-		
Current	2,774	3,013	2,774	3,013
Non-Current				

The Company runs a defined contributory plan in accordance with the Pensions Reform Act where contributions are made to approved pension fund administrator.

	GROUP 2021 N'000	GROUP 2020 N'000	COMPANY 2021 N'000	COMPANY 2020 N'000
20 Income Tax Liabilities				
a Per Statement of Profit or Loss and Comprehensive Income				
Income Tax Expense for the year				
Income Tax, based on current results	16,710	75,490	16,401	43,445
Education Tax	186	1,339	128	1,256
	16,895	**76,829**	**16,529**	**44,701**
National Fiscal Stabilisation Levy	-	1,180	-	-
Information Technology Levy	3,433	5,999	3,433	6,272
Police trust fund levy	172	-	172	
Charged for the year	**20,500**	**84,007**	**20,133**	**50,973**
Movement in deferred tax asset	-	(8,334)	-	-
Deferred Income Tax movement (note 21 b)	2,397	(5,506)	2,397	1,577
	22,896	**70,168**	**22,530**	**52,550**
b Per Statement of Financial Position				
The movement on tax payable account during the period is as follows:				
Balance as at 1 January	225,833	262,322	201,499	214,085
Derecognition of Ghana subsidiary Liability	(9,670)	-	-	-
Charge for the year	20,500	84,007	20,133	50,973
Tax Paid	(93,815)	(111,276)	(93,815)	(63,559)
Translation difference	-	(9,220)	-	-
	142,848	**225,833**	**127,817**	**201,499**
Current	142,848	225,833	127,817	201,499
Non-Current	-	-		

Current income tax is the amount of income tax payable on the taxable profit for the year determined in line with the relevant tax legislation.

NOTES TO THE ACCOUNTS (CONT'D)

	GROUP		COMPANY	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
The tax on the Company's profit before tax differs from the theoretical amount as follows:				
Profit before income tax	344,822	657,151	343,275	681,137
Tax calculated at the tax rate of 30% (Nigeria)	103,447	198,348	102,983	204,341
Effect of:	-	-	-	-
- Income not subject to tax	(109,419)	(172,972)	(109,419)	(99,467)
- Expenses not deductible for tax purposes	83,603	101,225	83,756	(10,049)
Expenses deductible for tax purposes	(60,750)	(51,383)	(60,746)	(51,379)
Education Tax	186	1,339	128	1,256
Information Technology Tax	3,433	6,272	3,433	6,272
National Fiscal Stabilisation Levy	-	1,180	-	-
Deferred tax	2,397	(5,506)	2,397	1,577
Movement in deferred tax asset	-	(8,334)	-	-
	22,896	70,168	22,530	52,550

21 Deferred Tax Liabilities

	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020
Balance as at 1 January	93,998	99,500	101,077	99,500
Movement during the year	2,397	(5,506)	2,397	1,577
Derecognition of Ghana subsidiary Liability	7,080	-	-	-
Movement in deferred tax asset	-	(8,334)	-	-
Translation difference	-	8,339	-	-
Balance as at 31 December	**103,475**	**93,998**	**103,475**	**101,077**

21(a)Group Movement in deferred tax Liabilities	Balance as at 1 January 2020	Derecognition of subs. liability	Charge/(credit) to income statement	Charge/(credit) to other comprhensive income	Balance as at 31 December 2021
Property and equipment	**(1,820)**	21265	(30,219)	-	**(10,774)**
Unrealised fair value gain/(loss)	**128,557**	(5,088)	8,277	-	**131,746**
Provisions for claim	**1,904**	(1,904)	-	-	**-**
Unrealised Gain/(Loss) on foreign currency translation	**(34,643)**	(7,193)	24,339	-	**(17,497)**
	93,998	7080	**2,397**	**-**	**103,475**

Company **Movement in deferred tax Liabilities**		**Balance as** **at 1 January 2020**	**Charge/(credit) t** **income statemer**	**Charge/(credit to o** **comprhensive incoi**	**Balance as** **at 31 December 2021**
Property and equipment		**19,445**	(30,219)	-	**(10,774)**
Unrealised fair value gain/(loss)		**123,469**	8,277	-	**131,746**
Unrealised Gain/(Loss) on foreign currency translation		**(41,836)**	24,339	-	**(17,497)**
	-	**101,077**	**2,397**	**-**	**103,475**

Deferred tax asset and liabilities are offset when there is legally enforceable right to offset current tax asset against current tax liabilities and when the deferred income taxes asset and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on net basis.

22 Deposit For Shares

	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020
Balance as at 1 January	**245,000**	-	245,000	-
Addition during the Year	-	245,000	-	245,000
Balance as at 31 December	**245,000**	**245,000**	**245,000**	**245,000**

This represent the private placement received by the company in preperation for it's recapitalisation excercises in line with requlatory requirement .

NOTES TO THE ACCOUNTS (CONT'D)

	GROUP		COMPANY	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
23 Share Capital				
Share capital comprises:				
Authorised Share Capital				
12,000,000,000 Ordinary shares of 50k each	**6,000,000**	**6,000,000**	**6,000,000**	**6,000,000**
Issued and fully Paid Share Capital				
6,668,750,000 Ordinary shares of 50k each	**3,334,375**	**3,334,375**	**3,334,375**	**3,334,375**
24 Contigency Reserves				
Balance as at 1 January	1,866,521	1,670,226	1,466,878	1,341,161
Derecognition of Ghana subsidiary Reserves	(399,642)	-	-	-
Transfer from retained earnings	153,554	196,295	153,554	125,717
Balance as at 31 December	**1,620,433**	**1,866,521**	**1,620,433**	**1,466,878**
26(b). Analysis of Contigency Reserve				
Group				
Gross Premium Written	**5,118,468**	**3%**	**153,554**	**188,244**
Net Profit (Profit After Tax)	320,746	**20%**	64,149	**143,278**
				-
Company				**-**
Gross Premium Written	**5,118,468**	**3%**	**153,554**	**118,389**
Net Profit (Profit After Tax)	320,746	20%	64,149	**129,919**
		-		

In compliance with Section 21 (1) of Insurance Act 2003, the contingency reserve for non-life insurance business is credited with the greater of 3% of total premiums, or 20% of the profit. This shall accumulate until it reaches the amount of greater of mininum paid up capital or 50% of net premium.

	GROUP 2021 N'000	GROUP 2020 N'000	COMPANY 2021 N'000	COMPANY 2020 N'000
25 Retained Earnings				
Balance as at 1 January	1,201,684	772,225	1,528,052	1,021,793
Transfer from Statement of profit or loss	322,425	622,366	320,746	628,587
Transfer to contigency reserve	(153,554)	(196,295)	(153,554)	(125,717)
Transfer from fair value reserve		3,388	-	3,388
Transfer Adjustment on Derecognition of Ghana subsidiary	376,246		-	-
Balance as at 31 December	**1,746,801**	**1,201,684**	**1,695,243**	**1,528,051**
26 Fair Value Reserves				
Balance as at 1 January	7,769	10,226	-	3,388
Derecognition of Ghana subsidiary Reserves	(7,769)			
Fair value changes in Value of Unquoted Shares	-	1,330	-	-
Income tax relating to component of fair value change	-	(399)	-	-
Transfer Adjustment on Fair Value Reserve of Disposed Unquoted Equity	-	(3,388)	-	(3,388)
Balance as at 31 December	**-**	**7,769**	**-**	**-**
27 Other Reserves-Foreign Exchange Translation Reserves				
Balance as at 1 January	63,387	(22,610)		**-**
Derecognition of Ghana subsidiary Reserves	(63,387)			
Movement	-	85,997		**-**
Reclasification from Contigency Reserves	-	-		
Balance as at 31 December	**-**	**63,387**	-	-

NOTES TO THE ACCOUNTS (CONT'D)

	GROUP		COMPANY	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
28 Gross Premium Written				
General Accident	589,881	694,116	589,881	517,097
Oil/Gas	1,637,973	970,813	1,637,973	970,813
Fire	212,659	633,927	212,659	195,856
Motor	611,192	1,790,638	611,192	665,816
Aviation	420,243	241,569	420,243	241,569
Bond	4,287	454,943	4,287	25,386
Engineering	645,331	657,346	645,331	474,063
Marine	989,693	1,046,521	989,693	783,730
Emp/Liability	7,207	53,288	7,207	4,207
Total	**5,118,468**	**6,543,160**	**5,118,468**	**3,878,536**
28(a). Gross Premium Written	5,118,468	6,543,160	5,118,468	3,878,536
Change in UPR	(460,676)	8,895	(460,676)	55,488
Gross premium Income	**4,657,792**	**6,552,055**	**4,657,792**	**3,934,024**
29 Gross Premium Income				
General Accident	581,529	752,992	581,529	568,847
Oil/Gas	1,486,828	1,044,692	1,486,828	1,044,692
Fire	207,520	574,132	207,520	185,073
Motor	552,767	1,875,391	552,767	631,296
Aviation	383,892	238,518	383,892	238,518
Bond	5,128	412,135	5,128	28,029
Engineering	513,576	676,270	513,576	472,637
Marine	919,711	918,877	919,711	760,975
Emp/Liability	6,839	59,046	6,839	3,958
Total	**4,657,792**	**6,552,055**	**4,657,792**	**3,934,024**
30 Reinsurance Expenses				
Prepaid reinsurance at the beginning of the year	922,631	885,677	655,918	668,808
Derecognition of Ghana subsidiary	(266,712)	-	-	
Reinsurance cost during the year	2,013,121	2,102,747	2,013,122	1,445,931
Total	2,669,040	2,988,424	2,669,040	2,114,739
Prepepaid reinsurance at the end of the year carry forward	952,252	922,631	952,252	655,918
Reinsurance expenses	**(1,716,788)**	**(2,065,793)**	**(1,716,788)**	**(1,458,821)**
30(a). For the purpose of cashflow statement, reinsurance expenses is reconciled as follows:				
Reinsurance expenses as per income statement	1,716,788	2,065,793	1,716,788	1,458,821
Add reinsurance cost at the end of the year	952,252	922,631	952,252	655,918
Less reinsurance cost at the beginning of the year	(922,631)	(885,677)	(655,918)	(668,808)
Derecognition of Ghana subsidiary	266,712	-	-	-
Reinsurance expenses as per statement of cash flows	**2,013,122**	**2,102,748**	**2,013,122**	**1,445,931**

NOTES TO THE ACCOUNTS (CONT'D)

	GROUP		COMPANY	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
30(b). Reinsurance Expenses				
General Accident	179,978	314,752	179,978	251,042
Oil/Gas	762,812	456,380	762,812	456,380
Fire	57,730	342,358	57,730	84,947
Motor	189,818	219,592	189,818	177,952
Aviation	208,469	100,457	208,469	100,457
Bond	1,054	75,483	1,054	3,176
Engineering	84,229	178,556	84,229	122,281
Marine	232,649	359,740	232,649	262,806
Emp/Liability	50	18,475	50	(220)
Total	**1,716,788**	**2,065,793**	**1,716,788**	**1,458,821**
31 Fees and Commission Income				
General Accident	17,493	24,894	17,493	16,827
Oil & Gas	-	-	-	-
Fire	25,574	91,852	25,574	19,275
Motor	4,482	4,677	4,482	1,859
Aviation	1,938	-	1,938	-
Bond	310	32,453	310	600
Engineering	27,843	29,339	27,843	13,983
Marine	22,409	55,435	22,409	14,103
Emp/Liability	50	4,145	50	-
Total	**100,097**	**242,796**	**100,097**	**66,646**
31.a Commission Income				
Unearned fees and Commission income at 1 January	34,057	9,884	34,057	9,884
Fees and Conmmission Income During the Year	105,241	266,969	105,241	90,820
Deferred Fees and Commission as at 31 December	(39,201)	(34,057)	(39,201)	(34,057)
Fees and Conmmission Earned During the Year	**100,097**	**242,796**	**100,097**	**66,646**
32 Claim Expenses (Gross)				
Current Year Claim Paid	1,246,513	1,489,985	1,246,513	581,635
(Increase)/decrease in Outstanding Claim	77,765	1,122,350	77,765	408,775
Outstanding Claim -IBNR	803,294	328,713	803,294	300,152
Gross Claim Incurred	**2,127,572**	**2,941,048**	**2,127,572**	**1,290,562**
32(a). For the purpose of cashflow statement, gross claim paid is reconciled as follows:				
Gross Claim Incured	2,127,572	2,941,048	2,127,572	1,290,562
Movement in outstanding claim	(77,765)	(1,122,350)	(77,765)	(408,775)
Movment in IBNR	(803,294)	(328,713)	(803,294)	(300,152)
Claim Expenses (Gross)	**1,246,513**	**1,489,985**	**1,246,513**	**581,635**
33 Claim Recovered from Reinsurance				
Reinsurance Receipt on Claim Paid/Salvage	313,340	326,786	313,340	291,586
Changes In Reinsurance Share of Outstanding Claim	282,636	721,908	282,636	14,973
Change in reinsurance Recoverable from paid claim	(137)	498	(137)	498
Changes In Reinsurance Share of IBNR	500,448	112,227	500,448	112,227
	1,096,287	**1,161,419**	**1,096,287**	**419,283**
33(a)For the purpose of cashflow statement, reinsurance recoverables which involve payment of cash is reconciled as follows				
Recovery from reinsurance as per Income Statements	1,096,287	1,161,419	1,096,287	419,283
Changes In Reinsurance Share of Outstanding Claim	(282,636)	(721,908)	(282,636)	(14,973)
Change in reinsurance Recoverable from paid claim	137	(498)	137	(498)
Changes In Reinsurance Share of IBNR	(500,448)	(112,227)	(500,448)	(112,227)
Reinsurance claim recovery as per statement of casflows	**313,340**	**326,786**	**313,340**	**291,586**

NOTES TO THE ACCOUNTS (CONT'D)

	GROUP		COMPANY	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
33(b)Net Claims Expenses				
General Accident	120,633	64,406	120,633	(24,003)
Oil & Gas	451,556	839,616	451,556	839,616
Fire	87,273	174,392	87,273	7,206
Motor	121,962	398,089	121,962	11,270
Aviation	71,339	(115,454)	71,339	(115,454)
Bond	1,662	76,633	1,662	3,328
Engineering	95,222	251,016	95,222	178,999
Marine	80,839	50,829	80,839	(29,666)
Emp/Liability	798	40,599	798	481
Total	**1,031,285**	**1,780,127**	**1,031,285**	**871,777**
34 Underwriting Expenses				
a Acquisition Cost	401,932	712,371	401,932	323,270
b Maintenance Cost	293,154	210,073	293,154	210,073
	695,086	**922,444**	**695,086**	**533,343**

Acquisition cost is commission expenses on policies issued by the company ,while maintenance cost includes engineering ,surveyor and superintending fees.

	GROUP 2021 N'000	GROUP 2020 N'000	COMPANY 2021 N'000	COMPANY 2020 N'000
a Acquisition cost				
General Accident	78,596	132,585	78,596	104,523
Oil & Gas	37,142	14,290	37,142	14,290
Fire	28,620	98,870	28,620	18,449
Motor	73,996	217,571	73,996	55,960
Aviation	37,293	16,708	37,293	16,708
Bond	1,035	46,041	1,035	1,549
Engineering	79,484	102,782	79,484	59,597
Marine	64,592	77,058	64,592	51,405
Emp/Liability	1,175	6,465	1,175	788
Total	**401,932**	**712,371**	**401,932**	**323,270**
b Maintenance cost				
General Accident	64,958	40,733	64,958	40,733
Oil & Gas	74,590	75,006	74,590	75,006
Fire	11,348	7,792	11,348	7,792
Motor	33,727	24,289	33,727	24,289
Aviation	19,006	10,213	19,006	10,213
Bond	11,890	981	11,890	981
Engineering	25,694	18,428	25,694	18,428
Marine	51,711	32,481	51,711	32,481
Emp/Liability	231	150	231	150
Total	**293,154**	**210,073**	**293,154**	**210,073**

NOTES TO THE ACCOUNTS (CONT'D)

	GROUP		COMPANY	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
35(a) Interest Income				
Interest on loan & advances	26,964	28,518	-	-
Interest on Fixed Deposit	1,348	4,937	-	-
Management Fees	2,973	2,684	-	-
Fee Income - Enterprise	7,195	7,882	-	-
	38,480	**44,021**	**-**	**-**
35(b) Interest Expense				
Fixed Deposit	1,614	6,730	-	-
Savings Account	213	206	-	-
	1,827	**6,937**	**-**	**-**
36 Net Trading Income				
Turnover	12,071	10,588	-	-
Cost of sales	(3,952)	(4,176)	-	-
	8,118	**6,412**	**-**	**-**

This represents net trading income on sale of vehicle tracker by subsidiary 'Ric Technologies Limited.

37 Finance Income-(Finance Lease Rental Income)	**37,716**	**39,397**	**-**	**-**

This represents income from finance lease of subsidiary (Ric Properties and Investment Limited), the Company provides finance lease for corporate body as well as individual, all lease agreement are for period of one year.

38 Finance Cost	**6,571**	**7,338**	-	-

This represents cost incured on finance lease by the subsidiary's Ric Properties and Investment Limited.

39 Investment Income				
Income from statutory Deposit	15,852	39,141	15,852	39,141
Income from placement with Financial Institution With Maturity < 90 days	57,797	202,159	53,070	96,588
Income from placement with Financial Institution With Maturity > 90 days	294,116	200,778	294,116	194,507
Dividend Received	1,748	1,434	1,692	1,321
	369,513	**443,513**	**364,730**	**331,557**
39.(a)Analysis of Investment Income				
(i) Investment Income Attributable to Policyholders' Fund	116,025	191,322	116,025	96,588
(ii) Investment Income Attributable to Shareholders'Fund	253,488	252,191	248,705	234,969
	369,513	**443,513**	**364,730**	**331,557**

In line with NAICOM Prudential Guldline: Portion of Investment Income artributable to policyholder's fund and those artributable to Shareholders' Fund shall be presented as a sub-note under the Note on Investment Income

40 Other operating Income				
Rental Income	10,270	8,606	9,283	7,638
Interest Income (Staff Loan)	217	3,524	217	2,155
Sundry Income	1,567	6,213	195	5,148
Income from Oil & Gas Insurance Pool	-	3,999	-	-
Written off business now received	-	196,222	-	-
Loss on Disposal of Unquoted Equity	-	(4,543)	-	(4,543)
Realised gain/(Loss) on PPE	1,885	3,988	1,885	1,974
	13,939	**218,010**	**11,581**	**12,373**

Included in sundry income is the subsidiary's Ric Microfinance Bank Limited income on search fees,SMS,ATM,returned cheque e.t.c.
Income from subsidiary 'Regency Nem Insurance Limited Ghana Oil & Aviation Pool'.

41 Net gain 0r (Loss) in Financial Assets				
Exchange gain or (Loss)	81,131	80,968	81,131	69,205
Realised Gain/(loss) in Financial assets (Note 5.4e)	(5,754)	(503)	-	-
Impairment loss on Financial Assets (Regency Ghana)	-	(265,469)	-	-
Unrealised fair value gain/(loss) on quoted equity (Note 5.2)	27,248	18,119	27,589	18,064
Balance at the end of the year	**102,625**	**(166,885)**	**108,720**	**87,269**

NOTES TO THE ACCOUNTS (CONT'D)

	GROUP		COMPANY	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
42 Employee Benefit Expenses				
Salaries and Wages	270,433	706,943	236,336	256,724
Medical Expenses	21,910	12,537	20,661	12,537
Staff Training	40,687	52,620	38,417	41,143
Pension contribution cost	37,262	37,088	36,159	36,159
Staff Welfare	3,502	24,123	2,796	23,873
	373,794	**833,311**	334,370	**370,436**
43 Other Operating Expenses				
Motor Running Expenses	55,706	47,653	50,992	43,456
Depreciation & Amortization	62,075	110,890	60,999	74,662
Advert/Marketing Expenses	78,152	142,224	77,427	75,298
Office Repairs & Maintenance Expenses	46,934	112,704	43,737	35,404
Professional fees	31,263	123,342	30,714	30,786
Subscription & Fees	20,382	72,513	18,918	11,660
Director's Emolument	16,087	80,814	15,240	11,820
Auditor's Remuneration	6,330	22,542	5,200	4,200
Electricity/Generator Maintenance	52,265	46,145	49,370	43,592
Transport & Travelling	58,960	83,085	55,704	51,092
Printing & stationery	41,578	52,411	39,453	33,139
Statutory Annual Dues and Levies	34,795	34,770	34,795	34,770
Rent	20,094	106,730	13,774	10,598
Insurance Expenses	19,397	18,563	16,823	15,978
Telephone Expenses	6,463	4,299	6,218	3,964
Postages	4,713	698	4,713	698
Contract Service Expenses	30,310	28,153	29,089	26,855
Bank charges	13,088	8,240	11,659	7,601
Newspaper & Periodicals	1,071	371	1,018	314
Board & AGM Expenses	5,189	4,955	5,189	4,955
Entertainment Expenses	2,469	2,168	2,280	1,847
Donations	750	3,262	750	3,200
	608,072	**1,106,533**	**574,062**	**525,890**
43.(i) Depreciation (note 14)	57,796	99,018	56,738	64,687
43.(ii) Amortisation (note 12)	4,279	11,873	4,261	9,976
	62,075	**110,890**	**60,999**	**74,662**
44 PROFIT BEFORE TAX				
This is stated after charging:				
Depreciation & Amortization	62,075	110,890	60,999	74,662
Director's Emolument	16,087	80,814	15,240	11,820
Auditor's Remuneration	6,330	22,542	5,200	4,200

The Group Auditor's did not engage in any other Professional services apart from audit work,hence no auditor's fees was included in professional fees.

45 BASIC & DILUTED EARNINGS PER SHARE

Basic Earnings per share (calculated by dividing profit after tax attributable to ordinary equity holders of parent for the year), are based on the weighted average number of shares held during the year.

Adjusted earnings per share is determined by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares adjusted for the bonus shares issued.

NOTES TO THE ACCOUNTS (CONT'D)

	THEGROUP		THE COMPANY	
	2020	2019	2021	2020
	N'000	N'000	N'000	N'000
Profit for the Year	322,607	590,289	320,746	628,587
Weighted average number of ordinary shares in issue	6,668,750	6,668,750	6,668,750	6,668,750
Basic earnings per share (in kobo)	4.84	8.85	4.81	9.43

The caculation of basic earning per share as at 31 December 2021 was based on the profit artributable to ordinary shareholders of =N=322,607 and =N=320,746 for the Group and the company respectively and weighted average number of ordinary shares outstanding of 6,668,750,000.The Group and the Company had no diluted instruments as at 31 December 2021. Hence the basic and diluted earnings per share are equal.

46 DIRECTORS AND EMPLOYEES

i The average number of full time persons employed during the year were as follows:

	Number	Number	Number	Number
Management	47	57	36	39
Senior Staff	15	29	10	12
Junior Staff	63	130	53	63
	125	**216**	**99**	**114**

ii Directors' remuneration paid during the year is analysed as follows:

Directors fees	1,860	23,710	1,560	1,910
Directors other entitlements	14,227	57,104	13,680	9,910
Directors emolument	**16,087**	**80,814**	**15,240**	**11,820**

iii The directors remuneration shown above includes:
The Chairman and 6 directors.
The numbers of Directors who received fees and other emolument (excluding pension contribution) during the year were in the following ranges:

	7	7	7	7

iv Employee cost during the year amounted to:

Staff Cost	**373,794**	**833,311**	**334,370**	**370,436**

v Employees of the group,other than directors, whose duties were wholly or mainly discharge in Nigeria, received renumeration (excluding pension costs and certain benefits) in the following ranges:

₦	₦	Number	Number	Number	Number
50,000	100,000	14	45	12	14
100,001	200,000	24	34	22	25
200,001	300,000	25	43	20	24
300,001	400,000	16	22	9	9
400,001	500,000	11	11	9	9
500,001	600,000	12	31	10	16
600,001	700,000	8	8	4	4
700,001	800,000	7	7	5	5
800,001	900,000	4	5	4	4
900,001	1,000,000	3	7	3	3
Above 1,000,000		1	3	1	1
		125	**216**	**99**	**114**

47 Contigencies (Litigation and Claim)

In the normal course of business, transaction are enter into that generate a range of contigent liabilities. These include litigation arising out of insurance policies and consolidated entity's undertaking from maintenance of net worth and liquidity surport to subsidiaries. Such undertakings constitute a statement of present intent only and are not intended to give rise to any binding legal obligation.

The Company is currently involved in five (2020:5)with the total claim of =N=17.7million. The actions are vigorously contested, and the Directors,based on the advise of the Company Secretary/Legal Adviser Anu Shobo FRC number FRC/2013/NBA/00000003654, are of the opinion that provision are not likely required in respect of these matters, as it either not probable that a future sacrifice of economic benefit will be required or the amount is not capable of reliable measurement.

One of the cases started in 2012, by one Alhaji Ibrahim Isah who filled a suit against the Company. The claim arose from comprehensive motor Insurance. The plaintiff is claiming the sum of =N=17.7million (in total) . The matter is still pending before the high Court.
However, the Company is optimistic of a favourable outcome of court ruling on all the cases. Accordingly, no provision has been recognised in respect of the claims as at 31st December 2021.

48 CAPITAL EXPENDITURE COMMITMENT

There are no material capital expenditure commitment at the end of the reporting date

NOTES TO THE ACCOUNTS (CONT'D)

49 Related party transactions

(a) Parent:

Regency Alliance Insurance Plc (incorporated in Nigeria) is the ultimate parent company of the Group.

Subsidiaries:

In the normal course of business, insurance policies are sold to related parties at terms and conditions similar to those offered to major clients.

Loans were also given to Directors of the Company (Regency Nem).

All intergroup transaction between the parent and its subsidiaries has been eliminated on consolidation.The Group's effective interests and investment in the subsidiaries as at 31 December 2021 are shown below:

Entity	Activity	Effective Entity holding %	AMOUNT =N= '000	Date of incorporat /Acquisition
Foreign / Insurance subsidiary:				
Regency Nem Insurance (Ghana) Limited (Impaired)	Insurance	42	-	2015
Domestic / non-Insurance subsidiaries:				
RIC Microfinance Bank Limited	Banking operation	95	161,396	17th December, 2008
RIC Technologies Limited	Sale of vehicle tracke	90	11,720	18th April, 2009
RIC Properties and Investment Limited	Property leasing and	97	300,000	4th January, 2005

(b) Transaction between Regency Alliance Insurance Plc and its sunsidiaries which has been elimilated on consolidation were shown below;

(i) Due from subsidiaries

	2021 =N='000	2020 =N='000	2021 =N='000	2020 =N='000
Ric Microfinance bank Limited	33,013	45,078	-	-
Regency Alliance Insurance Limited Ghana	-	-	-	-
Ric Properties and Investment Limited	24,812	-	-	-
Ric Technologies Limited	1,936	2,648	-	-
Total	**59,761**	**47,725**	**-**	**-**

(ii) Due to Subsidiaries		**-**		
Ric Microfinance bank Limited	**-**			
Regency Alliance Insurance Limited Ghana	-	**18,098**	-	
Ric Properties and Investment Limited	-	**6,040**	-	
Ric Technologies Limited	**-**	**-**	-	
Total	**-**	**24,138**	**-**	**-**

(C)Transaction with Key management personnel

Key management personnel is defined as the Group's executive and non-executive directors, including their close members of family and any entity over which they exercise control. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with the Group.

NOTES TO THE ACCOUNTS (CONT'D)

(i)Key management Personel compensation

The Compensation to key management personnel comprised the following:

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	=N='000	=N='000	=N='000	=N='000
Short Term benefit	16,087	80,814	15,240	11,820
Total	**16,087**	**80,814**	**15,240**	**11,820**

(ii) Key Management Personel and Director Transactions

Key management Personel engaged in the following transactions with the Company during the Year;

Directors	Transactions	Transaction Values for the year ended 31/12/2021 N'000	Transaction Values for the year ended 31/12/2020 N'000	Transaction Values for the year ended 31/12/2021 N'000	Transaction Values for the year ended 31/12/2020 N'000
Chief Wale Taiwo	Retainership fee	**360**	**360**	360	360

(iii) Staff Advances to key management Staff

Key Management Staff-(Regency/Nem Ghana)	-	1,103	-	-
	-	**1,103**	**-**	**-**

50 Contraventions and penalties

	2021	2020	2021	2020
	=N='000	=N='000		
During the year, The Company paid penalties to requlatory bodies for the following contraventions:			=N='000	=N='000
Resubmission of 2019 Audited Financail Statement -NAICOM	**Nil**	500	Nil	500
Late payment of certification fee-FRCN	**Nil**	100	Nil	100

51 Comparative

Where necessary, comparative figures have been adjusted to comform with changes in presentation in the current year.

54 **Security Trading Policy**

The Company has a Security Trading Policy. The Policy prohibits insider trading by Directors and guides the Directors in their trading in the Company's Shares.
The Policy also precludes them from passing any price sensitive information to third parties for the purpose of trading in the Company's Shares
We have enquired from our Directors and from the information received, there was no contravention during the period under consideration.

Shareholding Structure/Free Float Status

Directors	Direct/Indirect 2021 N'000	% Unit	Direct/Indirect 2020 N'000	% Unit
MR.BIYI OTEGBEYE	789,329	11.84%	789,329	11.84%
MR. CLIEM BAIYE	1,000	0.01%	1,000	0.01%
DR. SAMMY OLANIYI	43,580	0.65%	44,955	0.67%
MR. KEHINDE OYADIRAN	206	0.00%	206	0.00%
ALEXANDER-REISSE CONSULTING LTD	633,531	9.50%	633,531	9.50%
SUB-TOTAL	1,467,647	22.01%	1,469,022	22.03%
FREE FLOAT	**5,201,103**	**77.99%**	**5,199,728**	**77.97%**
PAID UP SHARE CAPITAL	6,668,750	100.00%	6,668,750	**100.00%**

Declaration

Regency Alliance Insurance Plc with a free float percntage of 77.99% as at 31 December 2021, complied with The Exchange's free float requirements for companies listed on the Main Board.

55 Event After Reporting Period

The director are not aware of any event which occurred since 31 December 2021 which may have material effect on the financial statements.

In compliance with the requirements of Financial Repoting Council of Nigeria (FRC) and Intitute of Chartered accountant of Nigeria (ICAN) in respect of COVID, the directors have assess its impact on the financial statements as a whole and are of the opinin that it has no material effect.

56 Dividend

No dividend has been recommended in respect of year 2021 account.

55. ENTERPRISE RISK MANAGEMENT

55.1 Introduction and Review

The insurance industry just like the global economy suffered from the COVID 19 Pandemic in 2020 to 2021 coupled with various political and economic fallouts and pressures from local events such as 'End Sars' that affected economic activities in Nigeria, the year was a challenging year in risk management. Having an effective capital and risk management has been a key fundamental to our business activities of Regency Alliance insurance Plc. ("the Group").

We deploy the best risk management practices applicable in our operating environment with a view to identifying, measuring, monitoring, controlling, reporting and updating on emerging risks that are material to our operations and such prevailing in our business operation. The Group's ERM framework is in line with Committee of Sponsoring Organizations of the Treadway Commission (COSO) as approved by the insurance industry regulator (NAICOM), to identify, assess, manage and monitor the risks inherent in our operations.

Principles

- The Group will accept only the risks that fall within the risk appetite.
- The Group's ERM risk principles will not be compromised; rather it shall identify, evaluate, manage, control and communicate as possible all risks within the organization.
- The Group will build and entrench an enduring risk culture, which shall pervade the entire organization.
- The Group will always comply with all government regulations and uphold international best practice.

ERM Strategy

ENTERPRISE RISK MANAGEMENT (CONT'D)

Internal Environment: considers how the Group's history, culture, values, organizational structure, strategy, policies and procedures affects its risk culture. It forms the foundation for defining the Group's risk approach appetite.

Objective Setting: This involves setting of strategic objectives for the Group through its risk strategy. The Group's risk tolerance and the alignment between its risk appetite and its objectives form part of the overall Group strategy.
The risk appetite is determined, while risk tolerance, the acceptable level of variation around the objectives, is aligned with risk appetite.

Event Identification: describes those developments either internal or external to the Group that could significantly affect its ability to meet its strategic objectives, either positively or negatively. In order to assure that the full scope of the Group is considered, event and trend identification is done broadly engaging a cross-section of Group staff.

Risk Assessment: Describes the extent to which potential events and trends might affect the company's objectives. Events and trends are assessed by two criteria – impact and likelihood. Risk assessments can be done by qualitative and/or quantitative methods. Inherent and residual risk assessments are employed. Both positive and negative impacts and likelihoods are evaluated. A catalogue of the full spectrum of risks, with impacts and likelihoods evaluated, form the Group's risk register.

Risk Response: Identifies and evaluates possible responses to risk, assesses options in relation to the Group's risk appetite, cost vs benefit of potential risk responses, and degree to which a response will reduce impact and/or likelihood. Such proposed responses are selected and executed based on evaluation of the portfolio of risks and responses.

Control Activities: include policies and procedures that help ensure that the risk responses, as well as other company directives to mitigate risks to the achievement of strategic objectives are carried out. This is enterprise wide.

Information and Communication: Management identifies, captures, and communicates pertinent information in a form and timeframe that enables people to carry out their responsibilities. Communication occurs in a broader sense, flowing down, across, and up the organization.
Monitoring: Effectiveness of the other ERM components is monitored through ongoing monitoring activities and separate evaluations, and a combination of both.

Our approach

Our ERM strategy is the approach to achieving the **vision and mission** of the company ; it is based on the implementation of an effective ERM Framework which supports the delivery of sound business operations and long - term growth reckoning the constantly changing business climate. This incorporates new knowledge of global and local challenges to stability and profitability.
As part of the risk strategy, the Group's risk management ensures the identification, treatment and quantification of all key risks, establish control on key threats and continue monitoring to keep aversive threshold within residual level as spelled out in the appetite. Its objective is to add maximum sustainable value to all the activities of the organization. It aids the understanding of the potential upside and downside of all those factors, which can affect the organization. It increases the probability of success; reduces both the probability of failure and the uncertainty of achieving the organization's overall objectives

ENTERPRISE RISK MANAGEMENT (CONT'D)

Philosophy

The Group's risk philosophies are as stated below:

- We shall employ the best risk management practices applicable in our operating environment with a view to identifying, measuring, monitoring, controlling and reporting every material risk prevailing in our business operation in order to maximize our value to stakeholders.
- We would not avoid risk but manage it. Risk controls would not constitute an impediment to the achievement of our strategic goals.
- We would continually review our activities to determine the level of risks inherent in them in order to adopt appropriate risk response at all times.
- We would continue to adopt a holistic and integrated approach to risk management and, therefore, brings all risks together under one or a limited number of oversight functions.

Our decisions would be based on careful analysis of the implications of such risk to our strategic goals and operating environment.

55.2 ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Risk Management Framework (RMF) approved by the Board defines how managing risk is a part of our day-to-day management of the company, it is inherent within the strong working practices and incorporates the Governance Framework, Risk Profiling Process, Risk Appetite, Reporting Processes, Culture and Communications. This has been updated in the face of the new global realities and shifts in technological deployment, issues around the environment, safety and health.

Governance Framework

The key components of the Group's governance framework involves understanding our lines of defence, visibility of key functions, ensuring that each strategic staff is a fit & proper person, defining various roles and responsibilities and clearly defined policies, procedures with effective internal control systems in the organisation. The ERM framework and other formal risk policies are part of the governance process for running the business and in doing so, it will maintain core business critical high risk functions in house, outsourcing where appropriate from a commercial and risk perspective.

The Group's three Lines of Defence

The company recognise the three lines of defence as integral to the control environment as detailed below:

First line (1st line) – Business Management and Risk Owners

The Board, Management and Risk Owners are the primary line of defence, identifying risks, implementing a control structure that is operated continually through a Risk Control and SELF Assessment that enables understanding the risk climate across different units to identify /prevent errors and if errors occur, to rectify the current event and to ensure lessons are learnt and a similar incident is prevented in future. They ensure that all risks are contained within appetite and that appropriate information is received to monitor adherence. In some instances, other departments act as in intermediate line of defence for errors that take place in other parts of the business. Such functions include, but are not limited to Finance, Underwriting and Claims.

ENTERPRISE RISK MANAGEMENT (CONT'D)

Second line (2nd line) – Non-independent Functions who provide challenge

Functions which operate in this area tend to be independent from the business lines and provide review and challenge over the effectiveness of the control environment in place to manage the risks identified, in some cases conducting ad-hoc checks. These functions are assurance providers to the Board and include Compliance and Risk Management Functions.

Third line (3rd line) – Independent Assurance

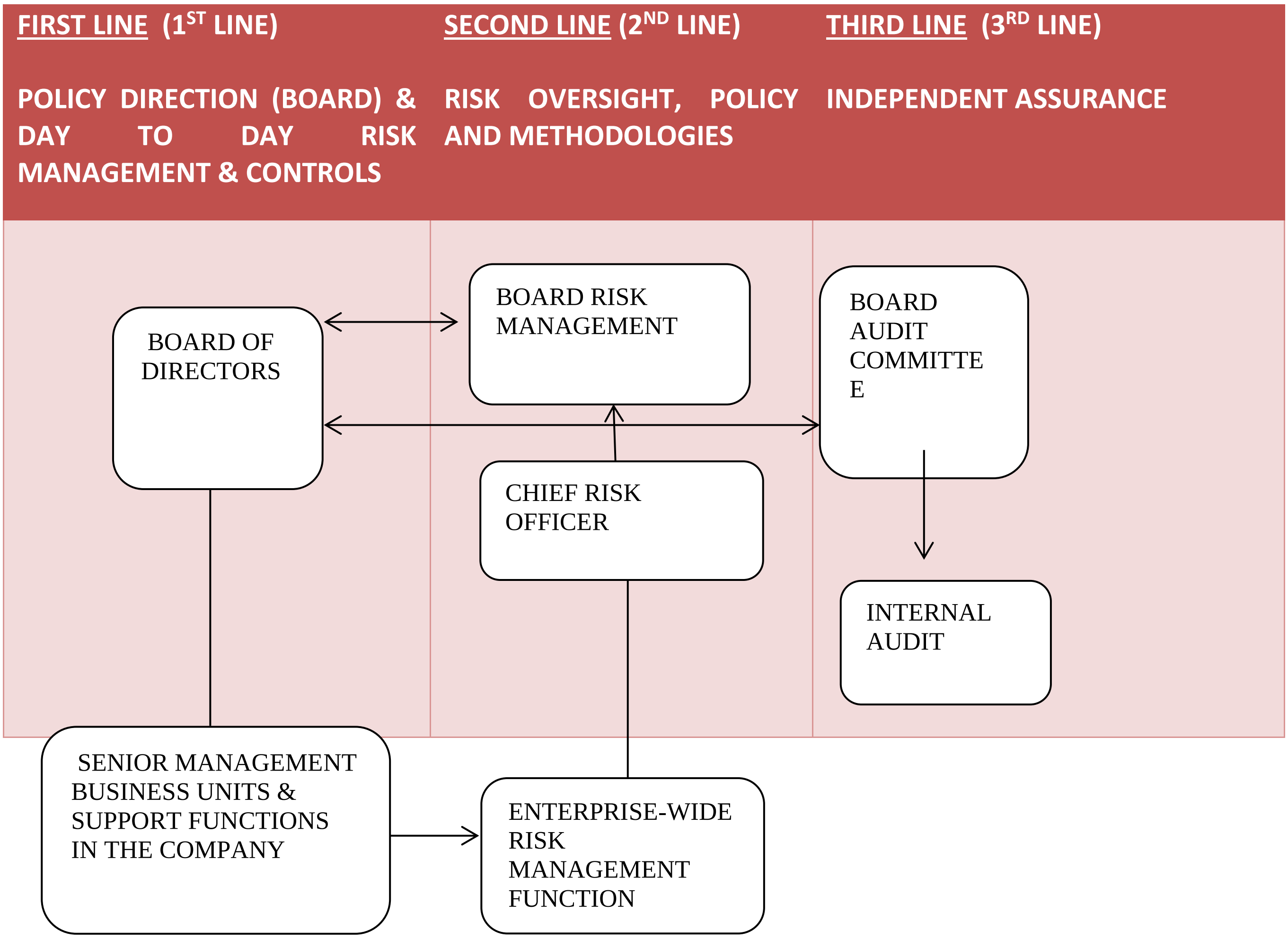
Internal Audit act as the third line of defence and their primary responsibility is to provide assurance to the Audit, Risk Committee and Board that the controls in place to manage risks identified are operating as intended and that there are no control gaps in place. Internal Audit has a direct reporting line to the Audit and Risk Committee.

ENTERPRISE RISK MANAGEMENT (CONT'D)

Third Line (3rd Line) – Independent Assurance

Internal Audit act as the third line of defence and their primary responsibility is to provide assurance to the Finance, Investment and General Purpose; Enterprise Risk Management and Governance; and Audit and Compliance Committees of the Board and the Board that controls in place to manage risk identified are operating as intended and that there are no control gaps. Internal Audit has a direct reporting line to the Audit and Risk Management Committee, Enterprise Risk Management and Governance Committee of the Board.

ERM Governance Structure



ENTERPRISE RISK MANAGEMENT (CONT'D)

Board Committees	Functions
Board Audit Committee	▪ **Oversight of financial reporting and accounting.** ▪ **Oversight of external Auditor** ▪ **Oversight of regulatory compliance** ▪ **Monitoring the internal control process** ▪ **Oversight of enterprise risk management**
Board Risk Management	▪ Ensuring an adequate Risk Management Framework ▪ Defining the company's risk appetite in line with the company's financial resources, business strategies, management expertise and overall willingness to take risk. ▪ Reviewing and approving the Risk Management policies and procedures. ▪ Re-evaluating the framework and risk appetite at least annually, considering changes in the risk profile of the business. ▪ Ensuring that the Risk Management Framework is regularly audited by appropriately trained and competent personnel that are operationally independent of the risk management activities. ▪ Advising the Board on the Company's risk profile and risk appetite in setting its future strategy, the current financial situation of the Company and its capacity to manage and control risks within the Company's strategy; ▪ Reviewing the work and reports prepared by the Chief Risk Officer ("CRO") and overseeing the effectiveness of the CRO's role.
Chief Risk Officer	▪ Develops risk management strategy, principles, framework and policy ▪ Implements appropriate risk management processes and methodologies ▪ Advises and coaches management and business units on risk management ▪ Monitors the application and effectiveness of risk management processes ▪ Coordinates appropriate and timely delivery of risk management information

Enterprise-wide risk management function	▪ Drafts risk policies and risk management standards ▪ Develops and implements the risk framework ▪ Develops and distributes tools, techniques, methodologies, common risk language, risk framework, analysis, reporting, communication and training ▪ Coordination, aggregation, facilitation and enabling function ▪ Monitors the overall risk profile, including accumulations of risk, trends, and risks from internal and external market changes ▪ Escalates high priority issues to senior management and Board ▪ Collates, challenges and reports on aggregate risk profile, control effectiveness and actions taken to risk committee and Board
Business units	▪ own risks and controls ▪ Assess risks and the effectiveness of controls in line with documented risk policy ▪ Design, operate and monitor a suitable system of control ▪ Manage and review risks as part of day to day business activity
Internal audit	▪ Monitors effectiveness of the risk management processes ▪ Tests controls ▪ Validates risk information and risk reporting ▪ Identifies corrective actions ▪ liaises with the risk management department ▪ Reports to the audit committee and Board

ENTERPRISE RISK MANAGEMENT (CONT'D)

Risk Culture

"Culture clarifies the kind of behaviour acceptable within the group. Corporate failures occurred mainly because the written principles were simply like the good gospel preached and not practiced" – *McKinsey & Co.* Our risk culture where effective risk management is an integral and natural part of the way most people work – embedding risk management - is a long-term aim for RAIP.

The Group adopted the following approach;

- The Board and management consciously promote a responsible approach to risk and ensure that the long-term survival and reputation of the Company are not jeopardized while expanding the market share.
- Building awareness by communicating risk updates and using role models in the organisation.
- Changing behaviour by helping staff to see risk management as important, by achieving a healthy attitude to "well-managed risk taking, by recognising and working with different perspectives on risk, by making the "risk thermostat" work well and avoiding "bottom loop" bias and by encouraging risk-based decision making.
- Taking the opportunities for culture change by taking advantage of central initiatives and by using crises and failures.
- Supporting and nurturing the new culture.
- Measuring how well change is being delivered and sustained.

Risk Appetite

Our risk appetite which is "the degree of risk, on a broad-based level, that reflects the extent of our risk opportunities and aversiveness as we pursue profitability.

The Group's Risk appetite reckoned all risks across the business in an integrated manner both quantitative and qualitative and is aligned with our business and capital strategy. Quantitatively, our risk appetite framework is designed such that we are able to monitor and manage both total risk and fulfilment of our risk appetite within a set of pre-defined set of "hard" and "soft" boundaries or risk limits.

The Risk appetite framework is aligned with our risk policies.

Our high level risk appetite summary is as follows:

- We expect our counterparty exposure to be no greater than 1 years' profit and seek to balance reinsurance quality and diversification.
- We expect to be able to meet normal working liabilities immediately as they fall due
- We do not expect any material compliance failures or breaches with regulatory requirements
- We do not expect any system or infrastructure failures which cause significant business disruption.
- We will not incentivise people to engage in risk taking activities that fall outside our targets and appetites.

ENTERPRISE RISK MANAGEMENT (CONT'D

The risk appetite is set by the Board of Directors annually, at a level that minimizes erosion of earnings or capital due to avoidable losses in the Company, or from frauds or operational inefficiencies. The Company's appetite for risk is governed by the following:

(i) Exception reporting by internal control officers, auditors, regulators and external rating agencies;
(ii) Adverse publicity in local and international press;
(iii) Frequent litigations;
(iv) Payment of fines and other regulatory penalties; and
(v) Above average level of staff and customer attrition.
The Company will not compromise its reputation through unethical, illegal and unprofessional conduct.

Enterprise risk management Categorisation
The Group and Company has identified sixteen(16) broad risk areas arising from execution of its operations, which are:

- ✓ Investment Risk
- ✓ Talent Risk
- ✓ Provisioning & Reserving Risk
- ✓ Claims Management Risk
- ✓ Regulatory
- ✓ Liquidity Risk
- ✓ Credit Risk
- ✓ Market Risk
- ✓ Operational Risk
- ✓ Underwriting Risk
- ✓ Hazard Risk
- ✓ Anticorruption Risk
- ✓ Legal/Compliance Risk
- ✓ Outsourcing Risk
- ✓ Cybersecurity Risk
- ✓ Health Risk
- ✓ Business Risk

Liquidity Risk
Liquidity risk is the risk arising from inability to fulfill its contractual and regulation obligations as and when due owing to insufficient liquid assets.
It is the policy that cash and cash equivalents are adequate to cover all expected outflows as the Group is committed to meeting all liabilities as and when due. The Group ensures that sufficient funds are available at short notice to meet such liabilities and unexpected levels of demands.

The following tables analyze the financial assets and financial liabilities by maturity date of the Company and the Group as at December, 2021

ENTERPRISE RISK MANAGEMENT (CONT'D

GROUP	**Total**		**0-3months**		**3-6months**		**6-12months**		**1-5years**	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Cash and Cash equivalents	2,256,131	1,998,354	2,256,131	1,998,354						
Investment Securities	-	-								
- Available-for-sale	-	40,104	-	-	-	-	-	-	-	40,104
- At fair value through profit or loss	603,717	639,385	603,717	572,964	-	-	-	-	-	-
Held-to-maturity	4,431,141	5,031,368	-	-	4,431,141	5,031,368	-	-	-	-
Loan and receivable	209,445	227,126	131,617	150,763	54,047	53,030	21,619	19,871	2,162	3,462
Reinsurance Receivables	2,206,757	2,269,782	2,206,757	2,269,782	-	-	-	-	-	-
Other Receivables	178,091	447,227	178,091	447,227	-	-	-	-	-	-
Trade Receivables	216,984	208,010	198,747	208,010	-	-	-	-	18,236	-
Total Assets	**10,102,266**	**10,861,356**	**5,575,061**	**5,647,100**	**4,485,188**	**5,084,398**	**21,619**	**19,871**	**20,398**	**43,566**
Insurance Contract Liabilities	4,313,541	4,341,272	3,663,046	3,119,437	178,770	75,380	54,629	35,682	417,096	95,002
Trade Payables	43,247	21,939	43,247	21,939	-	-	-	-	-	-
Other trade payables	788,793	1,110,195	767,610	1,110,195	21,183	-	-	-	-	-
Total Liabilities	**5,145,582**	**5,473,406**	**4,473,903**	**4,251,572**	**199,953**	**75,380**	**54,629**	**35,682**	**417,096**	**95,002**
Excess of Assets over Liabilities	**4,956,685**	**5,387,949**	**1,101,158**	**1,395,528**	**4,285,235**	**5,009,018**	**(33,010)**	**(15,811)**	**(396,698)**	**(51,436)**

COMPANY	**Total**		**0-3months**		**3-6months**		**6-12months**		**1-5years**	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Cash and Cash equivalents	2,100,321	1,431,473	2,100,321	1,431,473						
Investment Securities	-	-								
- Available-for-sale	-	-	-	-	-	-	-	-	-	-
- At fair value through profit or los	4,425,641	572,964	4,425,641	572,964	-	-	-	-	-	-
Held-to-maturity	600,553	4,224,934	-	-	123,592	123,592	476,962	4,101,342	-	-
Loan and receivable	5,173	7,061	-	-	-	-	5,173	7,061	-	-
Reinsurance Receivables	2,206,757	1,127,475	2,206,757	1,127,475	-	-	-	-	-	-
Other Receivables	143,298	105,304	143,298	105,304	-	-	-	-	-	-
Trade Receivables	16,011	7,202	16,011	7,202	-	-	-	-	-	-
Total Assets	**9,497,755**	**7,476,414**	**8,892,028**	**3,244,418**	**123,592**	**123,592**	**482,135**	**4,108,403**	**-**	**-**
Insurance Contract Liabilities	4,313,541	2,971,806	3,663,047	2,397,750	178,770	12,293	54,629	22,605	417,095	539,158
Other trade payables	635,464	500,318	635,464	500,318						
Total Liabilities	**4,949,005**	**3,472,124**	**4,298,510**	**2,898,068**	**178,770**	**12,293**	**54,629**	**22,605**	**417,095**	539,158
Excess of Assets over Liabilitie	**4,548,750**	**4,004,290**	**4,593,518**	**346,350**	**(55,179)**	**111,299**	**427,506**	**4,085,798**	**(417,095)**	**(539,158)**

Credit/Counterparty Risk

Credit / Counterparty Risk is defined as the risk of loss or adverse change in the financialposition resulting directly or indirectly, from fluctuations in the credit standing of issuers of securities, counterparties and any debtors to which undertakings are exposed, in the form of counterparty default risk, or spread risk, or market risk concentrations.

ENTERPRISE RISK MANAGEMENT (CONT'D)

Risk Identification

Subject to regulatory guidance, the philosophy of the Group is to ensure that credit is only provided to counterparties where it is believed that default is unlikely. When considering granting credit, the following must be considered:

- The likelihood of a default event to occur compared to appetite
- The likely gross credit exposure at the time of default, considering the potential for exposures to increase as a result of further drawdowns, collections and recoveries costs and other rights held by the obligor/guarantor/reinsurer which might increase the exposure.
- The likely availability and value of any specific collateral to reduce the gross exposure. Due allowance should be made for the legal and financial ability of guarantors to fulfill guarantees if called upon to do so.
- Similarly careful analysis should be made as to the level of protection afforded by risk netting arrangements, credit derivatives, margin and other equivalent arrangements.
- Residual likelihood of loss, with reference to all relevant domiciles, seniority of claim, likely availability of other assets, guarantees or insurances to reduce loss, legal system and political considerations as appropriate.

On reinsurance, the Group mitigates credit risk by applying minimum security standards for all its reinsurance programmes in terms of the credit rating of the reinsurance companies, and the proportion ceded to each reinsurance companies. The Group has a diverse panel of reinsurance companies to avoid concentration risk. The overall distribution of the reinsurance receivable in percentage basis is given below

Credit Rating	
A	55%
BBB+	33%
Below B	12%
Total	**100%**

The overdue premiums are considered by the Group on case by case basis. If an overdue premium is recognised by the Group as uncollectible, a notification is sent to the cedants (ceding companies) and the reinsurance agreement is assigned for monitoring from the date of notification. The uncollectible portion of the premium receivable are considered as impaired and charged through the statement of comprehensive income.

On insurance receivables, the Group has a credit control policy which is enforced by the credit control unit and which forms part of the underwriting process in line with the 'No Premium, No Cover' policy guidelines issued by NAICOM in respect of Insurance Contract. Insurance covers are only granted on receipt of full premium in advance or full premium notification (credit note) from a licensed Insurance Broker. Full premium notification (credit note) shall subsist for a period of 30days.

ENTERPRISE RISK MANAGEMENT (CONT'D)

Any premium not received, in respect of premium notification, after 30days is fully impaired and the cover cancelled. Hence no impairment was recognized. The table below shows the ageing of receivables:

	GROUP		COMPANY	
	2021	2020	2021	2020
Insurance Receivables	N'000	N'000	N'000	N'000
Due Within 30 Days	16,011	7,202	16,011	7,202
Due After more than 30 days	-	-	-	-
Total	**16,011**	**7,202**	**16,011**	**7,202**

Maximum exposure to credit risk before collateral held or other credit enhancements:

	Maximum			
	GROUP		COMPANY	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Cash and cash equivalients	2,256,131	1,998,354	2,100,321	1,431,473
Insurance Receiveble	16,011	7,202	16,011	7,202
Loan & other receivables	426,429	435,136	21,184	14,263
Other securities	5,034,859	5,710,857	5,026,195	4,797,898
Total of Assets bearing credit risk	**7,733,430**	**8,151,549**	**7,163,711**	**6,250,836**

ENTERPRISE RISK MANAGEMENT (CONT'D)

Credit quality of financial assets per asset class-Group

December '2021	Cash and cash equivalients N'000	Insurance Receiveble N'000	Loan & other receivables N'000	Held to Maturity N'000
Neither past due nor impaired	2,256,131	16,011	243,889	4,431,141
Past due but not impaired	-	-	-	-
Impaired	-	-	182,539	-
Gross	2,256,131	16,011	426,429	4,431,141
Impairment allowance - collective	**-**	**-**	**(27,614)**	**-**
Net	**2,256,131**	**16,011**	**398,814**	**4,431,141**
December '2020				
Neither past due nor impaired	1,998,354	7,202	266,499	5,074,631
Past due but not impaired	-	-	-	-
Impaired	-	-	181,996	
Gross	1,998,354	7,202	448,495	5,074,631
Impairment allowance - collective	-	-	(20,561)	(43,263)
Net	**1,998,354**	**7,202**	**427,934**	**5,031,368**

Credit quality of financial assets per asset class-Company

December '2021	Cash and cash equivalients N'000	Insurance Receiveble N'000	Loan & receivables N'000	Held to Maturity N'000
Neither past due nor impaired	2,100,321	16,011	5,173	4,425,641
Past due but not impaired	-	-	-	-
Impaired	-	-	-	-
Gross	2,100,321	16,011	5,173	4,425,641
Impairment allowance - collective	**-**	**-**	**-**	**-**
Net	**2,100,321**	**16,011**	**5,173**	**4,425,641**
December '2020				
Neither past due nor impaired	1,431,473	7,202	14,263	4,224,934
Past due but not impaired	-	-	-	-
Impaired	-	-	-	-
Gross	1,431,473	7,202	14,263	4,224,934
Impairment allowance - collective	-	-	-	-
Net	**1,431,473**	**7,202**	**14,263**	**4,224,934**

ENTERPRISE RISK MANAGEMENT (CONT'D)

55.2.3

(a) Financial assets neither past due nor impaired

The credit quality of the portfolio of insurance receivables and other loans and receivables, and other financial asset exposed to credit risk that were neither past due nor impaired can be assessed by reference to the capacity of the business to pay on written businesses.

The assets above are analysed in the table below using Standard & Poors (S&P) rating (or equivalent when not available from S&P)

Group

December '2021	**A**	**B**	**Below B**	**Not Rated**	**Total**
Rating	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Cash and cash equivalients	1,400,586	690,809	58,951	105,786	2,256,131
Held to Maturity	2,820,802	1,610,339	-	-	4,431,141
Insurance Receiveble	-	-	-	16,011	16,011
Loan & receivables	0	-	-	209,445	209,445
	4,221,388	**2,301,148**	**58,951**	**331,242**	**6,912,729**

Group

December '2020

Rating	**A**	**B**	**Below B**	**Not Rated**	**Total**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Cash and cash equivalients	1,223,603	633,774	41,682	99,295	1,998,354
Held to Maturity	2,982,770	2,035,850	-	12,748	5,031,368
Insurance Receiveble	-	-	-	7,202	7,202
Loan & receivables				227,126	227,126
	4,206,373	**2,669,624**	**41,682**	**346,371**	**7,264,049**

Company

December '2021

Rating	**A**	**B**	**Below B**	**Not Rated**	**Total**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Cash and cash equivalients	1,400,586	534,998	58,951	105,786	2,100,321
Held to Maturity	2,820,802	1,404,132	-	-	4,224,934
Insurance Receiveble	-	-		16,011	16,011
Loan & receivables	-	-	-	5,173	5,173
	4,221,388	**1,939,130**	**58,951**	**126,970**	**6,346,439**

Company

December '2020

Rating	**A**	**B**	**Below B**	**Not Rated**	**Total**
	N'000	**N'000**	**N'000**	**N'000**	N'000
Cash and cash equivalients	701,601	589,699	41,682	98,491	1,431,473
Held to Maturity	2,189,084	2,035,850	-	-	4,224,934
Insurance Receiveble	-	-	-	7,202	7,202
Loan & receivables	-	-	-	7,061	7,061
	2,890,685	**2,625,549**	**41,682**	**112,754**	**5,670,670**

(b) Financial assets past due but not impaired

The Group did not have any Financial asset in this category.

ENTERPRISE RISK MANAGEMENT (CONT'D)

55.2.4 Impact of IFRS 9

The impact assessment of IFRS 9 on the company's financial assets as December 31, 2020, the reporting date after January 1, 2020, the effective implementation date of the standard is stated below;

('c) **IMPACT OF IFRS 9 ON GROUP FINANCIAL ASSET**

	GROUP			COMPANY		
Financial Assets- 2021	**IAS 39 N'000**	**IFRS 9 N'000**	**IMPACT N'000**	**IAS 39 N'000**	**IFRS 9 N'000**	**IMPACT N'000**
Held to maturity -Amortised Cost (note 5.1)	4,431,141	4,408,985	22,156	4,425,641	4,403,513	22,128
Fair Value through Profit or Loss - quoted Investment - (note 5.2)	603,717	603,717	-	600,553	600,553	-
Available-for-sale - Unquoted Investment (note 5.3)	-	-	-	-	-	-
Loans and Receivables (note 5.4)	209,445	208,398	1,047	5,173	5,147	26
Insurance Recivable (note 6(a)	16,011	16,011	-	16,011	16,011	-
Total	**5,260,315**	**5,237,112**	**23,203**	**5,047,379**	**5,025,225**	**22,154**
	5,244,303					

	GROUP			COMPANY		
Financial Assets- 2020	**IAS 39 N'000**	**IFRS 9 N'000**	**IMPACT N'000**	**IAS 39 N'000**	**IFRS 9 N'000**	**IMPACT N'000**
Held to maturity -Amortised Cost (note 5.1)	5,031,368	5,015,760	15,608	4,224,934	4,203,809	**21,125**
Fair Value through Profit or Loss - quoted Investment - (note 5.2)	639,385	639,385	-	572,964	572,964	-
Available-for-sale - Unquoted Investment (note 5.3)	40,104	23,493	16,611	-	-	-
Loans and Receivables (note 5.4)	227,126	225,924	1,202	7,061	7,026	**35**
Insurance Recivable (note 6(a)	7,202	7,202	-	7,202	7,202	-
Total	**5,945,185**	**5,911,765**	**33,420**	**4,812,162**	**4,791,000**	**21,162**

Fair value disclosures

i) Financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest.

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

a) Premium receivables
b) Loans
c) Other assets/receivables
d) Short term placements

The assets listed above are short term in nature and are receivable within 12 months from the end of the reporting period and as such the carrying amount of these financial asset are deemed to be a reasonable approximation of its fair value.

(d) Held-to-maturity financial assets, at amortised cost

(d) **Helt -to-maturity financial assets, at armortised cost**

	Fair Value			
	GROUP		COMPANY	
	2021 N'000	**2020 N'000**	**2021 N'000**	**2020 N'000**
Treasury Bill with Maturity period >90 days	2,189,352	923,675	2,183,852	871,061
Government of Nigeria Bond	200,214	1,318,785	200,214	1,318,785
Deposit with Corporate Istitution with Maturity period > 90days	2,041,576	2,788,907	2,041,576	2,035,088
Total	**4,431,141**	**5,031,367**	**4,425,641**	**4,224,934**

Fair value changes during the year are disclosed in notes 5.1 respectively.

ENTERPRISE RISK MANAGEMENT (CONT'D)

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

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

	Fair Value			
	GROUP		COMPANY	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Quoted Invesmtent- (note 5.2)	603,717	639,385	600,553	572,964
Uquoted Investment-(note5.3)	-	40,104	-	
	603,717	**679,489**	**600,553**	**572,964**

Fair value changes during the year are disclosed in 5.2 and 5.3 respectively

Risk monitoring

The Group Board Risk Committee (GBRC) is the primary executive governance and risk oversight mechanism for risk matters across the Group.

Risk oversight of credit counterparty risk on behalf of the GBRC is a responsibility of the CRO function, specifically the Credit & Counterparty Risk Manager.

Risk reporting

This section sets out the GBRC approved approach to credit risk reporting, with the overall objective of being to ensure that:

- risk information supports the need of business units and the Group to take a proactive response to developing business conditions in the context of the extent and diversification of the portfolio and the importance of individual exposures
- regulatory requirements and guidance are met

Credit portfolio modeling and reporting covers:

- credit equivalent exposure reporting, including identification of significant individual exposures
- stochastic portfolio reporting making due allowance for concentration and diversification
- stress and scenario analysis relating to 1 in 25 year adverse economic conditions

Credit counterparty risk reporting must include separate identification and assessment of problem exposures and defaulted exposures. Where appropriate the identification and assessment may be made on a portfolio rather than a case-by-case basis.

Market Risk

Market Risk the risk of loss, or of adverse change in the financial situation, resulting directly or indirectly from fluctuations in the level and in the volatility of market prices of assets, liabilities and financial instruments.

ENTERPRISE RISK MANAGEMENT (CONT'D)

Risk Identification

The key financial market risks that the Group is exposed to are fluctuations in the level and in the volatility of market prices of assets, liabilities and financial instruments. Financial Markets Risk is identified through a combination of asset-liability management (ALM) reporting by the business units and valuation reports provided by the Funds Manager. These reports will cover the market risk based on the key ALM and economic metrics agreed by the business unit with Board Risk Committee and the Investment Committee. These reports should be updated by the business unit and the Fund Manager and reviewed by the Investment Committee on a quarterly basis; or

- Prior to a proposed material change in investment policy.
- After any material financial market event (i.e. equity market movements in excess of 10% since the previous report or the 10 year changes by more than 25 basis points since the previous report).
- After any material change in the business unit liability profile.

Aggregation of the Group's overall market risk exposure will be reported by the Actuarial Function on metrics agreed with the Board Risk Committee (BRC) and Investment Committee.

Risk monitoring

The Board Risk Committee is the primary executive governance and risk oversight mechanism for risk matters across RAIP.

Business units incurring Markets risk are required to monitor the exposure and potential for loss across all asset classes in the light of changing external market and economic factors. For each asset class of business, the Board requires:

- Appropriate market risk management infrastructure to be established and maintained subject to oversight of the Board Risk Committee;
- Appropriate documentation to be established and maintained subject to oversight of the Group Board Risk Committee.

Risk reporting

The Group Board Investment and Risk Committee are empowered to determine the reporting and record-keeping requirements for Markets Risk across the Group, proportionate to the nature of risk taking activities and sufficient to comply with all regulatory rules and guidance.

They are required to ensure that reporting of derivative contracts and/or structured investment products is appropriate to the transaction volumes and purposes for which such risks are undertaken.

They are required to ensure that appropriate economic analysis and market data is available to it to ensure that risks are fully identified and to ensure a proper context for potential management actions.

Interest rate risk

The Group is moderately exposed to interest-rate risk through its conservative investment approach with high investment in fixed interest income and Money Market. The fluctuations in interest rates cannot significantly impact the group financial position as interest-rate bearing liabilities are quite small compared with the interest-rate earning assets.

ENTERPRISE RISK MANAGEMENT (CONT'D)

Foreign currency exchange rate

The Group is exposed to foreign exchange currency risk primarily through transaction denominated in foreign currencies.

The Group is exposed to foreign currencies denominated in Dollar, Euro and Pound-denominated bank balances in other foreign currencies. At the year end, the foreign currency investments held in the portfolio were cash and cash equivalents.

The carrying amounts of the Group's and company's cash and cash equivalent on a currency by currency basis is as indicated in the following table

CURRENCY RISK

	GROUP				COMPANY			
	2021		2020		2021		2020	
	N '000'	%	N '000'	%	N '000'	%	N '000'	%
DOLLAR	145,781	6.46	115,649	5.79	145,781	6.94	115,649	8.08
POUND	10,921	0.48	5,001	0.25	10,921	0.52	5,001	0.35
EURO	28,570	1.27	22,968	1.15	28,570	1.36	22,968	1.60
CEDI	-	-	444,737	22.26	-	-	-	-
NAIRA	2,070,860	91.79	1,409,999	70.56	1,915,049	91.18	1,287,855	89.97
	2,256,131	**100**	**1,998,354**	**100**	**2,100,321**	**100**	**1,431,472**	**100**

The Group further manages its exposures to foreign exchange risk using sensitivity analysis to assess potential changes in the value of foreign exchange positions and impact of such changes on the Group's investment income. risk The global pandemic has impacted the global financial risk level with massive disruption in global financing activities and value chain.

SENSITIVITY ANALYSIS

		GROUP		COMPANY	
		N '000'	N '000'	N '000'	N '000'
SENSITIVITY ANALYSIS		**2021**	**2020**	**2021**	**2020**
Naira equivalent of foreign currency balance		185,272	588,355	185,272	143,618
Potential Impact on Profit position					
	5%	9,264	29,418	9,264	7,181
	10%	18,527	58,836	18,527	14,362

ENTERPRISE RISK MANAGEMENT (CONT'D)

Equity risk

The Group's investment policy establishes limits (as approved by the Board) on the level of risk in the investment portfolio. By so doing, the portfolio is diversified while allowing for a sufficient quality in line with the level of risk aversion. The huge investment in the stock market is anchored on the fact that the volatility in the market notwithstanding, the indicators shows an upward trend in the medium to long term.

Operational Risk

Operational Risk is defined as the risk of loss resulting from inadequate or failed internal processes or from personnel, systems, and external events or from reputational damage.

Risk Identification

Inherent risks against the achievement of business objectives are identified on both a top-down approach through the business planning, objective and strategy process; and bottom-up approach through Risk Control Self Assessment, from detailed reviews of the whole range of people, processes and systems in each business area, to ensure all potential Operational risks are identified.

Triggers should be identified which will determine the need to undertake a reassessment and review of the risk profile and assessment. At a top down level, for example, this could be caused by a change in the business plan, strategic developments, change in operating model, external developments. Under a bottom up approach, for example, the need for reassessment can be cause by regulatory changes, process changes, system changes, or from changes in outsourcing approach.

Risk assessment – stress and scenario testing

As part of the annual business planning process and for individual capital assessment (ICA) purposes, stress testing analysis is conducted against a series of appropriate scenarios. Within this analysis, the implications for Operational risk are assessed using a range of modeling techniques based on the risk impact data recorded in the Group's Operational risk database.

Risk monitoring

Business Units are required to provide adequate and timely management information to enable management of risks with risk owners playing active roles in risks identification. All Operational risks have an assigned owner, and they:

- Regularly monitor their operational risks in order to detect any changes in exposure to them, including looking at.
- Actual operational risk event losses and near misses.
- Key risk indicators identified for each risk to monitor each risk exposure.
- Results of first line monitoring activity of effectiveness of operation of controls.
- Findings from assurance activity arising from both the second and third lines of defense external developments.
- Undertake regular assessment, reflecting the above, and to assess the residual risk exposure.
- Support the overall monitoring of Operational risk at Group level by providing reports on any changes in their exposure to operational risk to Group Risk Management.

ENTERPRISE RISK MANAGEMENT (CONT'D)

Risk reporting

Business Units must ensure that significant internal control deficiencies and breakdowns are reported in a timely and transparent manner to the appropriate line management, and escalate where appropriate

Risk owners must:

- report any significant changes in operational risk exposure and escalate to the appropriate Business Unit Risk Committee
- report any operational risk events arising, the corrective action being taken to address the issue to ensure it will not recur, together with any resultant impact on the valuation of the corresponding risk
- Within each business unit, each functional head should provide a risk report to be presented at the first line risk committee.

Insurance Risk

Insurance risk relates to the inherent uncertainty in the liabilities within our insurance contracts. It arises through fluctuations in the timing, frequency and severity of insured events relative to the expectations of the firm at the time of underwriting. It also includes consideration of fluctuations in the timing and amount of claims settlements.

Insurance risk is deemed to have been accepted (or written) if the Group executes a contract under relevant insurance law to make payments to policyholders (insurance liabilities) in the event of specified circumstances. Insurance risk management is concerned with the identification, analysis and response to potential fluctuations in the occurrence, amount and/or timing of its insurance liabilities.

This policy covers all such Insurance Risk that arises from our portfolios of GI business, primarily risks associated with:

- Underwriting – including inadequate or inappropriate pricing and policy terms, or inappropriate claims indemnity guidelines
- Reserving – inappropriate provisions being set aside for ultimate liabilities arising from the business written; inappropriate data modeling and assumptions leading to incorrect ultimate reserve projections
- Reinsurance – inappropriate assumptions or analysis leading to inadequate cover to protect against the frequency/severity of large losses
- Claims risk – emanating from fraud.

ENTERPRISE RISK MANAGEMENT (CONT'D)

Risk Identification

Subject to regulatory guidance, the philosophy of the group is to price insurance contracts on the basis of the risks presented and target returns required by the Group having regard to:

- Underwriting standards/processes.
- Expenses.
- Charges to policyholders.
- Anticipated persistency.
- Expected claims.

As a practical matter, the pricing principles set out in the preceding paragraph are implemented based on the expected business mix to be underwritten.

Periodic reviews are conducted to test the effectiveness of pricing in relation to the original assumptions made.

Any unit underwriting general insurance business is required to maintain a record of underwriting decisions, incorporating the rationale for business acceptance, for a period of five years.

Reinsurance arrangements

Reinsurance contracts (treaties) are executed for any of the following purposes:

- Reduction of insurance risk
- Risk financing
- Obtaining access to reinsurer pricing models and/or underwriting approach

Normally, reinsurance contracts are to be subject to a formal tendering process in line with the Group Sourcing Policy. However, subject to documented approval by the BRC, a Reinsurer can be selected directly.

All reinsurance contracts undertaken:

- Are subject to the law of Nigeria and legal process, unless subject to specific approval by the BRC.
- Only involve regulated insurance firms that meet the criteria and limitations on acceptable counterparties as set out in the Group Credit Risk Policy
- Are with regulated insurance firms domiciled in Nigeria except where the regulatory body gives approval to other Insurance companies domiciled outside Nigeria by Foreign Insurance Companies.

The defined owner of any reinsurance contract is the Managing Director.

Special Purpose Vehicles (SPV) owned by the Group may be used as reinsurance counterparties, providing all conditions within this policy are met. The credit rating of the SPV is deemed to be the credit rating of the Group (if one is held) or as agreed for this purpose by the BRC.

Appropriate legal advice are taken before any reinsurance contract is concluded. All contracts should include a resolution procedure in the event of disputes arising over wording and payout delays. If the resolution procedure is invoked in relation to matters of significance, then the BRC must be informed at the next meeting.

ENTERPRISE RISK MANAGEMENT (CONT'D)

All reinsurance arrangements must be reviewed on a minimum cycle of one year, unless agreed by the BRC, to ensure that:

- terms remain competitive
- the contract still represents good value for the GroupThe credit status of the reinsurance counterparty/ies must be monitored on a regular basis.

Risk monitoring

Business units incurring General Insurance risk are required to monitor the effectiveness of risk rating and/or pricing approaches in the light of:

- Emerging experience
- Prospective environmental conditions
- Projected persistency and expenses
- Trends in key risk indicators agreed with the BRC
- Effectiveness of underwriting/claims arrangements

For each type and class of business, the Board requires:

- Appropriate Insurance risk management infrastructure to be established and maintained subject to oversight of Board Risk Committee (BRC)
- Periodic review of experience, prospective populations and prospective insurance environment
- Appropriate expense, acquisition and other costs management to be established and maintained subject to oversight from Finance Unit
- Appropriate documentation to be established and maintained subject to oversight of the BRC.

Risk reporting

The BRC is empowered to determine the reporting and record-keeping requirements for GI Insurance Risk across the Group, proportionate to the nature of risk taking activities, and sufficient to comply with all regulatory rules and guidance.

Hazard Risk

Hazard risk is the risk arising out of any condition, situation practice, behavior or conduct that has the potential to cause harm, including injury, disease, death, environment or property and equipment damages.

Risk monitoring

This involves ongoing monitoring of the hazards identified, risks assessed and risk control processes and reviewing them to make sure they are working effectively.

Risk reporting

Business Units must ensure that significant internal control deficiencies and breakdowns are reported in a timely and transparent manner to the appropriate line management, and escalate where appropriate.

ENTERPRISE RISK MANAGEMENT (CONT'D)

Legal and compliance risk

The level of awareness of the need to identify, mitigate and manage legal risks in our business activities and transactions continues to improve. Processes have been put in place to enable officers within the Group to have access to sound legal advice on product development and business initiatives.

The Company's level of compliance has continually been reviewed in line with the demand of the Regulators to know their customers and their businesses (KYC) as well as implement processes/ controls to combat money laundering and terrorist financing. The Group identifies and mitigates these risks through continuous improvement in technology infrastructure, process rejuvenation/ revalidation and training of stakeholders to understand regulatory obligations and consequences of non-compliance.

The Group in the year had been prompt and accurate in rendering all relevant reports to the regulators.

Outsourcing risk

Outsourcing is an arrangement in which one entity provides services for another entity that could also be or usually have been provided in-house. Outsourcing is a trend that is becoming more common in insurance Companies and other industries for services that have usually been regarded as intrinsic to managing a business.

Anti-corruption Risk

Bribery is the offer, promise, giving, demanding or acceptance of an advantage as an inducement for an action which is illegal, unethical or a breach of trust.

Corruption is the misuse of office or power or influence for private gain.

The group has a well-established reputation for conducting business in an ethical and honest way. This reputation is built on our company value of Integrity, which is a major, underlying theme found throughout our Code of Responsible Business Practice.

The group manages bribery and corruption risk in line with the group's established risk management framework. The group ensures accurate books and record keeping for proper financial reporting, effective monitoring and internal control to prevent bribery and corruption.

Cybersecurity Risk

This is the probability of exposure or loss resulting from a cyber attack or data breach. This risk has become heightened by the need to implement remote working system across many organizations globally and the high growth of digital economy. As more and more insurance business process and exchange are digitalized, breaches increase from hackers often with pecuniary or malicious intention for disruptions. This underscores a clear need for threat intelligence tools and security programs to reduce organization's cyber risk and highlight potential attack surfaces evidenced by recent '*solarwind'* cyber-attack that exposed many reputable organizations and the US government departments. Our company has invested in safeguard of its data, third party data and provide adequate Business Continuity Plan(BCP). The company experienced no cyber security issue in the year, and it is hoped that the adequacy of our BCP and the company's Disaster Recovery Plan (DRP) can be deployed to serve all stakeholders in case of any cyber attack on the company's operations.

Health Risk

The COVID 19 pandemic had its effect on the activities of the company as the offices of the company were closed during the total lockdown in line with government pronouncements though remote working was activated to enable the company to operate smoothly. Following the lift of the lockdown and in line with NCDC protocols, the company and staff had continued to adhere strictly adhere to all the non- pharmaceutical interventions and directives in all its offices. This is to safeguard the health and well being of staff and all who have reason to visit the company's offices.

Business Risk

The company, just like others in the country felt the impact of the COVID-19 pandemic. The company examined the impact on the impact on the business and strategy performance especially in the hardest hit areas of the economy like Aviation, Oil/Gas, Hospitality and Tourism. Provisions were

made for the continued functioning of each Strategic Business Unit(SBU) which enabled the company to weather the peak of the pandemic in Nigeria. The company also have post COVI-19 plans aimed at repositioning the company for greater service delivery efficiency reckoning new realities of business climate.

ASSET/LIABILITY MANAGEMENT

56 Capital Management

The Group's objectives with respect to capital management are to maintain a capital base that is structured to exceed regulatory and to best utilize capital allocations. Insurance industry regulator measures the financial strength of Non-life insurers using a solvency margin model, NAICOM generally expect non-life insurers to comply with this capital adequacy requirement.

Section 24 of the Insurance Act 2003 define Solvency Margin of a Non-life insurer as the difference between the admissible assets and liabilities and this shall not be less than 15% of Net Premium Income (Gross Premium Income less Re-insurance premium paid) or the minimum capital base (3 billion) whichever is higher.
This test compares insurer's capital against the risk profile. The regulator indicated that insurers should produce a minimum solvency margin of 100%.
During the year, the Group has consistently exceeded this minimum. The regulator has the authority to request more extensive reporting and can place restrictions on the Group's operations if the Group falls below this requirement.

REGENCY ALLIANCE INSURANCE PLC
computation of solvency margin ratio

	THE COMPANY			
	TOTAL	INADMISSIBLE	ADMISSIBLE	ADMISSIBLE
	2021	2021	2021	2020
ASSETS:	=N=000	=N=000	=N=000	=N=000
Cash and cash equivalent	2,100,321	-	2,100,321	1,431,473
Financial Assets	5,031,368	-	5,031,368	4,804,960
Trade receivables	16,011	-	16,011	7,202
Reinsurance assets	2,206,757	-	2,206,757	1,127,475
Deferred Acquisition Cost	124,381	-	124,381	85,069
Other Receivables and Prepayments	18,917	18,917	-	-
Investment in subsidiaries	473,116	-	473,116	473,116
Intangible Assets	21,560	21,560	-	-
Investment Properties	510,000	-	510,000	505,000
PPE- (Land&building)	758,166	268,166	490,000	495,000
PPE- (Others)	38,458	-	38,458	61,289
Statutory Deposit	300,000	-	300,000	300,000
TOTAL ASSETS:	**11,599,055**	**308,643**	**11,290,412**	**9,290,583**
LIABILITIES:				
Insurance Contracty Liability	4,313,541	-	4,313,541	2,971,806
Trade payable	4,552		4,552	6,525
Retirement benefit obligation	2,774	-	2,774	3,013
Other payables	151,846	-	151,846	194,728
Provision for Taxation	127,817	-	127,817	201,499
Deferred Income Tax Liabilities	103,475	103,475	-	
Deposit for shares	245,000	-	245,000	245,000
	4,949,005	103,475	4,845,530	3,622,572
SOLVENCY MARGIN			**6,444,882**	**5,668,011**
Not lesser than either				
Higher of 15% of Net Premium or Minimum capital base			3,000,000	3,000,000
Surplus			3,444,882	**2,668,011**
SOLVENCY RATIO (%)			**215**	189

The Company's capital requirement ratio and solvency margin above is the requirements of the insurance Act Cap117,LFN 2004

REGENCY ALLIANCE INSURANCE PLC
computation of solvency margin ratio

		THE COMPANY		
	TOTAL	INADMISSIBLE	ADMISSIBLE	ADMISSIBLE
	2020	2020	2020	2019
ASSETS:	=N=000	=N=000	=N=000	=N=000
Cash and cash equivalent	1,431,473	-	1,431,473	2,162,508
Financial Assets	4,804,960	-	4,804,960	2,646,559
Trade receivables	7,202	-	7,202	5,631
Reinsurance assets	1,127,475	-	1,127,475	1,015,101
Deferred Acquisition Cost	85,069	-	85,069	76,532
Other Receivables and Prepayments	20,236	20,236	-	-
Investment in subsidiaries	1,026,170	553,054	473,116	390,385
Intangible Assets	7,820	7,820	-	-
Investment Properties	505,000	-	505,000	495,962
PPE- (Land&building)	676,262	181,262	495,000	504,038
PPE- (Others)	61,289	-	61,289	123,503
Statutory Deposit	300,000	-	300,000	300,000
TOTAL ASSETS:	**10,052,954**	**762,371**	**9,290,583**	**7,720,217**
LIABILITIES:				
Insurance Contracty Liability	2,971,806	-	2,971,806	2,318,367
Trade payable	6,525		6,525	-
Retirement benefit obligation	3,013	-	3,013	3,007
Other payables	194,728	-	194,728	200,716
Provision for Taxation	201,499	-	201,499	214,085
Deferred Income Tax Liabilities	101,077	101,077	-	
Deposit for shares	245,000	-	245,000	-
	3,723,649	101,077	3,622,572	2,736,175
SOLVENCY MARGIN			**5,668,011**	**4,984,042**
Not lesser than either				
Higher of 15% of Net Premium or Minimum capital base			3,000,000	3,000,000
Surplus			2,668,011	**1,984,042**
SOLVENCY RATIO (%)			**189**	166

The Company's capital requirement ratio and solvency margin above is the requirements of the insurance Act Cap117,LFN 2004

ASSET/LIABILITY MANAGEMENT (Cont'd)
Fair Value Hierarchy

The Group's accounting policy on fair value measurements is discussed under note 3.2

Level 1: Fair value measurements classified as Level 1 include exchange-traded prices of fixed maturities and equity securities unadjusted in active market for identical assets and liabilities.
Level 2: The 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. Observable inputs generally used to measure the fair value of securities classified as Level 2 include benchmark yields, reported secondary trades, broker-dealer quotes, issuer spreads, benchmark securities, bids, offers and reference 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. Hence fair values can only be calculated using estimates based on available data or risk adjusted value range.

The following table analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorized:

	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Group 2021				
Quoted Equities - Fair Value Through Profit or Loss	603,717	-		603,717
Unquoted Equity-Available-for-sale	-	-	-	-
Total	**603,717**	**-**	**-**	**603,717**
Company 2021				
Quoted Equities - Fair Value Through Profit or Loss	600,553	-	-	600,553
Unquoted Equity-Available-for-sale	-	-	-	-
Total	**600,553**	**-**	**-**	**600,553**

	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Group 2020				
Quoted Equities - Fair Value Through Profit or Loss	639,385	-		639,385
Unquoted Equity-Available-for-sale	-	-	40,104	40,104
Total	**639,385**	**-**	**40,104**	**679,489**
Company 2020				
Quoted Equities - Fair Value Through Profit or Loss	572,964	-	-	572,964
Unquoted Equity-Available-for-sale	-	-	-	-
Total	**572,964**	**-**	**-**	**572,964**

Fair value of financial assets and liabilities
Financial instruments not measured at fair value

Group 2021	**Carrying Value**	**Level 1**	**Level 2**	**Level 3**	**Fair value**
Financial Assets:	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Cash and cash equivalients	2,256,131	2,256,131	-	-	2,256,131
Held to Maturity	4,431,141	4,431,141	-	-	4,431,141
Insurance Receiveble	16,011	-	-	16,011	16,011
Loan & receivables	209,445	-	-	209,445	209,445
Total Assets	**6,912,729**	**6,687,273**	**-**	**225,456**	**6,912,729**
LIABILITIES					-
Insurance payables	4,313,541	-	-	4,313,541	4,313,541
Trade Payables	43,247	-	-	43,247	43,247
Total Liabilities	**4,356,789**	**-**	**-**	**4,356,789**	**4,356,789**

Group 2020	**Carrying Value**	**Level 1**	**Level 2**	**Level 3**	**Fair value**
Financial Assets:	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Cash and cash equivalients	1,998,354	1,998,354	-	-	1,998,354
Held to Maturity	5,031,368	5,031,368	-	-	5,031,368
Insurance Receiveble	7,202	-	-	7,202	7,202
Loan & receivables	227,126	-	-	227,126	227,126
Total Assets	**7,264,050**	**7,029,722**	**-**	**234,328**	**7,264,049**
					-
LIABILITIES					-
Insurance payables	4,341,272	-	-	4,341,272	4,341,271.9
Trade Payables	21,939	-	-	21,939	21,938.7
Total Liabilities	**4,363,211**	**-**	**-**	**4,363,211**	**4,363,211**

Company 2021	**Carrying Value**	**Level 1**	**Level 2**	**Level 3**	**Fair value**
Financial Assets:	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Cash and cash equivalients	2,100,321	2,100,321	-	-	2,100,321
Held to Maturity	4,425,641	4,425,641	-	-	4,425,641
Insurance Receiveble	16,011	-	-	16,011	16,011
Loan & receivables	5,173	-	-	5,173	5,173
Total Assets	**6,547,146**	**6,525,962**	**-**	**21,184**	**6,547,146**
LIABILITIES					
Insurance payables	4,313,541	-	-	4,313,541	4,313,541
Trade Payables	43,247	-	-	43,247	43,247
Total Liabilities	**4,356,789**	**-**	**-**	**4,356,789**	**4,356,789**

Company 2020	**Carrying Value**	**Level 1**	**Level 2**	**Level 3**	**Fair value**
Financial Assets:	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Cash and cash equivalients	1,431,473	1,431,473	-	-	1,431,473
Held to Maturity	4,224,934	4,224,934	-	-	4,224,934
Insurance Receiveble	-	-	-	7,202	7,202
Loan & receivables	-	-	-	7,061	7,061
Total Assets	**5,656,407**	**5,656,407**	**-**	**14,263**	**5,670,670**
LIABILITIES		-	-	-	-
Insurance payables	2,971,806			2,971,806	2,971,806
Trade Payables	-	-	-	-	-
Total Liabilities	**2,971,806**	**-**	**-**	**2,971,806**	**2,971,806**

Note: Financial liabilities carrying amounts approximates their fair value

Determination of Fair Value
The determination of fair value for each class of financial instruments was based on the particular characteristic of the instruments. The method and assumptions applied are enumerated as follows:

Cash and cash equivalent, borrowings and unquoted held to- maturity bonds
The estimated fair value of fixed interest placement with banks, treasury bill, bonds and borrowings is based on the discounted cash flow techniques using prevailing money market interest rates for debts and similar credit risk and remaining maturity. If the due date of the liability or the asset is less than one year discounting is omitted

Quoted securities at fair value through profit or loss (FVTPOL)
The fair value for quoted equity is based on market prices quotations prevailing at capital market at the reporting date

Unquoted equity securities (available for sale)

The fair value of unquoted equity is based on the cost model using the latest audited financial information available.

Insurance liabilities
See Note 3.16

Trade receivables and payables, reinsurance receivables and other payables
The estimated fair value of receivables and payables with no stated maturity which includes no interest payables and receivables is the amount repayable or to be received on demand.

HYPOTHECATION

The Group is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that the in the long- term its investment proceeds will not be sufficient to fund the obligations arising from its insurance contracts and investment portfolio . In response to the risk, the Group's assets and liabilities are allocated as follows:

	THE GROUP			THE COMPANY		
	INSURANCE CONTRACT NON-LIFE	SHARE HOLDER FUND NON-LIFE	TOTAL	INSURANCE CONTRACT NON-LIFE	SHARE HOLDER FUND NON-LIFE	TOTAL
	Dec-21	Dec-21	Dec-21	Dec-21	Dec-21	Dec-21
ASSETS	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Cash and Cash equivalents	2,256,131	-	2,256,131	2,100,321	-	2,100,321
Financial Assets:	-	-	-	-	-	-
- Held-to-maturity	2,384,066	4,225,427	6,609,493	2,384,066	2,041,576	4,425,641
- Available-for-sale	-	-	-	-	-	-
- At fair value through profit or loss	-	603,717	603,717	-	600,553	600,553
- Loan and receivable	-	209,445	209,445	-	5,173	5,173
Trade Receivables	-	216,984	216,984	-	16,011	16,011
Reinsurance assets	2,206,395	-	2,206,395	2,206,757	-	2,206,757
Deferred Acquisition Cost	-	124,381	124,381	-	124,381	124,381
Other Receivables and prepayments	-	53,710	53,710	-	18,917	18,917
Inventory	-	4,725	4,725	-	-	-
Deferred Tax	-	-	-	-	-	-
Prepaid Income Tax	-	-	-	-	-	-
Investment Properties	-	635,547	635,547		510,000	510,000
Investment in subsidiaries	-	-	-	-	473,116	473,116
Goodwill and Intangible Assets	-	21,595	21,595	-	21,560	21,560
Property, Plant and Equipment	-	805,114	805,114	-	796,625	796,625
Statutory Deposits	-	300,000	300,000	-	300,000	300,000
Total Assets	**6,846,592**	**7,200,646**	**14,047,237**	**6,691,143**	**4,907,912**	**11,599,055**
LIABILITIES						
Insurance Contract Liabilities	4,313,541	-	4,313,541	4,313,541	-	4,313,541
Trade Payables	-	43,247	43,247	-	4,552	4,552
Provisions & Other Trade Payables	-	294,697	294,697	-	151,846	151,846
Retirement benefit obligation	-	2,774	2,774	-	2,774	2,774
Provision for Current Income Tax Liabilities	-	142,848	142,848	-	127,817	127,817
Deferred income tax liabilities	-	103,475	103,475	-	103,475	103,475
Bank Overdraft	-	-	-	-	-	-
Total Liabilities	**4,313,541**	**587,040**	**4,900,582**	**4,313,541**	**390,464**	**4,704,005**
GAP	**2,533,051**	**6,613,605**	**9,146,656**	**2,377,601**	**4,517,448**	**6,895,050**

HYPOTHECATION

The Group is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that the in the long- term its investment proceeds will not be sufficient to fund the obligations arising from its insurance contracts and investment portfolio . In response to the risk, the Group's assets and liabilities are allocated as follows:

	THE GROUP			THE COMPANY		
	INSURANCE CONTRACT NON-LIFE	SHARE HOLDER FUND NON-LIFE	TOTAL	INSURANCE CONTRACT NON-LIFE	SHARE HOLDER FUND NON-LIFE	TOTAL
	Dec-20	Dec-20	Dec-20	Dec-20	Dec-20	Dec-20
ASSETS	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Cash and Cash equivalents	1,998,354	-	1,998,354	1,431,473	-	1,431,473
Financial Assets:	-	-	-	-	-	-
- Held-to-maturity	1,318,785	3,712,582	5,031,368	1,318,785	2,906,149	4,224,934
- Available-for-sale	-	40,104	40,104	-	-	-
- At fair value through profit or loss	-	639,385	639,385	-	572,964	572,964
- Loan and receivable	-	227,126	227,126	-	7,061	7,061
Trade Receivables	-	208,010	208,010	-	7,202	7,202
Reinsurance assets	2,269,284	-	2,269,284	1,127,475	-	1,127,475
Deferred Acquisition Cost	-	253,827	253,827	-	85,069	85,069
Other Receivables and prepayments	-	193,400	193,400	-	20,236	20,236
Inventory	-	6,267	6,267	-	-	-
Deferred Tax	-	-	-	-	-	-
Prepaid Income Tax	-	-	-	-	-	-
Investment Properties	-	621,919	621,919		505,000	505,000
Investment in subsidiaries	-	-	-	-	1,026,170	1,026,170
Goodwill and Intangible Assets	-	11,491	11,491	-	7,820	7,820
Property, Plant and Equipment	-	820,605	820,605	-	737,551	737,551
Statutory Deposits	-	424,110	424,110	-	300,000	300,000
Total Assets	**5,586,422**	**7,158,825**	**12,745,247**	**3,877,733**	**6,175,221**	**10,052,954**
LIABILITIES						
Insurance Contract Liabilities	4,341,272	-	4,341,272	2,971,806	-	2,971,806
Trade Payables	-	21,939	21,939	-	6,525	6,525
Provisions & Other Trade Payables	-	787,351	787,351	-	194,728	194,728
Retirement benefit obligation	-	3,013	3,013	-	3,013	3,013
Provision for Current Income Tax Liabilities	-	225,833	225,833	-	201,499	201,499
Deferred income tax liabilities	-	93,998	93,998	-	101,077	101,077
Bank Overdraft	-	-	-	-	-	-
Total Liabilities	**4,341,272**	**1,132,134**	**5,473,406**	**2,971,806**	**506,843**	**3,478,649**
GAP	**1,245,150**	**6,026,691**	**7,271,841**	**905,926**	**5,668,378**	**6,574,305**

Following the management approach of IFRS 8, the Group is organised into four operating segments. These segments distribute their products through various forms of brokers, agencies, and direct marketing programs. Management identifies its reportable operating segments by *product line. These segments and their respective operations are as follows:*

Non-life/General business
The protection of customers' assets (particularly their properties, both for personal and commercial business) and indemnification of other parties that have suffered damage as a result of customers' accidents. All contracts in this segment are over a short contractual term. Revenue in this segment is derived primarily from insurance premium, investment income, net realized gains on financial assets, and net fair value gains on financial assets at fair value through profit or loss.

Properties & Investment
This segment undertakes real estate development projects and offers finance lease facilities to meet the needs of individuals and coporate bodies. Revenue from this segment is derived primarily from fee income,investment income, net realised gain on finacial assets.

Retail and Microfinance Banking
This segement provides financial services in retail and microfinance banking. Revenue from this segment is primarily derived from interest income, fees and commission.

Vehicle Tracking Services
This segment provides quality and dependable automatic vehicle tracking and location solutions.It provides and installs vehicle tracking and fleet management products on daily basis. Revenue in this segment is derived primarily from trading income and investment income

The segment information provided by Management for the reporting segments for the year ended 31 December 2021

	Regency Alliance Nigeria 2021	Ric prop.&Invest Nigeria 2021	Ric Microfinance Bank Nigeria 2021	Ric Tecnologies Nigeria 2021
	Non life	Prop.& invest.	Microfinance bank	Vehicle Tracking
	₦'000	₦'000	₦'000	₦'000
Gross premium income	4,657,792	-	-	-
Insurance premium ceded to reinsurers	(1,716,788)	-	-	-
Net insurance premium revenue	2,941,004	-	-	-
Fee and commision Income	100,097	-	-	-
Net trading income	-	-	-	8,118
Interest Income	-	-	38,480	
Interest expense	-	-	(1,827)	-
Lease rental	-	37,716	-	-
Investment income	364,730	4,342	-	441
Other operating income	11,581	1,115	1,243	
Fair value Gain on Investment Properties	5,000	-	-	-
Net Income	3,422,412	43,174	37,896	8,560
Net insurance claims paid	1,031,285	-	-	-
Underwriting expenses:				
Acquisition expenses	401,932	-	-	-
Maintenance expenses	293,154	-	-	-
Net expenses	1,726,371	-	-	-
Reportable segment profit	1,696,041	43,174	37,896	8,560
Profit before tax after charging the following:	343,275	2,296	(2,298)	2,230
Management expenses	908,432	39,237	34,440	6,329
Net realised gain/(loss) on financial assets	(108,720)	341	-	-
Impairment loss	-	1,300	-	-
Impairment on Subsidiary	(553,054)	-	-	-
Income tax expenses	22,530	46	321	-
Total assets	11,599,055	196,287	113,294	18,437
Total Liabilities	4,949,005	142,986	110,126	1,289
Net assets	6,650,050	53,300	3,168	17,147

Reconciliation of segment results of operations to financial results of operations

	Regency Alliance Nigeria 2021	Ric prop.&Invest Nigeria 2021	Ric Microfinance Nigeria 2021	Ric Tecnologies Nigeria 2021
	Non life	Prop.& invest.	Microfinance bank	Vehicle Tracking
	₦'000	₦'000	₦'000	₦'000
At 31 December				
Net insurance premium revenue	2,941,004	-	-	-
Fee Income	100,097	-	-	-
Net trading income	-	-	-	8,118
Interest Income	-	-	38,480	-
Interest expenses		-	(1,827)	
Lease rental	-	37,716	-	-
Investment returns	364,730	4,342	-	441
Other operating income	11,581	1,115	1,243	-
Fair value Gain on Investment Properties	5,000	-	-	-
Net insurance claims paid	(1,031,285)	-	-	-
Underwriting expenses	(695,086)	-	-	-
Management and Other expenses	(908,432)	(39,237)	(34,440)	(6,329)
Net realise (loss) on financial asset	108,720	(341)	(5,754)	
Impairment on trade receivables	-	(1,300)	-	-
Impairment on Subsidiary	(553,054)			
Operating profit	343,275	2,296	(2,298)	2,230

Segment Information (Cont'd)

Information on reportable underwriting profit on each line of non-life insurance business are shown below:

APPENDIX II

THE COMPANY

REVENUE ACCOUNT

	Accident	Aviation	Bond	Eng	Oil/Gas	Fire	Marine	Motor	Empl/Liab	TOTAL 2021	TOTAL 2020
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
INCOME											
Direct Premium	589,501	416,917	4,053	625,164	1,637,973	209,948	984,057	610,485	7,207	5,085,306	3,846,848
Facultative Inward Premium	380	3,327	234	20,167	0	2,711	5,636	708	0	33,163	31,688
Gross Premium Written	**589,881**	**420,243**	**4,287**	**645,331**	**1,637,973**	**212,659**	**989,693**	**611,192**	**7,207**	**5,118,468**	**3,878,537**
Transfer to Unexpired Risk	(8,352)	(36,351)	841	(131,755)	(151,145)	(5,139)	(69,982)	(58,425)	(368)	(460,676)	55,488
Gross Premium Income	**581,529**	**383,892**	**5,128**	**513,576**	**1,486,828**	**207,520**	**919,711**	**552,767**	**6,839**	**4,657,792**	**3,934,025**
Outward Reinsurance											
Less: Reinsurance Expenses	179,978	208,469	1,054	84,229	762,812	57,730	232,649	189,818	50	1,716,788	1,458,821
Net Premium Income	**401,551**	**175,424**	**4,074**	**429,348**	**724,017**	**149,790**	**687,063**	**362,949**	**6,789**	**2,941,004**	**2,475,204**
Fees & Commission Income	17,493	1,938	310	27,843	0	25,574	22,409	4,482	50	100,097	66,646
Total Income	**419,044**	**177,362**	**4,383**	**457,190**	**724,017**	**175,364**	**709,471**	**367,431**	**6,839**	**3,041,101**	**2,541,850**
EXPENSES											
Gross Claim Paid	103,818	13,681	0	325,991	584,410	120,653	4,670	89,218	0	1,242,440	574,659
Adjuster Fee	340	45	0	1,068	1,916	395	15	292	0	4,072	6,976
Transfer to Outstanding Claim	9,269	1,700	-	(10,859)	(92,827)	5,098	168,319	(2,934)	-	77,765	408,775
Less: Movement in IBNR	20,274	116,839	1,916	(4,050)	548,620	(14,169)	59,723	73,343	798	803,294	300,152
Gross Claim Incured	133,701	132,265	1,916	312,150	1,042,119	111,977	232,727	159,919	798	2,127,572	1,290,562
Less: Outward reinsurance Recoveries	9,801	0	0	243,750	22,428	28,956	878	7,526	0	313,340	291,586
Less: Recoverable on paid Claim	-	-	-	-	-	-	-	(137)	-	-137	498
Less: recoverable on outstanding claims	(0)	-	-	0	140,636	0	142,000	-	-	282,636	14,973
Less: Recoverable on IBNR	3,267	60,926	254	(26,822)	427,499	(4,253)	9,010	30,567	-	500,448	112,227
Net Claim Expenses (B)	120,633	71,339	1,662	95,222	451,556	87,273	80,839	121,962	798	1,031,285	871,278
UNDERWRITING EXPENSES										1,031,285	
Acquisition											
Commission	78,596	37,293	1,035	79,484	37,142	28,620	64,592	73,996	1,175	401,932	323,270
Others	7,026	6,871	-	96	11,715	1,510	739	888	19	28,864	13,466
Maintenance	57,932	12,135	11,890	25,599	62,875	9,838	50,972	32,839	211	264,290	196,607
Total Underwriting Expenses (C)	143,554	56,298	12,924	105,178	111,732	39,968	116,302	107,722	1,406	695,086	533,343
Underwriting Profit (A-B-C)	**154,856**	**49,724**	**(10,203)**	**256,790**	**160,728**	**48,123**	**512,329**	**137,747**	**4,635**	**1,314,730**	**1,137,227**

Other National Disclosure

Information on reportable underwriting profit on each line of non-life insurance business are shown below:

VALUE ADDED STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

		GROUP				COMPANY			
		2021		2020		2021		2020	
		=N='000	%	=N='000	%	=N='000	%	=N='000	%
Net Premium	-Nigeria	3,041,101		2,541,849		3,041,101		2,541,849	
	- Foreign	-		2,187,208		-		-	
Net Interest Income	-Nigeria	36,653		37,084		-		-	
Net Trading Income	-Nigeria	8,118		6,412		-		-	
Lease Rental Income	- Nigeria	31,145		32,059		-		-	
Investment Income	-Nigeria	369,513		337,941		364,730		331,557	
Investment Income	-Foreign	-		105,572		-		-	
Other Income	-Nigeria	18,939		23,341		16,581		21,410	
Other Income	-Foreign	-		203,707		-		-	
Fair value Gain on Investment Properties				-				-	
Claims Incured,Net Commissios and Operating Expenses:									
	-Nigeria	(2,570,725)		(1,975,993)		(2,530,214)		(1,642,863)	
	- Foreign	-		(1,666,149)		-		-	
Value Added		934,745	100.00	1,833,031	100.00	892,198	100.00	1,251,953	100.00
APPLIED AS FOLLOWS									
IN PAYMENT TO EMPLOYEES									
Salaries, Wages and other benefits		373,794	39.99	833,311	45.46	334,370	37.48	370,436	29.59
IN PAYMENT TO PROVIDERS OF CAPITAL									
Dividend		-		-		-			
IN PAYMENT TO GOVERNMENT									
Taxation		22,896	2.45	70,168	3.83	22,530	2.53	52,550	4.20
RETAINED FOR REPLACEMENT OF ASSETS									
AND EXPANSION OF THE BUSINESS									
Depreciation		57,796	6.18	99,018	5.40	56,738	6.36	64,687	5.17
Armotisation of Intangible Asset		4,279	0.46	11,873	0.65	4,261	0.48	9,976	0.80
Contingency reserve		153,554	16.43	196,295	10.71	153,554	17.21	125,717	10.04
Retained Profit		322,425	34.49	622,366	33.95	320,746	35.95	628,587	50.21
		934,745	100.00	1,833,031	100.00	892,198	100.00	1,251,953	100.00

FIVE YEAR FINANCIAL SUMMARY

STATEMENT OF COMPREHENSIVE INCOME	The Group					The Company				
	2021 =N='000	2020 =N='000	2019 =N='000	2018 =N='000	2017 =N='000	2021 =N='000	2020 =N='000	2019 =N='000	2018 =N='000	2017 =N='000
Gross Premium Written	5,118,468	6,543,160	6,274,793	5,766,792	5,582,542	5,118,468	3,878,536	3,946,287	3,407,976	3,367,726
Gross Premium Income	4,657,792	6,552,055	6,271,032	5,869,759	5,388,945	4,657,792	3,934,024	3,851,067	3,480,086	3,144,344
Profit before tax	345,503	660,457	1,004,708	373,085	412,570	343,275	681,137	838,548	254,533	252,866
Income Tax Expense	(22,896)	(70,168)	(288,319)	(99,733)	(137,210)	(22,530)	(52,550)	(188,954)	(44,933)	(56,391)
Profit after Taxation	322,607	590,289	716,389	273,352	275,360	320,746	628,587	649,594	209,600	196,475
Transfer to Contingency Reserve	153,554	196,295	188,244	173,004	137,867	153,554	125,717	129,919	102,239	101,032
STATEMENT OF FINANCIAL POSITION										
Assets										
Cash and Cash equivalents	2,256,131	1,998,354	2,551,588	1,986,364	1,944,231	2,100,321	1,431,473	2,219,991	1,861,142	1,580,186
Financial Assets:										
- Held-to-maturity	4,431,141	5,031,368	3,121,573	2,562,143	2,104,171	4,425,641	4,224,934	1,992,338	1,397,913	1,111,387
- At fair value through profit or loss	603,717	639,385	564,460	697,893	837,734	600,553	572,964	554,900	685,457	833,521
- Available-for-sale	-	40,104	45,759	46,686	49,065	-	-	7,596	7,136	6,547
- Loan and receivable	209,445	227,126	240,319	221,346	219,975	5,173	7,061	91,724	3,031	130
Trade Receivables	216,984	208,010	132,558	128,706	118,323	16,011	7,202	5,631	7,851	11,571
Reinsurance assets	2,206,757	2,269,782	1,394,553	1,707,436	1,613,431	2,206,757	1,127,475	1,015,101	1,044,565	909,635
Deferred Acquisition Cost	124,381	253,827	160,677	223,221	273,200	124,381	85,069	76,532	115,385	168,486
Other Receivables and prepayments	53,710	193,400	240,344	207,891	137,184	18,917	20,236	16,750	30,136	15,650
Prepaid Tax	-			9,188	8,209	-	-	-	-	-
Deferred Tax	-	-	8,334	5,107	209	-	-	-	-	-
Inventory	4,725	6,267	7,743	8,839	9,634	-	-	-	-	-
Investment in subsidiaries	-	-	-	-	-	473,116	1,026,170	943,438	943,438	943,438
Deposit for shares in Subsidiary	-	-	-	-	-	-	-	-	-	-
Goodwill									-	-
Goodwill and Intangible Assets	21,595	11,491	17,051	25,608	40,822	21,560	7,820	14,644	22,122	34,237
Investment properties	635,547	621,919	612,881	646,919	116,919	510,000	505,000	495,962	530,000	-
Property, Plant and Equipment	805,114	820,605	869,871	964,846	1,433,720	796,625	737,551	801,784	872,663	1,333,229
Statutory Deposits	300,000	424,110	406,436	410,888	402,499	300,000	300,000	300,000	300,000	300,000
Total Assets	**11,869,247**	**12,745,746**	**10,374,147**	**9,853,082**	**9,309,326**	**11,599,055**	**10,052,954**	**8,536,393**	**7,820,840**	**7,248,018**
LIABILITIES									-	-
Insurance Contract Liabilities	4,313,541	4,341,272	3,018,623	3,194,160	2,731,042	4,313,541	2,971,806	2,318,367	2,386,155	1,856,530
Trade Payables	43,247	21,939	11,020	6,680	28,016	4,552	6,525	-	-	-
Other Trade Payables	294,697	787,351	612,848	559,656	538,497	151,846	194,728	200,716	147,570	172,445
Retirement benefit obligation	2,774	3,013	3,007	5,862	3,363	2,774	3,013	3,007	3,282	3,363
Provision for Current Income Tax Liabilities	142,848	225,833	262,322	189,305	174,419	127,817	201,499	214,085	185,534	162,425
Deferred income tax liabilities	103,475	93,998	99,500	47,496	109,024	103,475	101,077	99,500	47,496	109,024
Bank Overdraft	-	-	16,703	8,246	4,089	-	-	-	-	-
Deposit for shares	245,000	245,000	-	-	-	245,000	245,000	-	-	-
Total Liabilities	**5,145,582**	**5,718,406**	**4,024,023**	**4,011,405**	**2,955,373**	**4,949,005**	**3,723,648**	**2,835,675**	**2,770,038**	**2,303,787**
EQUITY										
Total equity attributable to owners of the parent:										
Issued and Paid up share capital	3,334,375	3,334,375	3,334,375	3,334,375	3,334,375	3,334,375	3,334,375	3,334,375	3,334,375	3,334,375
Contingency Reserve	1,620,433	1,866,521	1,670,226	1,481,982	1,361,412	1,620,433	1,466,878	1,341,161	1,211,242	1,109,003
Retained Earnings	1,746,801	1,201,684	772,225	283,257	342,862	1,695,243	1,528,051	1,021,793	502,119	498,241
Fair Value Reserves	-	7,769	10,226	6,760	2,612	-	-	3,388	3,066	2,612
Other Reserves	-	63,387	(22,610)	188,798	201,481	-	-	-	-	-
Subtotal	6,701,609	6,473,736	5,764,442	5,295,172	5,242,742	6,650,050	6,329,304	5,700,717	5,050,802	4,944,231
Non-controlling Interest in Equity	22,057	553,604	585,682	546,504	478,133	-	-	-	-	-
Equity and Liability	11,869,248	12,745,746	10,374,147	9,853,082	9,309,326	11,599,056	10,052,952	8,536,392	7,820,840	7,248,018
Basic and diluted Earnings per share (in kobo)	4.84	8.85	10.74	4.10	4.13	4.81	9.43	3.14	2.95	7.06