ANNUAL REPORT

2021

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

AFRICAN ALLIANCE
INSURANCE PLC
With you for life

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About Us

African Alliance Insurance PLC is widely recognised as the most experienced and strongest Specialist Life Assurance Office in Nigeria, serving thousands of customers with personalised insurance products tailored for each stage of their lives.

Formerly African Alliance Insurance Limited, we were incorporated on May 6, 1960 by our founders, Chief S.L. Edu (CON), Mr T. A. Braithwaite(CON) and Chief M.E.R. Okorodudu, backed by world class reinsurers and co-shareholders, Munich Reinsurance Company.

Today, African Alliance Insurance PLC drives innovation in the 21st century and uniquely positions itself to offer premium value to all its stakeholders, from its esteemed customers to its employees, partners and shareholders.

Operating a network of 18 branch offices managed by a competent and passionate team, we offer a creative combination of Protection (Term Assurance and Group Life), Savings and Investments Products. Our clients choose us for our rich history exemplified by excellent customer service delivery and prompt claims settlement. In fact, in 2019 financial year alone, we paid an estimated N9 billion in settlement of various claims.

African Alliance Insurance PLC currently boasts of a Capital Base of N10.29 billion with a Gross Premium Income and Asset Base estimated as N7.3 billion and N37.70 billion respectively (2019 audited results), an evidence of our strength, heritage and clients' trust in our brand.

INSURANCE PLC
With you for life

Our **Mision**

We improve the quality of lives of our clients, and add value to our shareholders

Our **Vision**

To be the most preferred life insurance specialist

Our **Core Values**

Our values are our guiding principles, the pillars upon which all we do is built. They inspire our internal culture and conduct towards our clients and other stakeholders. In all we do, therefore, we are guided by these values, represented by our acronym –AAIPLC.

Accountability
We are responsible

Accessibility
We are within your reach

Integrity
We keep our words

Professionalism
We provide quality service

Loyalty
We are committed to our stakeholders

Creativity
We are innovative

Membership of the Board of Directors during the year ended 31 December, 2021

Anthony Okocha	Non-Executive Director	Chairman	Retired September 2021
Joyce Ojemudia	Managing Director	Member	
Olabisi Adekola	Executive Director	Member	
Sylva Ogwemoh (SAN)	Non-Executive Director	Ag. Chairman	
Alh. Abatcha Bulama	Non-Executive Director	Member	
Dr Adiele Ekechukwu	Non-Executive Director	Member	
Sir. Macauley Atasie	Non-Executive Director	Member	

Company Secretary

TALLP Corporate Services
25C Ladoke Akintola Str,
GRA, Ikeja, Lagos
FRC/2013/NBA/0000000001586

Estate Surveyors and Valuer

A.C Otegbulu & Co
FRC/2013/NIESV/00000001582

Registrars

Carnation Registrars Limited
2a Gbagada Expressway
Anthony Village, Lagos.

Re-insurers

African Reinsurance Corporation
WAICA Reinsurance Corporation Plc
Nigeria Reinsurance Corporation
Continental Reinsurance Plc

Registered Office

54 Awolowo Road, Ikoyi, Lagos
info@africanallianceplc.com

Regulatory Authority

National Insurance Commission

Head Office

54 Awolowo Road, Ikoyi
Lagos
RC NO: 2176
info@africanallianceplc.com

Bankers

Ecobank Nigeria Limited
Guaranty Trust Bank Limited
First Bank of Nigeria Limited
Fidelity Bank Plc
Access Bank Limited
Keystone Bank Limited
Sterling Bank Plc
Union Bank of Nigeria Plc
First City Monument Bank Limited

Registered Corporation Number

RC. 2176
info@africanallianceplc.com

Management Team

Joyce Ojemudia	Managing Director / CEO
Olabisi A. Adekola	Executive Director
Amaka Okafor	Head, Abuja & Northern Region
Emmanuel Eburajolor	Head, Marketing
Akinbode Raji	Head, Finance
Alice Amina Uwodi	Head, Administration
Victor Peters	Head, Agency Operations
Philip Ikhianosime	Head, Human Capital
Jack Mbreh	Head, Internal Audit & Control

Auditors

Deloitte & Touche
(Chartered Accountants)
Civic Towers
Ozumba Mbadiwe Avenue
Victoria Island
Lagos

Actuaries

Ernst & Young
FRC/2012/NAS/00000000738
(Consulting Actuaries & Chartered Insurers)
10th & 13th Floors
UBA House
57 Marina, Lagos, Nigeria

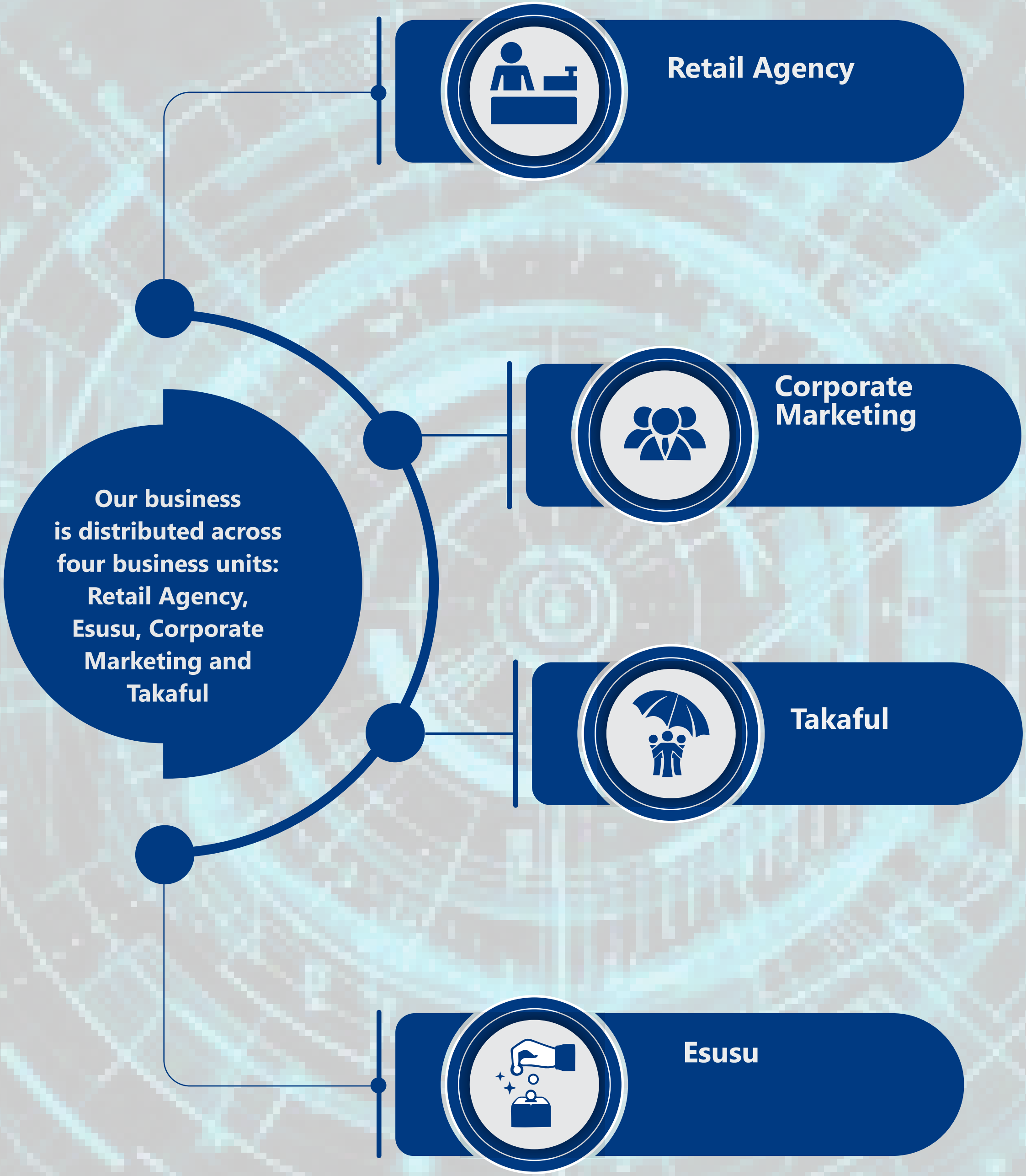
Regulatory Authority

National Insurance Commission

Our Branch Network

1	HEAD OFFICE	54 AWOLOWO RAOD, IKOYI, LAGOS. TEL: 07032432769, 08066426414
2	AJAH	KM 24 LEKKI EPE EXPRESSWAY BESIDE DOMINOS PIZZA. TEL: 08027500814
3	ASPAMDA	GOD'S FAVOUR PLAZA, ZONE C BEHIND ZONE C8, ASPAMDA TRADE FAIR, LAGOS. TEL: 07063441774
4	ABAKALIKI	28 WATER WORK ROAD, NWAGWU PLAZA. TEL: 07032410018
5	ABEOKUTA	SUITE 006 PROVIDENCE MALL NEAR NNPC MEGA STATION ABIOLA WAY TEL: 08039282557
6	AKURE	57 OYEMEKUN ROAD, AKURE ONDO STATE. TEL: 08104316135
7	ABUJA	79 ADETOKUNBO ADEMOLA CRESCENT, WUSE II. TEL: 08036049269
8	AWKA	BLOCK C, MILLENUIM PLAZA, BESIDE ANAMBRA STATE UNIVERSITY TEACHING HOSPITAL. TEL: 08161816564
9	ABA	62 ABA OWERRI ROAD, TEL: 07039558890
10	BENIN	34 AKPAKPAVA ROAD IGHODARO EHANERE HOUSE BY IGBESAMAN JUNCTION TEL: 08025376625
11	CALABAR	PLOT 38 MCC ANASA ROAD. TEL: 08026208433
12	ENUGU	4 RIDGE WAY STATION ROAD, STATE SECRETARIAT GRA. TEL: 08032181930
13	ILUPEJU	13 TOWN PLANNING WAY, ILUPEJU. TEL: 08133967466
14	IBADAN	1 ADEKUNLE FAJUYI ROAD, DUGBE, FEDERAL MORTGAGE BANK BUILDING TEL: 08027044375
15	KADUNA	1ST FLOOR, 5D KANTA ROAD EK HOUSE, KADUNA. TEL: 08065724410
16	KANO	13A UMMA DANTATA HOUSE, MURTALA MOHAMMED WAY. TEL: 08065496784
17	ONITSHA	2ND BUSINESS PARK, 2ND FLOOR, BLOCK C ENUGU ROAD, GRA BY CPS TEL: 08066273645, 08031836929
18	PORT-HARCOURT	245 ABA ROAD, OPPOSITE FIRST BANK, BY 1ST ARTILERY JUNCTION TEL: 07039558890, 08135745184
19	UYO	6 AKA ITIAM STREET OFF ORON ROAD. TEL: 08064994084

Our Structure (Distribution/Business Units)



Ag - Chairman's Statement

Ogwemoh Sylva SAN Board Ag. Chairman

Distinguished Shareholders
Members of the Board of Directors,
Our Regulators and their Representatives,
Gentlemen of the Press,
Ladies and Gentlemen.

I am delighted to welcome you all on behalf of the esteemed members of the Board of Directors to the 53rd Annual General Meeting of your Company- African Alliance Insurance Plc for the 2021 financial year, being held today, 15th December, 2023. The Directors Report and the Audited Financial Statements for the Financial Year ended December 31, 2021, are before you and with your kind permission, I take them as read.

Before I present the performance of the Company, I would like to briefly share with you the macroeconomic scenarios and our operating environment in 2021.

Globally, post-pandemic, businesses and organisations experienced limitations in their market operations, and changes in consumer attitude, including the unavoidable need for organisations to digitalize their traditional processes and mode of operations through the integration of technology solutions. The economic and social consequences were severe, and we generally experienced unprecedented changes in the way we live, work, and interact. Although the Nigerian economy grew by 3.6% in 2021 from a 1.8% contraction in 2020, annual average inflation stood at 17.0% against 13.2% recorded in 2020, a figure above 6-9% targeted by the Central Bank of Nigeria. The surge in inflation was mainly due to higher energy prices, disruptions in global food supply chains, and security issues that impeded farming and transport activities. Also, total public debt stood at $95.8 billion in 2021; about 22.5% of GDP, with an external debt percentage of 40.8% thus increasing the domestic foreign exchange market's liquidity issues.

The Nigerian Naira experienced a 10% decline in value against the United States Dollar, trading at N435.00/$ in the Investors and Exporters (I&E) Window. There was also a significant divide between the official market and the parallel market, surpassing N100/$, attributable to the restriction and scarcity of dollar supply from the Central Bank of Nigeria and causing a substantial effect on inflation. The 2021 report of the African Development Bank Group posited a decrease in growth during 2022-23, due to persistent low oil production and rising insecurity. Inflation is projected to remain elevated at 16.9% in 2022 and to stay above pre-pandemic levels in 2023, fueled mainly by rising food, and gas prices and persistent supply disruptions amplified by the Russia– Ukraine conflict. Capital inflows are projected to recover, while oil exports are projected to increase slightly. Nigeria's economic prospects remain fraught with considerable uncertainty, notwithstanding, the reactions of the country's policymakers will be pivotal in establishing the groundwork for a resilient rebound and expansion.

FINANCIAL PERFORMANCE

Whilst businesses experienced a meltdown during and post the pandemic era, the insurance sector was not left out in the effect of consumer attitude, as the insecurity gave rise to an unprecedented increase in claims, thus limiting their premium generation drive and growth of their toplines. During the year under review, our company achieved positive financial results, reflecting our commitment to growth and profitability. We witnessed a slight increase in Gross Premium Written, with the figure rising from N7.1 billion in the previous year to N7.2 billion. This growth demonstrates our ability to attract and retain customers, contributing to our overall performance.

Moreover, our profit after tax showed a significant improvement, reaching N2.4 billion compared to the N1.6 billion recorded in 2020. This noteworthy increase indicates our effective management of expenses and the successful execution of our business strategies. However, our Investment Income faced challenges during the year, experiencing a 21% decline. This decline can be attributed to changes in economic activities that impacted the investment landscape. In response, we proactively implemented various cost-reduction strategies to mitigate the impact on our financial performance. These strategies led to a 13% decrease in operating expenses, demonstrating our commitment to prudent financial management.

Despite the considerable economic disruptions experienced during the 2021 financial year, your Company remained resilient and committed to enhancing its value. We have continued in our stride to fulfil our obligation to our customers and have taken significant steps to enhance and introduce innovative products to meet the increasing need of our diverse customers. We have also made significant progress in enhancing our Enterprise Risk Management (ERM) practices while continually identifying and assessing risks, developing strategies to mitigate them, and monitoring their effectiveness. Additionally, a lot of investment has been put into expanding our market share and increasing our visibility through digital marketing and other traditional means of doing business. We understand the importance of brand awareness, and we are committed to making African Alliance Insurance continue to be a household name in Nigeria.

INSURANCE INDUSTRY

In 2021, the Nigerian insurance market grew to N548 billion NGN, an increase of 8.01% YoY from N508 billion NGN in 2020. The Q4 2021 performance of the market indicated a growth of 13.61% YoY compared to a contraction of -12.05% YoY in Q4 2020. NAICOM reported an increase in the index to 42,716 points compared to 40,270 recorded in 2020. The Commission, while being relentless in its pursuit of domesticating mandatory insurance throughout the nation; also released a strategic plan aimed at transforming the industry through efficient service delivery.

The Commission also unveiled its eagerly awaited digital platform, aimed at improving data collection, addressing the information divide that has long plagued the sector, and facilitating seamless interactions with stakeholders. In addition, the Commission issued the Guidelines for Insurance and Reinsurance Companies to ensure Companies operate using globally recognised standards. The primary objective of these guidelines is to enhance transparency, accountability, and comparability of financial reporting in the insurance industry. The implementation of these guidelines is expected to improve the quality of financial reporting, increase stakeholder trust, and ultimately enhance the reputation of the insurance sector. The industry is also transitioning to the new International Financial Reporting Standard (IFRS 17) for insurance contracts, with a commencement date of January 01, 2023.

LOOKING AHEAD

As we approach 2022, we would like to express our appreciation to our esteemed clients, insurance brokers, business partners, staff, and investors for their unwavering support and trust in our organization. Our focus remains on promoting effectiveness and operational excellence across all departments, augmenting income, elevating profitability within established risk boundaries and continuing our disciplined approach to cost management. As promised, we are committed to ensuring technical proficiency and making investments in technology and digital platforms which would facilitate our engagement with our clients for the delivery of exceptional service. The Board and Management also remain committed to ensuring sound risk management and maintaining corporate governance structures which allows us to differentiate ourselves in the market as a reliable and trustworthy partner. We are optimistic about our prospects in the coming years, and we remain dedicated to delivering on our strategic objectives and providing unparalleled customer experiences.

CONCLUSION

Distinguished ladies and gentlemen, as we pool our collective knowledge and skills to propel your company to unparalleled heights, we count on your steadfast backing and understanding in our unwavering dedication to maximizing shareholders' wealth. We greatly appreciate our esteemed customers and stakeholders for selecting African Alliance Insurance Plc as their preferred partner.

Finally, we thank our exceptionally gifted Management and staff for their determination and partnership in delivering our strategic objectives.

Managing Director's Statement

Joyce Ojemudia (MD / CEO)

Introduction

Distinguished Shareholders,

I stand before you today, as the CEO/MD of African Alliance Insurance, with immense pride and pleasure to welcome you all to the 53rd Annual General Meeting of our esteemed organization. As we gather here today, we are reminded of the significant role we have played in shaping the insurance industry in Nigeria and in Africa, and we remain steadfast in our commitment to delivering excellence in everything we do.

Despite the pandemic, we've made progress by the grace of God. I shall provide a comprehensive report of activities undertaken by African Alliance Insurance Plc. for the fiscal year concluding on December 31, 2021. Additionally, I shall provide an overview of the significant events and advancements that have impacted our business operations and financial outcomes throughout the said period.

A. The Operating Environment

The Nigerian economy displayed remarkable progress in 2021, even after emerging from a recession in the last quarter of 2020. The Nigerian Bureau of Statistics (NBS) reports that the country's Gross Domestic Product (GDP) expanded by 3.4% year on year in 2021, with an estimated value of N72.3 trillion. This impressive growth can be primarily attributed to the non-oil sector, which includes the financial, insurance, and agricultural sectors, which increased from 91.84% in 2020 to 92.76% in 2021.

The Nigerian insurance industry was able to achieve a slight increase in insurance penetration. In 2021, the insurance market expanded by 8.01% year on year, reaching 548 billion NGN, up from 508 billion NGN in 2020. This growth indicates a significant improvement of 21.93% points compared to the -13.92% decline experienced in 2020, due to disruptions and an increase in insurance claims.

B. Activities and Performance Highlights

Financials Performance

In the year under review, we experienced an increase in our gross premium written, which rose by 1%. This resulted in a total of N7.2 billion generated in 2021, compared to N7.1 billion in the previous year. We were pleased to report a profit after tax of N2.4 billion for 2021, an improvement over the N1.6 billion profit after tax recorded in 2020. However, our investment income declined by 21% as of December 31, 2021, due to changes in economic activities. To mitigate the impact of this reduction, we implemented various cost reduction strategies,

Claims Payment

In the 2021 business year, we paid out claims exceeding N7.68bn to our customers, with a significant portion of that amount being for annuity claims and group life. This marks an increase of over N590m in claims payments from the previous year and underscores our unwavering commitment to paying valid claims. For a more detailed breakdown, let me highlight the figures for claims paid out by product line for the 2021 business year: Individual: N1,254,942,443.21; Group: N1,381,712,502.47; Takaful; N669,354,201.07, Esusu: N28,391,089.57; Annuity: N4,352,252,316.82; Total: N7,686,652,553.14. As you can see, our claims profile demonstrates our commitment to fulfilling our obligations to our customers and underscores our reputation as a trusted insurer.

Product Development

In 2021, we took steps to enhance customer satisfaction by revamping our Esusu Plus product in response to our customer's requests for both year-long and two-year options. Additionally, we introduced our innovative Term Assurance plan, which has generated excitement in the market with its short-term focus and value addition.

ISO Re-certification

We are proud to announce that we have successfully achieved re-certification for ISO. We would like to thank the Business Continuity Management (BCM) team, led by our Executive Director, Finance, Olabisi Adekola, for their hard work and dedication in ensuring that the organization's quality management system meets ISO standards.

Risk Management

In the past year, we have focused on improving our risk management practices in our risk assessment and identification, risk mitigation and risk monitoring. We have also implemented a robust compliance framework to ensure that our operations comply with applicable laws, regulations, and ethical standards.

Market Expansion
Our strategic goal for 2021 was to expand our market and increase premium income by tapping into untapped regions with strong potential for life insurance. We are thrilled to share that our retail marketing expansion strategy has already yielded significant results, with the successful opening of new offices in Abeokuta and Akure.

As we look forward to 2022, we remain committed to expanding our presence even further by venturing northward. This expansion will enable us to reach more customers, offer innovative solutions, and increase our premium income.

Brand Visibility
Brand visibility is an essential component of our overall strategy at African Alliance. To achieve this, we have implemented a comprehensive approach to brand visibility that encompasses a range of tactics and channels. One key element of our approach is to establish a strong online presence. We have invested in building a modern, user-friendly website that provides visitors with a clear understanding of our products and services. In addition, we are active on social media platforms and vast in digital marketing, wherein we engage with our customers and share relevant content.

Re-capitalisation Plans
The company infused approximately N14.4 billion by converting assets, resulting in a significant enhancement of our shareholders' fund and asset base in December 2020. Additionally, we plan to augment our capital base by issuing rights to our major shareholders and attracting new investors to the company. However, if these measures are insufficient, we will consider a business combination as a last resort.

Future Outlook
Looking to the future, we remain mindful of the current challenging political and macroeconomic environment. However, we are committed to ensuring steady growth for your business. We have embarked on a new phase of our strategy, with a renewed commitment to maintaining African Alliance's position as the most dominant insurance company in Nigeria

IT And Digital Upgrades
We are investing in technology, innovation, and talent. All hands are on deck as we work towards the launch of our core insurance application, which comes with a wealth of benefits, and it is positioned to utterly change the affairs of digitalization in the insurance industry.

Manpower Development
We are committed to building a high-performance team of professionals who share our vision and values. We are investing in our employees' development, providing them with the tools and resources they need to excel in their roles and contribute to our success.

Product Development
We plan to continue actively engaging with our customers through surveys to better understand their needs and preferences. This will enable us to develop products that meet their expectations and increase overall customer satisfaction.

Conclusion

I would like to express my gratitude to the Board for recognizing my capabilities and appointing me as the leader of this esteemed Company. We are excited about the future and the opportunities it holds for African Alliance and our stakeholders. We remain committed to our goal of creating sustainable value for all, and we look forward to the journey ahead. And we believe that through handwork, determination, and God's guidance we can weather the storms ahead. And we are With YOU for life.

Sincerely,

Joyce Ojemudia
MD/CEO
African Alliance Insurance PLC

Notice of The 53rd & 54th Annual General Meeting of African Alliance Insurance PLC

NOTICE IS HEREBY GIVEN that the **53rd & 54th Annual General Meeting of AFRICAN ALLIANCE INSURANCE PLC** will hold at **YMCA HALL, 77 Awolowo Road, Ikoyi, Lagos (Behind Spar), on December 15, 2023,** at **10am prompt** to transact the following business:

Ordinary Business

1. To lay the Audited Financial Statements for the years ended December 31, 2021 and December 31, 2022, together with the Reports of the Directors, Independent Auditors and Statutory Audit Committee thereon;

2. To re-elect Alhaji Abatcha Bulama who was appointed as a Non-Executive Director in accordance with Article 125 of the Articles of Association of the Company which provides for retirement by rotation;

3. To disclose the remuneration of managers of the Company;

4. To authorise Directors to fix the remuneration of the Independent Auditors; and

5. To elect members of the Statutory Audit Committee.

Special Business

6. To fix the remuneration of the Directors.

Notes

Proxy

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company. For the appointment to be valid, a completed and duly stamped proxy form must be deposited at the office of the Registrar, Carnation Registrars Limited, No. 2A, Gbagada/Anthony Expressway, Lagos State or via email at info@carnationregistrars.com, not less than 48 hours before the time fixed for the meeting. A blank proxy form is attached to the Annual Report.

Profile of Directors for Re-election

The profile of the Director standing for re-election is provided in the Annual Report.

Stamping of Proxy

At its cost, the Company has made arrangements for stamping the duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated time. Live Streaming of the AGM The AGM will be live-streamed online to enable shareholders and other stakeholders who will not be attending physically to follow the proceedings. The AGM live-streaming link will be available on the Company's website www.africanallianceplc.com.

E-Annual Report

The electronic version of the Annual Report is available on the Company's website www.africanallianceplc.com. Shareholders who have provided their email addresses to the Registrars will receive the electronic version of the Annual Report via email. Furthermore, Shareholders who are interested in receiving the electronic version of the Annual Report are kindly required to request via email to info@carnationregistrars.com.

Closure Of Register

The Register of Members will be closed from December 7 to December 9, 2023 (both days inclusive) in accordance with the provisions of Section 114 of the Companies and Allied Matters Act, 2020.

Questions from Shareholders

Shareholders of the Company reserve the right to ask questions not only at the meeting but also in writing prior to the meeting on any item contained in the Annual Report and Accounts. Please send all questions, comments or observations to the Company's Secretariat, African Alliance Insurance Plc., 54, Awolowo Road, Ikoyi, Lagos or by email to o.mgbenwelu@topeadebayolp.com no later than August 8, 2023.

Statutory Audit Committee

In accordance with Section 404 (3) of the Companies and Allied Matters Act, 2020, the Audit Committee shall consist of five members comprising of three Shareholders and two Non-Executive Directors. Section 404(6) of the Act also provides that any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least twenty-one days before the Annual General Meeting. The Financial Reporting Council's Nigerian Code of Corporate

Governance provides that all members of the Audit Committee should be financially literate and be able to read and understand financial statements, consequently, a detailed curriculum vitae confirming the nominee's qualification should be submitted with each nomination.

Unclaimed Dividend

There are no unclaimed dividends in the records of the Company. For more information, Shareholders are advised to contact the Registrars, Carnation Registrars Limited, 2A, Gbagada Expressway, Anthony Oke Bus Stop, by Beko Ransome Kuti Park, Lagos State.

Website

A copy of this notice and other information relating to the meeting can be found at www.africanallianceplc.com.

Oluchi Mgbenwelu
PP: TOPE ADEBAYO & CO
Company Secretary
African Alliance Insurance Plc.

Board of Directors

Ogwemoh Sylva (SAN)

Chairman

Sylva Ogwemoh is a Senior Advocate of Nigeria (SAN) with over three decades of experience in Commercial Litigation and Corporate Law. He has vast legal compliance and private equity experiences where he has advised clients on structured finance, corporate governance issues, portfolio decision making, corporate strategy, board facilitation, joint ventures, mergers, and acquisition, among others.

Sylva Ogwemoh (SAN) is the Senior Partner and Head of the law firm of Kevin Martin Ogwemoh Legal, a commercial law firm with the Headquarters in Lagos. He obtained his LL.B from the former Bendel State University (now Ambrose Alli University), Ekpoma, in 1987. He was admitted as a Solicitor and Advocate of the Supreme Court of Nigeria in 1988. In 2000, he obtained a Masters in law degree (LL.M) with specialisation in Corporate Management and Finance Law from Lagos State University. He is an alumnus of Saïd Business School (OAMLP), University of Oxford, United Kingdom, with a certification in management and leadership. He became a Notary Public of the Federal Republic of Nigeria in 1998 and subsequently elevated to the prestigious rank of a Senior Advocate of Nigeria (SAN) in 2014.

Sylva Ogwemoh (SAN) is a Fellow of the Chartered Institute of Arbitrators, United Kingdom; Member of the London Court of International Arbitration (LCIA African User's Council); and a Panel Member of the Kigali International Arbitration Centre (KIAC) Rwanda. He is also a member of the Lagos Court of Arbitration, Maritime Arbitrators Association of Nigeria and the Negotiation and Conflict Management Group. He is a Fellow and Certified Member of the Institute of Management Consultants, Nigeria. He is also a member of the Nigerian Bar Association, International Bar Association, Nigerian Institute of Management, Capital Market Solicitors Association of Nigeria and a Registered Capital Market Practitioner with the Securities and Exchange Commission of Nigeria. He was an Associate Editor, Journal of Human Rights Law and Practice from 1991-1992.

Sylva Ogwemoh (SAN) is the 2018 winner of African Prize for Leadership Excellence under the Legal Personality Prize Category. He also won the LEGALSFINEST Client Choice Award-Shipping and Maritime Law in 2013. He has attended several local and international conferences in law and has delivered many papers on diverse subjects in law.

Joyce Ojemudia

Managing Director

Joyce Ojemudia is an accomplished insurance professional and astute manager of resources with over twenty years of experience in insurance sales, business development, risk management, claims administration and reinsurance.

She started her career as a Marketing Executive at Healthcare International (a Health Maintenance Organisation) before joining Linkage Assurance PLC as Deputy Head, Marketing in 2002. There, she oversaw all the branch activities of the company as it relates to Marketing and contributed to the increase in market share and profitability of the underwriter. Her sterling qualities brought her to the notice of STACO Insurance PLC in 2007 where she made her mark as Assistant General Manager, Marketing, with responsibilities to coordinate and monitor the marketing activities in the public sector and direct corporate client. Joyce's excellence and drive at STACO Insurance was rewarded with a promotion to Assistant Director in 2011, a role which required her to formulate and execute strategic business plans for the public sector in addition to her marketing duties.

In late 2016, she was back at Linkage Assurance as General Manager tasked with the management and coordination of the entire marketing department which had four sub-units viz Bancassurance, Financial Institution, Brokers Market and Direct Corporate. Joyce was also involved in strategic top management decisions for the entire company up until her exit in 2020.

A thoroughbred professional, Joyce is currently rounding up her Ph.D in Entrepreneurship at the Joseph Ayo Babalola University. She is an alumnus of the prestigious Lagos Business School (SMP 40) and the University of Lagos where she had her first and second degrees in Insurance and Risk Management respectively.

She is also a Fellow of the National Institute of Marketing of Nigeria, an Associate of both the Chartered Insurance Institute of Nigeria and the Institute of Chartered Economists of Nigeria. She is the current President of Professional Insurance Ladies Association (PILA).

Olabisi Adekola

Executive Director Finance

Olabisi Adekola is a seasoned Chartered Accountant, Investment Manager, a Business Continuity leader and a Chartered Insurer with over 25 years' experience in Financial Management, Internal Audit, Accounting and Insurance. After a stint as a Data Entry Officer at Nigerian Hoechst PLC, she joined the African Alliance in 1997 as an Assistant Superintendent in the Finance department. She learnt the ropes and rose through the ranks in Finance until she was moved to Internal Audit as Manager in 2002. She became a key member of the Internal Audit team tasked with designing and implementing various programmes for the prevention and detection of frauds, errors and irregularities in the company.

As she excelled in the various roles she held in the department, her stock rose and she is credited with putting in place a couple of processes that have become an integral part of the business till date. In 2008, Olabisi was promoted as Acting Head (Finance and Investment) and then Assistant General Manager (Finance and Investment) in 2010. As AGM, she managed and administered the entire investment portfolio of the company and was responsible for financial reporting and control, design and review of strategic corporate policies as well as budget performance and analysis. In 2012, Olabisi was promoted as the Executive Director (Finance), and in August 2020 she was appointed as the Acting Managing Director capping a brilliant lateral growth within the organisation.

Olabisi holds an MBA in Financial Management from the Lagos State University, as well as HND and ND in Business Administration from the Federal Polytechnic, Ilaro, where she finished top of her department at both instances. She is a Fellow of both the Institute of Chartered Accountants of Nigeria (FCA), and Association of Investment Advisors and Portfolio Manager (FIAPM); an Associate of the Chartered Insurance Institute of Nigeria (ACIIN), Chartered Institute of Taxation of Nigeria (ACTI), Nigeria Institute of Management and Business Continuity Professional, Disaster Recovery International. A brilliant mind, Olabisi is an alumnus of the Lagos Business School, a member of the Chartered Institute of Directors (CIoD), a non- executive director in the Company's subsidiaries. She has attended several courses in finance, risk management, AML/CFT, business continuity, insurance sales, leadership courses both local and international. Olabisi is currently a Doctoral Student at the Lagos State University.

Alhaji. Abatcha Bulama

Non-Executive Director

Alhaji Abatcha Bulama is a member of the Board of African Alliance Insurance PLC.

Alh. Bulama was a graduate of the Ahmadu Bello University, Zaria, Nigeria with a degree in Accounting and an MBA. He is a Fellow Member of the Chartered Institute of Bankers of Nigeria (CIBN) & the Institute of Chartered Accountants of Nigeria.

He has over 35 years of varied work experience. His career included working with the State Civil Service, Merchant & Commercial Banking and Capital Market Regulatory sectors at senior levels of responsibility. At various times he was on the Boards of the S.E.C, Financial Reporting Council, Council of the CIBN, etc. He is currently on the Boards of Tourist Company of Nigeria Plc, Capital Hotels Plc, Ikeja Hotel Plc and a member, Audit Committee of the CIBN.

He has attended numerous local and foreign management training and development programmes.

Dr. Adiele Ekechukwu

Independent Director

Dr Adiele Ekechukwu is a seasoned professional with over 37 years combined experience in consultancy and advisory, project management and training and capacity development. He began his career in 1983 as the pioneer Petrochemical Lecturer in Federal University of Technology, Owerri before joining the Nigerian Defence Academy, Kaduna also as a Lecturer.

He was the Chief Research Officer and Head, Division of Postgraduate Services, National Universities Commission, roles which saw him actively coordinate International donor funds to Nigerian Universities. In 1993, Dr Ekechukwu joined the Management Support Unit of the European Union, Nigeria branch as the Head of Training and Research Programs (TARP). Due to his commitment and remarkable leadership, he was promoted as Head, Monitoring and Evaluation. Under his watch, major European Development Fund (EDF) projects in Nigeria, valued at about 300 million European Currency Unit (ECU), were completed. He was instrumental in the development, implementation and monitoring of many institutional training, rural development and conservation programmes including Management Development Programme with Centre for Management Development; Small Scale Entrepreneurial Development with the Administrative Staff College of Nigeria; Industrial Maintenance programme with the Federal Ministry of Industries; and the development of an MBA curriculum working in concert with the Faculty of Economics at the University of Ibadan.

He joined Ernst And Young Consulting Ltd, a member firm of Ernst & Young International in 1995 as the Head of Human Resources Development and Special Projects, coordinating the activities of the Management Consulting Services Group and Human Resources Department of the organization. He held this position till 2001 when he became an Executive Director in Neads Consult Limited, a human resource consulting firm in Lagos, Nigeria. An alumnus of the University of Ibadan with BSc (Hons) in Chemistry, Dr Ekechukwu holds both master's and doctorate degrees in Petrochemicals from the University of Manchester Institute of Science and Technology (UMIST) U.K. He also holds a professional certificate in Administrative Management with distinction from Manchester Polytechnic.

He is a member of the Institute of Petroleum and an associate member of Institute of Administrative Management and currently a Partner at George Davidson & Associates, an advisory and management consulting firm.

Sir Macauley Atasie

Non-Executive Director

Macauley Atasie is an emerging markets consultant and accomplished e-commerce solutions provider with over two decades' experience across the fintech space. As Head ePayments, Ventures and Strategy Development in Accenture Nigeria, Atasie led the conceptualisation and setup of Interswitch and eTranzact and also championed the reform agenda for the then ValuCard (now Unified Payments Limited). At the national level, he steered the group that defined Nigeria's eGovernment's strategy in 2005/6; a process that ushered in the establishment of National e-Government Strategies Limited (NeGSt).

He was a key member of the high-powered team that inspired the Central Bank of Nigeria (CBN) directive to all banks to use the National Identity Number (NIN) as sole KYC platform in Nigeria. The NIN was later replaced by Bank Verification Number (BVN). Within the private sector and as CEO of NEXTZON, Atasie has played important roles such as the programme management of a rigorous process that led to the development of Nigeria's 13-year Financial Systems Strategy (FSS2020). He led the launch of the first for profit business incubation platform in Nigeria with funding support from the World Bank. Atasie has offered strategy development services both to leading public and private sector organisations including regulators and is the strategy advisor to at least 2 states in Nigeria. Under his leadership, NEXTZON has supported over 400 clients across leading sectors of the economy including State Governments in Nigeria covering well over ten states, Commercial Banks, Insurance Companies, SMEs and regulatory bodies including the Central Bank of Nigeria (CBN), National Insurance Commission (NAICOM), Securities Exchange Commission (SEC), Nigerian Stock Exchange (NSE) etc.

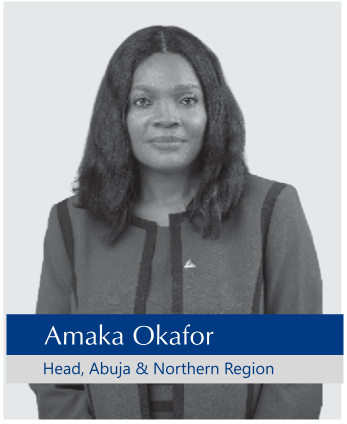
Atasie has a bachelor's degree in Microbiology and master's in Pharmacy, both from the University of Nigeria, Nsukka. He has attended several courses and executive programmes at top rated global business schools such as Stanford University in the United States, Cranfield University in the United Kingdom and Witts University in South Africa. Atasie is the current President of E-Payment Providers Association of Nigeria (EPPAN), an umbrella body of all ePayments providers in the country.

Management Team

Management Team

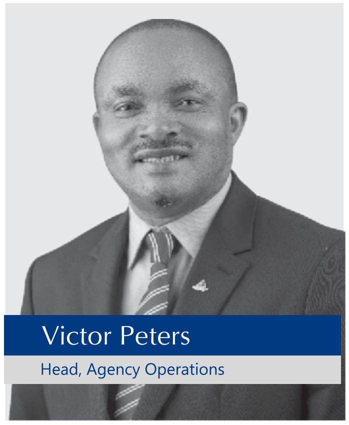

Joyce Ojemudia
MD/CEO


Olabisi Adekola
Executive Director

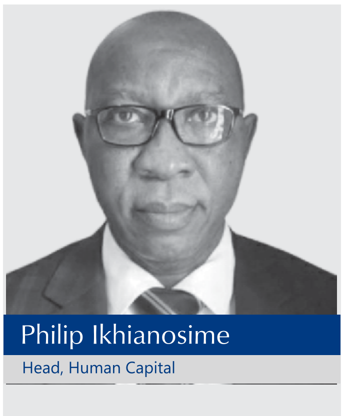

Amaka Okafor
Head, Abuja & Northern Region


Akinbode Raji
Head, finance


Alice Amina Uwodi
Head, Administration


Victor Peters
Head, Agency Operations


Emmanuel Eburajolo
Head, Marketing


Philip Ikhianosime
Head, Human Capital


Jack Mbreh
Head, Internal Audit & Control

Joyce Ojemudia

MD/CEO

Joyce Ojemudia is an accomplished insurance professional and astute manager of resources with over twenty years of experience in insurance sales, business development, risk management, claims administration and reinsurance. She started her career as a Marketing Executive at Healthcare International (a Health Maintenance Organisation) before joining Linkage Assurance PLC as Deputy Head, Marketing in 2002. There, she oversaw all the branch activities of the company as it relates to Marketing and contributed to the increase in market share and profitability of the underwriter.

Her sterling qualities brought her to the notice of STACO Insurance PLC in 2007 where she made her mark as Assistant General Manager, Marketing, with responsibilities to coordinate and monitor the marketing activities in the public sector and direct corporate clients. Joyce's excellence and drive at STACO Insurance was rewarded with a promotion to Assistant Director in 2011, a role that required her to formulate and execute strategic business plans for the public sector in addition to her marketing duties.

In late 2016, she was back at Linkage Assurance as General Manager tasked with the management and coordination of the entire marketing department which had four sub-units viz Bancassurance, Financial Institution, Brokers Market and Direct Corporate. Joyce was also involved in strategic top management decisions for the entire company up until her exit in 2020.
A thoroughbred professional, Joyce is currently rounding up her PhD in Entrepreneurship at Joseph Ayo Babalola University. She is an alumnus of the prestigious Lagos Business School (SMP 40) and the University of Lagos where she had her first and second degrees in Insurance and Risk Management respectively. She is also a Fellow of the National Institute of Marketing of Nigeria, an Associate of both the Chartered Insurance Institute of Nigeria and the Institute of Chartered Economists of Nigeria.

She is the current President of the Professional Insurance Ladies Association (PILA). Under her watch, the professional association successfully hosted the first ever Africa-wide side event at the continental African Insurance Organisation (AIO) Conference during its 47th edition held in Lagos.

In 2021, she was recognised by Business Day Media as one of 30 Notable Alumni of the prestigious Lagos Business School.

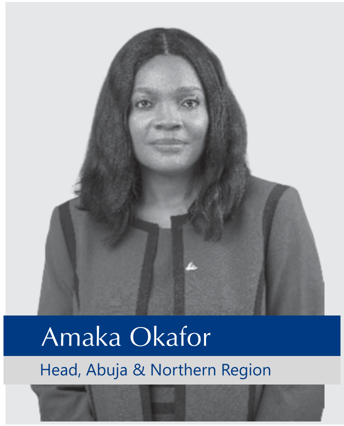
Olabisi Adekola

Executive Director

Olabisi Adekola is a seasoned Chartered Accountant, Investment Manager, a Business Continuity leader and a Chartered Insurer with over 25 years' experience in Financial Management, Internal Audit, Accounting and Insurance. After a stint as a Data Entry Officer at Nigerian Hoechst PLC, she joined the African Alliance in 1997 as an Assistant Superintendent in the Finance department. She learnt the ropes and rose through the ranks in Finance until she was moved to Internal Audit as Manager in 2002. She became a key member of the Internal Audit team tasked with designing and implementing various programmes for the prevention and detection of frauds, errors and irregularities in the company.

As she excelled in the various roles she held in the department, her stock rose and she is credited with putting in place a couple of processes that have become an integral part of the business till date. In 2008, Olabisi was promoted as Acting Head (Finance and Investment) and then Assistant General Manager (Finance and Investment) in 2010. As AGM, she managed and administered the entire investment portfolio of the company and was responsible for financial reporting and control, design and review of strategic corporate policies as well as budget performance and analysis. In 2012, Olabisi was promoted as the Executive Director (Finance), and in August 2020 she was appointed as the Acting Managing Director capping a brilliant lateral growth within the organisation.

Olabisi holds an MBA in Financial Management from the Lagos State University, as well as HND and ND in Business Administration from the Federal Polytechnic, Ilaro, where she finished top of her department at both instances. She is a Fellow of both the Institute of Chartered Accountants of Nigeria (FCA), and Association of Investment Advisors and Portfolio Manager (FIAPM); an Associate of the Chartered Insurance Institute of Nigeria (ACIIN), Chartered Institute of Taxation of Nigeria (ACTI), Nigeria Institute of Management and Business Continuity Professional, Disaster Recovery International. A brilliant mind, Olabisi is an alumnus of the Lagos Business School, a member of the Chartered Institute of Directors (CIoD), a non- executive director in the Company's subsidiaries. She has attended several courses in finance, risk management, AML/CFT, business continuity, insurance sales, leadership courses both local and international. Olabisi is currently a Doctoral Student at the Lagos State University.



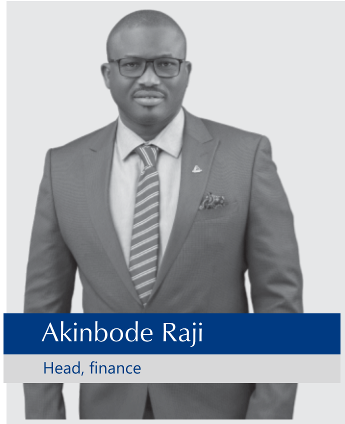
Amaka Okafor

Head, Abuja & Northern Region

Amaka Okafor is a corporate marketer, sales strategist and Business Continuity professional with almost two decades' experience in the insurance industry.

She started out as an Assistant Manager at the defunct United Trust Insurance in 2001 and after four years of supporting her team to achieving various marketing targets, she joined Unity Kapital (now Veritas Kapital) as Manager (Group Life), her first exposure to the intricacies of Group Life marketing. At Unity Kapital, her ability to help team members close complicated accounts brought her to the attention of Metropolitan Life Insurance (recently renamed Tangerine Insurance) who consequently hired her. As Senior Manager/Team Lead (Group Life) at Metropolitan Life, she led and won various pitches for the firm and used market intelligence to develop formidable sales strategies that helped grow the business' top and bottom lines. Amaka joined African Alliance in 2009 as Deputy Controller, Marketing (Northern Region) with a mandate to develop, grow and stabilize the corporate marketing business of the company in the Norther region. Her success at the role aided her promotion to her current position as Controller, Marketing (Northern region) in 2015.

Amaka is a B.Sc Accountancy graduate of Enugu State University of Science and Technology and an M.Sc Management graduate of the University of Liverpool, United Kingdom. She has attended various courses in Business Continuity, Insurance Sales and Leadership within and outside the country.



Akinbode Raji
Head, finance

Akinbode Raji is a Certified Forensic Accountant and Tax professional with over 20 years' experience in Finance, Risk and Compliance and Internal Audit.
He started his career as a Senior Clerical Officer in the finance department at African Alliance in 2000. He worked his way through various finance functions where he was saddled with diverse, critical responsibilities before moving to Internal Audit in 2010. As the Head of Internal Audit and Control, he pioneered the Risk and Compliance unit which was hitherto an Internal Control function within the business. Thereafter, he was assigned the Risk Office for a short, stabilising period while he led the Compliance unit for five more years before he was promoted to Deputy Head, Finance. His financial acumen and vast mind saw him become the Head, Finance in 2018, the position he currently occupies.

Bode attended the Federal College of Education (Technical) Akoka, Lagos and Ogun State University, Ago-Iwoye (now Olabisi Onabanjo University) where he graduated with a B.Sc in Accounting. He also holds an MBA in Financial Management from Ladoke Akintola University and an M.Sc in Business Administration from the National Open University of Nigeria (NOUN). A thoroughbred accountant, Bode is a fellow of the Institute of Chartered Accountants of Nigeria (ICAN), the Nigeria Institute of Management (NIM), the Chartered Institute of Economics and the Chartered Institute of Taxation of Nigeria (CITN).

A certified Anti-Money Laundering Specialist, Bode is also an Associate Business Continuity Professional from the Disaster Recovery Institute International.e is an alumnus of the Lagos Business School and IESE Business School, University of Navarra Barcelona, Spain. Bode has attended training and seminars both locally and internationally. He has been a resource person at several fora.

Alice Amina Uwodi
Head, Administration

Alice Amina Uwodi is a Human Resources, Projects and Administrative Services expert with over 15years extensive private sector experience. Her proven track record spans in the delivery of Strategic Human Resources functions, Corporate Real Estate Projects including Disposals, Acquisitions, Facilities Management, Strategic Asset Management, General office Administration and Project Management.

She began her career as a Finance and Administrative Officer at AG Leventis PLC before being promoted to BranchAdministrator/Accountant at Worldwide Superstores (Formerly Leventis Superstores Kaduna) a year later in 1999. In 2001, she joined Netspex Ltd an ICT Company in Lagos as Administrative /Accounts Officer tasked with overseeing Staff Welfare and General office Administration.

Amina has risen through various Administrative and Human Resources roles including Assistant Manager-Special Duties (Office of the MD/CEO Agency Administration Manager. Currently, she is the Head, Administrative Services with vast experience in Human Resources, Business Continuity and Administrative functions. It is pertinent to note that Amina drove the entire cascading of the first rebranding exercise the company has done in its sixty-year in existence across all the company's units and collaterals.

An Associate Member of the Chartered Institute of Personnel Management of Nigeria (CIPM), Institute of Chartered Secretaries and Administration of Nigeria (ICSAN), Nigerian Institute of Training and Development (NITD) and Associate Business Continuity Professional (ABCP). She holds an MBA and a Post Graduate Diploma in Management from the University of Calabar in addition to an HND in Business Administration from Kaduna Polytechnic.

Alice Amina Uwodi is an Alumnus of the Prestigious Lagos Business School. She has attended several courses in Business & Management both local and international.

Victor Peters

Head, Agency Operations

Victor Obinna Peters is a superstar sales professional with 22 years' experience in sales strategy, sales channel development and agency management.

His foray into the sales and marketing of insurance started at AIICO Insurance as a Representative (Marketer) in 1998. Four years later, he became a Unit Manager. As Unit Manager, he grew his Unit's profitability, opening up new markets in the process. He joined African Alliance Insurance in 2005 as an Agency Manager in what turned out to be a match made in heaven. At African Alliance, Victor exceeded himself, smashing sales targets, building sales structures, delivering on budgets year-in, year-out, breaking records and winning several awards along the way. He was promoted to Senior Agency Manager in 2007, a position he held for the next six years before he was drafted from the field into the back office as Senior Manager, Marketing (Agency Operations). He continued his famous sales streak and was promoted to Deputy Controller, Marketing (Agency Operations) in 2013. In 2018, he became the Head, Agency Operations, responsible for the overall agency structure of the 60-year-old insurer.

Victor holds a bachelor's degree in Linguistics from Abia State University as well as a Diploma and Advanced Diploma in Insurance from the Chartered Insurance Institute of Nigeria. He is an Associate Member of the Chartered Insurance Institute of Nigeria and has attended several courses, trainings and seminars both locally and internationally.

An alumnus of both the Lagos Business School and the IESE Business School, University of Navarra, Barcelona, Spain, Victor is a charismatic sales trainer and accomplished manager of men and resources.

Emmanuel Eburajolo

Head, Marketing

Emmanuel Ojelre Eburajolor is a dynamic and technical sales professional with about 30 years' experience in driving sales targets across both life and non-life insurance.

He started his career as a General Duties Officer at African Development Insurance Company in 1990. His natural appetite for challenges drew him into the technical aspects of insurance where he learnt the basics of the profession to the acclaim of his peers and superiors. He moved into the marketing department in 1994 and thus began his lifelong adventure into the difficult terrain of insurance sales. He rose through the ranks and became a part of the ADIC Life team in 2000 where he built a reputation as a salesman par distinction. Emmanuel joined African Alliance in 2007 as Senior Manager, Corporate Marketing, with a mandate to grow the Brokers Market and position the company for lateral growth. After almost a decade of success, his hard work and business acumen saw him promoted into top management as the Deputy Controller, Corporate Marketing, the position he currently occupies.

Emmanuel holds a Diploma in Marketing from Delta State University and a bachelor's degree in Insurance from Lagos State University. He is an Associate member of the Chartered Insurance Institute of Nigeria; Full member, Chartered Institute of Administration; Fellow, Institute of Certifed Sales Professional and Fellow, Chartered Institute of Public Diplomacy and Management.

Philip Ikhianosime

Head, Human Capital

Philip is a seasoned Human Resource Management professional with keen interest and skills in the development of employees' potentials. He has over 20 years practical experience in the field of Human Resource Management, strategy and business development.

He has interests and skills in performance management systems design, human resource strategy mapping and human resource systems design, organizational culture modelling and learning/talent development cutting across manufacturing, consulting and financial services sectors.

He has helped to develop and deliver business strategy projects, HR initiatives, employee performance improvement projects, performance management projects and has at different times in his career either as HR lead or head of training, played active role in organisational culture change and employee re-branding projects amongst others.

Philip is a Business Administration graduate of the University of Lagos Akoka and an alumnus of the Advanced Management Programme (AMP25) of the Lagos Business School. He is a full member of the Chartered Institute of Personnel Management of Nigeria (CIPM), an accredited Management Trainer, and a certified Safety Professional.

Jack Mbreh
Head, Internal Audit & Control

Jack Mbreh has over 16 years of extensive experience across diverse industries including Oil & Gas, Hospitality, Finance, Consultancy, Construction, Engineering, and Insurance. He is a seasoned professional with a specialty in Forensics Audit, Business Reviews, Financial Planning, Taxation, Cost Control and Risk Management.

He holds a B.Sc. in Accounting from the University of Uyo and an M.Sc. in Forensic Accounting and Fraud Investigation from High Fliers University of America.

He is a member of the Chartered Cost and Management Accountants (CCCMA) and the Chartered Institute of Certified Forensic Accountants and Fraud Investigators USA (CCAFAFI), Certified Information Security Auditor, Associate of the Enterprise Risk Management Professionals (ERMP), Fellow of the Society for West African Internal Auditors, Chartered internal controller and auditor (CAICA), to mention a few. He is currently pursuing a Ph.D. in Forensic Accounting and Fraud Investigation.

Certification by Company Secretary

In my capacity as Company Secretary, I hereby certify, in terms of the Companies and Allied Matters Act , that for the year ended 31 December 2021, the company has lodged all such returns as are required of a company in terms of this Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.

COMPANY SECRETARY

PP: TALLP Corporate Services
COMPANY SECRETARY
AFRICAN ALLIANCE INSURANCE PLC

Lagos, Nigeria
28 March 2023

Statement of Directors' Responsibilities in Relation to the Consolidated and Separate Financial Statements

The Companies and Allied Matters Act, 2020 requires the directors to prepare financial statements for each financial year that presents fairly in all material respects, the state of financial affairs of the Company at the end of the year and of its profit or loss. This responsibility includes ensuring that the company:

a) Keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act 2020
b) Establishes adequate internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and
c) Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates that are consistently applied.

The Directors of African Alliance Insurance Plc accept responsibility for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Company and Group 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 2020, the Insurance Act, CAP I17 LFN 2003, relevant guidelines and circulars issued by the National Insurance Commission (NAICOM) and Financial Reporting Council Act 2011

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Group and of the financial performance and cash flows for the year. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Going Concern:
As of 31 December 2021, the company had a negative insurance solvency margin of N12.3 billion, and the total admissible assets less net insurance and investment contract liabilities amounted to a deficit of N23.2 billion.

The Directors have set forth specific measures and actions to address this position and bring back the company and group to profit making, however these events or conditions, along with other matters stated therein, indicate that a material uncertainty exists that may cast significant doubt on the company's and group's ability to continue as a going concern.

Joyce Ojemudia
Managing Director
FRC/2015/CIIN/00000012042

Olabisi Adekola
Executive Director - Finance
FRC/2013/ICAN/00000001179

Risk Management Declaration

The Board Governance, Establishment, and Enterprise Risk Committee of African Alliance Insurance Plc hereby declares as follows:

a) The group and company have systems in place for the purpose of ensuring compliance with NAICOM guidelines;

b) The Board is satisfied with the efficacy of the processes and systems surrounding the production of financial information of the group and company;

c) The group and company have in place a Risk Management Strategy, developed in accordance with the requirements of NAICOM's guideline on Enterprise Risk Management (ERM), setting out its approach to risk management; and

d) The systems that are in place for managing and monitoring risks, and the risk management framework, are appropriate to the Group and company, having regard to such factors as the size, business mix and complexity of the Group and company's operations.

Joyce Ojemudia
Managing Director
FRC/2015/CIIN/00000012042

Olabisi Adekola
Executive Director - Finance
FRC/2013/ICAN/00000001179

Certification Pursuant to Section 60(2) of Investment and Securities Act No. 27 of 2007

We the undersigned hereby certify the following with regards to our audited report for the year ended 31 December 2021 that:

a. We have reviewed the report:
b. To the best of our knowledge, the report does not contain:

   i. Any untrue statement of a material fact, or
   ii. Omit to state a material fact, which would make the statements, misleading in the light of circumstances under which such statements were made;

c. To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the group and company as of, and for the periods presented in the report.

d. We;

   (i) Are responsible for establishing and maintaining internal controls.
   (ii) Have designed such internal controls to ensure that material information relating to the company and its consolidated subsidiary is made known to such officers by others within those entries particularly during the period in which the periodic reports are being prepared;
   (iii) Have evaluated the effectiveness of the group's internal controls as of date within 90 days prior to the report;
   (iv)Have, present in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;

e. We have disclosed to the auditors of the group and audit committee:
   (I). All significant deficiency in the design or operations of internal controls which would adversely affect the group's and company's ability to record, process, summarise and report financial data and have identified for the group's auditors any material weakness in internal controls, and

   (ii).Any fraud, whether or not material, that involves management or other employees who have significant role in the group's internal controls.

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

On behalf of the Directors of the Group and Company

Joyce Ojemudia
Managing Director
FRC/2015/CIIN/00000012042

Olabisi Adekola
Executive Director - Finance
FRC/2013/ICAN/00000001179

Enterprise Risk Management Philosophy

Our business provides financial guarantee to our clients and this is also linked to their longevity

Hence, the management of our business strongly focuses on mortality studies and investment performance
A key business objective is meeting client genuine claims as and when they occur, achieving this objective involves us in many activities including:

- correctly pricing the insurance risks,
- ensuring our business contracts are adequately written, optimally investing both Insurance and Shareholder Funds,
- timely reporting our financial activities internally and externally, deploying adequate operating and having adequate processes/people/systems

The Board is committed to ensuring ERM is embraced by all the staff of the group and also ensure that our processes reflect our strategic objectives

Our Risk Culture

The Group is building a risk culture whereby there is an adequate level of risk awareness across all business units and amongst all employees

Risks faced by the group are communicated across the group. The Risk Management Committee (RMC) ensures that the business units develop a risk culture where all Heads of Departments /Units are aware of the Group's strategy objectives and risk appetite and limits. The business process adheres to the stipulated risk limits and if they are likely to be exceeded, the information is escalated to the Risk Officer/RMC.

Risk management framework

We have robust and effective risk management framework which seeks to protect our group's capital base and earnings without hindering our business growth.:

We operate and maintain three lines of defense for the management and oversight of risk to ensure adherence to guiding principles and control. The lines of defense are:

First Line – Board and Management

The Board of Directors set the tone for Risk Management through approving the Strategic objectives of the Group and the Group's risk appetite and tolerance limits. The Risk Management Committee has the oversight role of ensuring that the business units adhere to the Boards directives and ensure the business units develop a risk culture where all leaders are aware of the group's strategy.

Risk Management Committee through the chairman reports on risk matters to the board. The Chief Risk Officer collates quarterly enterprise reports to the Risk Management Committee.

Second Line – Risk Management Unit

The group's risk management department is responsible for designing risk framework methodologies and tools which supports the business in analysing and managing risks and providing early warning of adverse trends. The department reports to the Board, management and staff on risk identification, control and mitigation

Third Line – Internal Audit Function
This line of defense provides independent and objective assurance on the effectiveness of internal controls established by the Board, management and Risk Unit in the Group

Risk Appetite
The Group has low appetite for taking risk. The Group intends at all times ensure that it is solvent and ensure that all obligations are met as at when due

The Group intends to be always be in compliance with applicable laws and regulations and be within its set tolerance limit.

Risk Management Policies And Procedures
The Group has a risk management policy and procedural manual which sets out the Group's risk governance framework . The document is implemented by the Risk Management Committee, and the committee reports on risk matters to the Board. The Chief Risk Officer collates quarterly enterprise - wide reports to the Risk Management Committee

Risk Classification

Operational Risk
This is the risk of loss from inadequate or failed internal processes, people and systems or from external events which arises from the potential that inadequate information systems, operational problems, breaches in internal controls, fraud, or unforeseen catastrophes will result in unexpected losses. The Group has policies that cover risk that may arise from people, systems and internal process failures. The policies include staff recruitment, training, retention plans, succession plans, remuneration and welfare benefits, designing standard operating procedure and policies, driving compliance culture, process automation, Information Technology support systems, data integrity, IT systems access, etc.

Liquidity Risk
Liquidity risk exist when there is insufficient cash flow to meet the Group's operational and financial obligations and is usually associated with inability to liquidate assets or obtain funding from external sources to pay claims and other liabilities when due. The Group manages its liquidity risk through appropriate assets and liability management strategy through the Investment Management Committee. Monthly reports and review of liquidity gaps is conducted to assess the level of liquidity risk.

Reinsurance Risk
This is the risk of inadequate reinsurance cover to mitigate underwriting risk. It usually occurs when there is insolvency of a reinsurer, discovery of exposures without current reinsurance coverage, or exhaustion of reinsurance covers through multiple losses. The Group has documented reinsurance policies for adequate reinsurance arrangements and treaties for all categories of insurance business transacted. The policies include the process for Reinsurer selection, monitoring, claims recovery, etc.

Underwriting Risk
Underwriting is the process by which an insurer determines the conditions necessary and suitable to accept insurance risk. The risk crystalizes when there is severe and frequent claims against the Group's projected capacity. The Group has embedded internal control processes to guide its insurance business and guide against the risk of unexpected losses and capital erosion.

There is well documented underwriting policies and procedure and are enforced throughout the organisation.

Business Risk

The Group's business risk is associated with gaining market shares and remains profitable. This risk is considered through documented process for product development and launch, business segment profitability analysis, stakeholder's engagement as well as being embedded in our brand promise.

Reputational Risk

This is the risk of events that could cause public distrust and damages to the Group's integrity, reputation and goodwill especially in the eyes of the customers, regulators, competitors, and the general public. We manage reputational risk through a structured approach for defining and implementing core values and acceptable standard of behaviour which the staff are expected to follow while conducting the day-to-day business of the Group. The Group risk assessment and monitoring process has embedded controls for testing reputational risk and the outcome of such exercise is communicated to the Board Risk Committee on a quarterly basis.

Legal/compliance Risk Management

The Group has procedures to ensure that all statutory regulations are completely adhered to by the business unit at all times. These regulations include those set by NAICOM and other relevant agencies of government. There are internal control processes that identify potential breaches to the regulations and are promptly mitigated. Some of the control processes include:

a) Know -your-customer (KYC) procedure
b) Anti-money laundering/combating the financing of terrorism (AML/CFT)
c) Anti-bribery and corruption measures
d) Guidelines for adherence to Corporate Governance principles
e) Gift policies
f) Whistle blowing policies

Risk Report And Risk Map

Issues arising from risk assessment process are collated and presented in a report called the Risk Report which forms the basis of constructing the risk map. The risk map draws senior management's attention to the critical risk factors as well as the adequacy of existing controls to mitigate the risk. The risk map provides a snap short summary of the significant risk and the ratings and probability of occurrence within a specific period. This forms the basis for estimating the potential operational loss.

Risk Control Self-Assessment (RCSA)

The Group has a mechanism for risk assessment on periodic basis and this is known as Risk control self-assessment (RCSA) principle. It involves the tests and procedures or assessments that need to be performed periodically to assure that key controls are in place and are working effectively as designed. The control requirements are proactively assessed through Process risk analysis and review of policy requirements, loss events, and audit findings. The Group then set controls required to comply with policy requirements and test these processes for adequacy and risk mitigation capability. Risk Champions are engaged in each business or risk unit and facilitates the process of risk control self-assessment in the Group.

Key Risk Indicators

The key risk indicator (KRI) provides trend analysis of risk exposures or deviation from standard processes. This helps the Risk Officers and Risk owners to promptly identify increasing threat to business activities and escalate to the appropriate senior levels for control and to probably review the risk appetite. The trend analysis is one of the sources of data for the risk report and risk map documented by the Group.

Loss Events Reporting

The Group has a Loss Event Register that captures all actual loss sustained during operational processes.

Health, Safety And Environment Management

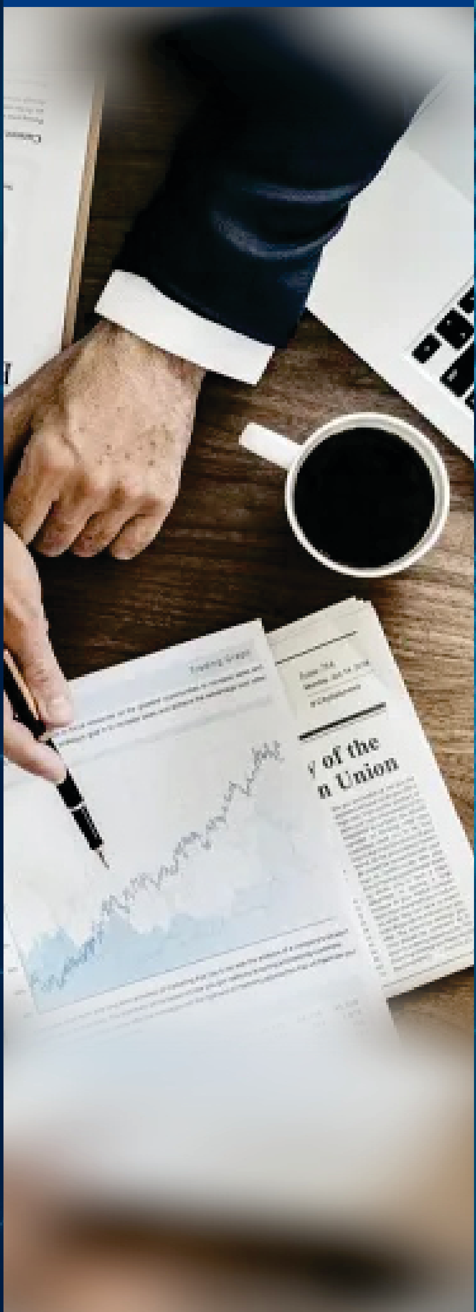
The Health and Safety Management has been instituted to provide and maintain safe healthy working conditions, work equipment and systems for all staff. This responsibility also extends to visitors, contractors and others who may potentially be affected by our activities. The Health and Safety Policy framework underpins the policy statements, roles and responsibilities of HSE officer with "Safety First" culture and zero tolerance for near misses' approach.

Business Continuity Plan (BCP)

The business continuity plan (BCP) has been designed to promote resilience against operational threats especially with regards to continuity of critical operations, in the event of a disaster or disruption to critical operations. The BCP framework also addresses adherence to contingency planning procedures, in the event of emergencies. We aim to continually improve on inherent gaps identified during each simulation exercise. The Company is ISO 22301:2019 compliant and certified by MSECB.

Data Privacy Protection Policy

The data privacy protection policy is basically to enable us to remain committed to ensuring that the privacy and personal information of our clients and employees (data subjects) are protected. African Alliance Insurance is also responsible for complying with extant Nigerian and applicable international laws and regulations on data protection. We have been enlisted as a data compliant organization by the National Information Technology Development Agency (NITDA).



Directors' Report

Directors' Report

The directors submit their report together with the audited consolidated and separate financial statements for the year ended 31 December 2021, which disclose the state of affairs of the Group.

(a) Incorporation And Address

The company was incorporated as a private limited liability company in 1960 under the extant Companies and Allied Matters Act with RC No 2176. The Company became a public liability company following the successful completion of the private placement exercise undertaken by the company in June 2008, On 17 September 2009, the Company became listed on the Nigerian Stock exchange. African Alliance Insurance Plc owns 100% equity of Axiom Air Limited, a cargo airline Company and 98% in Ghana Life Insurance Company Limited, a Life Company in Ghana.

(b) Principal Activities

The principal activity of the Group is the provision of life assurance and pension business to corporate and retail customers in Nigeria and Ghana.

© Operating Results

The Group's results for the 12-months period are set out on pages 62. The profit after tax for the year of N2.4billion for the Group and N2.8billion for the Company in 2021 and a profit after tax of N1.56billion and N1.96billion for the group and company in 2020 respectively have been transferred to retained earnings.

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Gross premium written	7,166,770	7,121,766	6,158,340	5,963,632
Net Underwriting income	6,745,577	6,653,552	5,738,223	5,497,421
Profit before tax	2,185,421	1,615,155	2,835,587	2,013,936
Taxation	231,424	(46,219)	(35,265)	(46,218)
Profit after tax	2,416,845	1,568,936	2,800,322	1,967,718

(d) Dividends

No dividend was proposed for year ended 31 December 2021.

(e) Directors

The directors who held office during the year and to the date of this report were:

Anthony Okocha	- Chairman	Retired on 20 September 2021
Sylva Ogwemoh (SAN)	- Ag. Chairman	
Alh. Abatcha Bulama	- Non-Executive Director	
Dr. Adiele Ekechukwu	- Non-Executive Director	
Sir. Macauley Atasie	- Non-Executive Director	
Mrs. Joyce Ojemudia	- MD/CEO	
Mrs. Olabisi Adekola	- Executive Director	

Appointment of Directors

Mr. Sylva Ogwemoh (SAN) was re-elected as a Non-Executive Director of the company.

(f) Induction and Training

The Group has in place an induction and formal orientation program for newly appointed Directors. During inductions, new Directors are provided with materials and are required to attend series of introductory meetings and retreats to become knowledgeable about the Company's businesses and products and also become familiar with the senior management team.

The Enterprise Risk and Governance Committee of the Board in collaboration with the Company Secretary is saddled with the responsibility of ensuring that Directors participate in continuing education programs so as to keep them abreast with the Group's business objectives, operations, strategic plans, business environment as well as industry regulations and other external factors such as corporate governance requirements and best practices. As part of the programme, Directors are encouraged to periodically attend appropriate trainings or seminars which would be beneficial to the Directors in performing their service to the Board.

(g) Performance Evaluation Process

The Enterprise Risk and Governance Committee ensures that a formal evaluation process is in place to assess the composition and performance of the Board, Committees, and individual Directors annually. The assessment is conducted by an independent Consultant so as to guarantee objectivity and fairness. The essence of the evaluation process is to ensure that the Board, its committees and individual Directors are effective and productive and to also identify opportunities for improvement and skill set gaps (if any)

(h) Board Composition and Procedure for Board Appointments.

The Board is composed of individuals with enviable records of achievement in their respective fields. Directors are selected on the basis of certain core competencies and experience spanning across diverse industries and sectors including the Insurance industry, Finance, Media and Public relations, Politics and international relations, Banking, Retail and Consumer Products. In addition to having one or more of these core competencies, candidates for appointment as Directors are identified and considered on the basis of knowledge, experience, integrity, diversity, leadership, reputation and ability to understand the Company's business.

Also, there is a clear separation of responsibilities of the Chairman, CEO, Board and Management thus ensuring non- interference of the Board in management functions. The Non -Executive Directors are independent of Management and are free from any constraint that may materially affect their judgment as Directors of the Company.

(i) Code of Business Ethics for Directors and Employees

In compliance with the Rulebook of the Nigerian Stock Exchange, the Company has in place a code of ethics and business conduct policy which serves as a guide for all Directors and Employees for acceptable and appropriate behavior in the Company. All Directors and Employees are encouraged to observe the highest standards of ethics and integrity in their conduct. This Policy can be found on the Company's website www.africanallianceplc.com

The Board ensures that there is an effective internal control and risk management system in place.

The Shareholders' Audit Committee is saddled with the supervisory role of receiving and reviewing reports from Internal Audit, while the Enterprise Risk Committee oversees the assessment of the Company's risk and control processes and ensures that recommendations from the Committees are adequately implemented.

(j) Directors' shareholding

The direct and indirect interests of the Directors in the issued share capital of the Company as recorded in the Register of Directors' shareholding and/or as notified by the Directors for the purpose of Section 301 of the Companies and Allied Matters Act 2020 and the listing requirements of the Nigerian Stock Exchange as at 31 December 2021 are as follows

Names	direct Shareholding	InDirect Shareholding
Olabisi Adekola	500,000	Nil

(k) Directors' interests in contracts

None of the directors has notified the Group for the purpose of section 303 (1) of the Companies and Allied Matters Act 2020, of their direct or indirect interest in contracts or proposed contracts with the Group during the year

(l) Shareholding

The shares of the company were fully owned by Nigerian Citizens and associations.
The range of shareholding as at 31 December 2021 is as follows:

Range of Shares	Number of Share holding	% Shareholders	Unit of Share held	% Holding
1 - 1,000,000	1,066	76	242,581,988	1
1,000,001 - 10,000,000	275	20	1,068,720,410	5
10,000,001 - 50,000,000	31	2	741,833,413	4
50,000,001 - 100,000,000	9	1	671,489,785	3
100,000,001 - 500,000,000	15	1	3,337,182,217	16
500,000,001 - 1,000,000,000	2	0	1,507,000,000	7
1,000,000.001 and above	2	0	13,016,192,187	63
Total	**1,400**	**100**	**20,585,000,000**	**100**

Major Shareholding

The following shareholders held more than 5% of shares of the company according to the Register of members as at 31 December 2021:

	2021		2022	
	Number of shares ('000)	Percentage held (%)	Number of shares ('000)	Percentage held (%)
Conau Limited	11,816,192,187	57	11,835,900,000	57
Universal Insurance PLC	1,200,000,000	6	1,200,000,000	6
	13,016,192,187	**63**	**13,035,900,000**	**63**

(m) Donations and gifts

Contributions to charity and non-government organisations during the year amounts to N100,000 (2020: N400,000)

2021	Amount N'000
Nigerian Red Cross Society	100

(n) Events after year end

No material facts or circumstances arose between the dates of the statement of financial position and this report that will affect the financial position of African Alliance Insurance Plc as at 31 December 2021.

(o) Human Resources

Employment of Physically Challenged Persons

The Group continues to maintain a policy of giving fair consideration to the application for employment made by disabled persons with due regard to their abilities and aptitudes. The Group's policy prohibits discrimination against disabled persons in the recruitment, training and career development of its employees. In the event of members of staff becoming disabled, efforts will be made to ensure that their employment with the Group continues and appropriate training arranged to ensure that they fit into the Group's working environment. As at 31 December 2021 the Group had no disabled persons in its employment.

Health, Safety and Welfare at Work

The Group enforces strict health and safety rules and practices at the work environment, which are reviewed and tested regularly. The Group retains top-class private hospitals where medical facilities are provided for staff and their immediate families at the Group's expense. Fire prevention and fire-fighting equipment are installed in strategic locations within the Group's premises. The Group operates a Workmen's Compensation Insurance covers for the benefit of its employees. It also operates a contributory pension plan in line with the Pension Reform Act, 2014.

Employee Involvement and Training

The Group ensures, through various fora, that employees are informed on matters concerning them. Formal and informal channels are also employed in communication with employees with an appropriate two-way feedback mechanism. In addition, employees of the Group are nominated to attend both locally and internationally organized courses. These are complemented by on-the job training. All officers of the Group attend meetings and retreats where members of staff critically discuss the Group's performance and recommend solutions to identified challenges

Gender Analysis

The number and percentage of women employed in the Group during the financial year vis-a-vis total workforce is as follows:

	Male Number	Female Number	Male	Female
Employees	**49**	**53**	**48%**	**52%**
Gender analysis of Board and Top				
Management is as follows:				
Board	5	2	71%	29%
Top Management	7	4	64%	36%
Detailed analysis of the Board and Top				
Management is as follows:				
Senior Manager	4	2	67%	33%
General Manager	1	0	100%	0%
Executive Director	0	1	0%	100%
Chief Executive Officer	0	1	0%	100%
Non-Executive Director	5	0	100%	0%

(p) Contraventions

The group has made provision for the sum of N42.2 million as penalties for contravening certain regulations during the year including late filling penalty. The particulars thereof are as disclosed in Note 43b to the consolidated and separate financial statements

(q) Share Capital History

The following changes have taken place in the company share capital since inception.

Year	Authorized (N)		Issued & Fully Paid-up (N)		Consideration
	Increase (N)	Cumulative (N)	Increase (N)	Cumulative (N)	
1961	100,000	100,000		25,000	Cash
1996	20,000,000	25,000,000		5,000,000	
1999	-	25,000,000	15,000,000	20,000,000	Cash
2004	175,000,000	200,000,000	130,000,000	150,000,000	Cash
2007	300,000,000	500,000,000		150,000,000	Cash
2008	14,500,000,000	15,000,000,000	5,000,000,000	5,150,000,000	Cash
2008		15,000,000,000	2,850,000,000	8,000,000,000	Share exchange
2009		15,000,000,000	2,292,500,000	10,292,500,000	Right issue

®.) Dividend History

Dividend in the last ten years

Year	Profit (Loss) After Taxation	Dividend Proposed
	N'000	
2011	(1,094,978)	Nil
2012	(315,375)	Nil
2013	1,404,680	Nil
2014	630,161	Nil
2015	(4,757,340)	Nil
2016	3,537,386	Nil
2017	(3,712,591)	Nil
2018	(2,658,566)	Nil
2019	(7,285,544)	Nil
2020	1,967,718	Nil
2021	2,800,322	Nil

(s) Unclaimed Dividend

The Company does not currently have any unclaimed dividend hence no list is provided.

(t) Securities Trading Policy

The Company also has in place a Securities Trading Policy in compliance with Rule 17.15 Disclosure of Dealings in issuers' shares, Rulebook of The Nigeran Stock Exchange, 2015. This policy can be found on the Company's website www.africanallianceplc.com

(u) Auditors

The Auditors, Messrs. Deloitte & Touché was re-appointed during the year as Auditors of the company in line with S.401(1) of CAMA 2020. The Auditors, having completed the fifth year upon the conclusion of 2021 audit, shall retire as the Auditor of the company by rotation in line with corporate governance provisions issued by National Insurance Commission.

African Alliance Insurance Plc consolidated financial statements have been authorized for issue by the Board of Directors on 12 October 2022.

By Order of the Board

TALLP Corporate Services
Company Secretary
FRC/2013/NBA/00000000001586

28 March 2023

Audit Committee Report

In accordance with the provision of section 404(7) of the Companies and Allied Matters Act, 2020 , we hereby confirm that we have seen the Audit Plan and Scope as well as the Management Letter on the audit of the books of account of the Group and Company and the related management response.

In our opinion, the plan and scope of the audit for the year ended 31 December 2021 were adequate.

We have reviewed the auditor's findings and we are satisfied with the management response thereon.

We also confirm that the accounting and reporting policies of the company are in accordance with legal requirements and ethical practices.

Alh. Kabir Tunde Sarumi
FRC/2013/IODN/00000003715

MEMBERS OF THE STATUTORY AUDIT AND COMPLIANCE COMMITTEE

Alh. Kabir Tunde Sarumi	-	Chairman
Dr Raphael Naji Attu	-	Member
Ms. Juliet Ebere Gbaka	-	Member
Alh. Abatcha Bulama	-	Member
Sir. Macauley Atasie	-	Member

Management Discussion And Analysis

The Management Discussion and Analysis (MD&A) presents management's view of the financial results of the group's operations and cash flows of African Alliance Insurance Plc and its subsidiaries for the year ended 31 December 2021.

The Nature of the Business

African Alliance Insurance Plc was incorporated as a Private Limited Liability Company on May 6th, 1960, and was the first indigenous insurance company to carry out the business of Life Assurance in Nigeria. In 2005, African Alliance Insurance Plc. pioneered the sale of Takaful (Islamic Insurance) in Nigeria through a robust selection of Sharia compliant insurance and investment products, also in the same year, the company went into a joint venture with First Securities Discount House Limited (FSDH) to set up Pension Alliance Limited (PAL), a licenced Pension Fund Administrator.

Management Objectives And Strategies

The Group has established a solid reputation for excellent customer service and prompt claims settlement. Our marketing efforts are coordinated through a network of 18 Branches manned by experienced managers and highly motivated sales personnel for effective field coverage. Other recent and on-going capacity building efforts and performance enhancers embarked on by the Company's management include information technology infrastructure to link our offices nationwide for more excellent standard of service delivery through improved on-line, real-time customer claims and policy handling processes.

Result of Operations:-(in thousands of Nigerian Naira)

	Group 2021	Group 2020	% Chg.	Company 2021	Company 2020	% Chg.
Gross premium written	7,166,770	7,121,766	1%	6,158,340	5,963,632	3%
Net underwriting income	6,745,577	6,653,552	1%	5,738,223	5,497,421	4%
Underwriting profit/(loss)	8,134,867	(14,362,633)	-157%	8,536,404	(14,219,687)	-160%
Investment income	1,945,456	2,456,968	-21%	1,911,695	2,411,620	-21%
Admin/Operating expenses	(1,961,720)	(2,245,371)	-13%	(1,723,391)	(2,050,178)	-16%
Profit after tax	2,416,845	1,568,937	54%	2,800,322	1,967,718	42%

Critical performance measures and indicators

Gross Premium Written – The Group premium income increased by 1% during the current year under review over previous year 2020. This is attributable to the stiff operating environment particularly the outbreak of Covid-19 pandemic and lockdown at various period in which many company are just getting out of the impact of the C-19.

Net Premium Revenue – The net underwriting income increased by 1% when compared with previous year due to above reasons.

Underwriting Profit – The Group result showed an underwriting profit of N8.1billion during the year against a result of N14.3billion loss in the previous year due to positive changes in contract liabilities.

Investment Income – This reduced by 21% as at 31 December 2021. This is attributable to crash in interest rate in the market which affected investment income of the Group.

Operating Expenses – The operating expenses of the Group reduced by 13% as at 31st December 2021 when compared with previous year 31 December 2020. This is attributable to the cost cutting measures of the Group.

Profit after tax – The Group made a profit after tax of N2.4billion as against N1.5 billion profit in the previous year, an increase of 54%.

Corporate Governance Report for 2021 Financial Year

As leading life insurance company, African Alliance Insurance plc has consistently improved on the vision championed by its founders over 60 years ago. This position has been achieved by adherence to sound corporate governance practices in its operations.

The Group's Corporate Governance practice is drawn from various applicable codes of corporate governance including the National Insurance Commission's (NAICOM) Corporate Governance Guidelines for Insurance and Reinsurance Companies 2021 (CGGIRC), Code of Corporate Governance for Public Companies in Nigeria 2011 issued by the Securities and Exchange Commission's (SEC), and the Nigerian Code of Corporate Governance 2018 issued by the Financial Reporting Council (FRC).

The Group has developed corporate policies and standards to encourage sound and transparent corporate governance framework to avoid potential conflicts of interest between all stakeholders whilst promoting ethical business practices. At all times, the Group's activities are conducted with high standards of professionalism, accountability and integrity.

Governance Structure

The overall responsibility for ensuring that the highest standard of corporate governance is implemented in the Group resides with the Board of Directors which is accountable to shareholders for creating and delivering sustainable value through management of the Group's business. The following structures have been put in place to ensure enforcement of the Group's corporate governance standard:

1 Board of Directors
2 Board Committees

The Board

The Board of Directors is responsible for providing entrepreneurial and strategic leadership as well as promoting ethical culture and responsible corporate citizenship. Serving as a link between Stakeholders and the Company, the Board exercises oversight control and supervisory powers in ensuring that Management acts in Shareholders' best interest while sustaining the Company's prosperity.

Board Composition

The Board comprises of the Chairman, Managing Director/Chief Executive Officer, Executive Director for Finance, 3 Non-Executive Directors and 1 Independent Non-Executive Director.

The Board is a mix of Executive and Non-Executive Directors based on integrity, professionalism, career success, recognition, and the ability to add value to the organization. In reviewing Board composition, the Board ensures a mix with representatives from different industry sectors. Members of the Board bring various and varied competencies to bear on all Board deliberations and as a result, the Board derives its effectiveness from the various skills and vast experiences of each Director.

The Board composition is as follows:

Dr. Anthony Okocha	-	Chairman (Retired 20th September 2021)
Mr. Sylva Ogwemoh (SAN)	-	Non-Executive Director
Alh. Abatcha Bulama	-	Non-Executive Director
Dr. Adiele Ekechukwu	-	Independent Non-Executive Director
Sir. Macauley Atasie	-	Non-Executive Director
Mrs. Joyce Ojemudia	-	Managing Director/ CEO
Mrs. Olabisi Adekola	-	Executive Director

Board Meetings

The Board is responsible for the effective control and monitoring of the Group's strategies and meets regularly or as the need arises to review strategy implementation of the Company's plans by Management. Directors are provided with comprehensive information at each Board meeting and other meetings and are also briefed on business developments monthly. Likewise, the Board considers the Financial Statement of the Group for the period, reviews Management Accounts while considering the recommendations of the Board Committees and other reports pertaining to issues within the Board's responsibilities.

Responsibilities of the Board

The Board of Directors is the highest governing body in the Company. Its primary responsibility is to build long-term shareholders' value and ensure effective oversight of Management. The Board is also saddled with the following responsibilities:

a. Exercising leadership, enterprise, integrity and judgment in its oversight and control of the Company so as to achieve the Company's continued survival and prosperity;

b. Ensuring that the Board and its Committees act in the best interest of the Company at all times;
c. Ensuring compliance with the laws of the Federal Republic of Nigeria and other applicable regulations;
d. Consider and approve the long term and short-term business strategies of the Company while monitoring their implementation by Management;
e. Being accountable to the Company as well as identifying and managing the relationship with shareholders and other stakeholders;
f. Establishing and maintaining the Company's values and standards (including an ethical culture) as well as modelling these values and standards;
g. Overseeing the internal audit functions, approving the internal audit plan, and appointing and removing the head of internal audit function on the recommendation of the Committee responsible for audit;
h. Establishing the Company's risk management framework and monitoring its effectiveness, setting the Company's risk appetite, receiving and reviewing risk reports;
I. Providing oversight over Information Technology Governance;
j. Ensuring that management systems are in place to identify and manage environmental and social risks and their impact.

Board Committees

The oversight functions of the Board of Directors are exercised through its committees which reports and makes necessary recommendations to the Board. All Committees report to the Board and as such, conform to their terms of reference. During the year under review, the Board had five (5) Committees to ensure proper management and direction of the Group via interactive dialogue on a regular basis.

The five standing Committees are:

1 Audit and Compliance Committee,
2 Board Investment and Finance Committee,
3 Board Enterprise Risk Management and Governance Committee
4 Board Remuneration Committee
5 Board Audit Committee

Audit and Compliance Committee

This Committee held four meetings during the year under review. Section 359(6) of the Companies and Allied Matters Act 2020 provides for the functions of this Committee. In addition, the 2011 Securities and Exchange Commission (SEC) Code of Corporate Governance also assigns responsibilities to the Committee. Aside the Statutory Audit Committee, the Company has a Board Audit Committee.

The Committee provides oversight responsibility for the audit, regulatory, compliance and risk functions of the Group. The Committee deliberates on the quarterly compliance reports and takes delivery of the audit reports and statements by the External Auditors. The Committee monitors the effectiveness of the Group's internal control system, and internal audit system. The Committee recommends the appointment of External Auditors and monitors its independence & quality while reviewing the External Auditors' fees.

Core Responsibilities of the Committee include:

1. Ascertaining whether the accounting and reporting policies of the Company are in accordance with legal requirement and agreed ethical practices while reviewing the scope and planning of audit requirements;

2. Reviewing the findings in the Management Letter in conjunction with the External Auditors and Management responses.
3. Keeping under review the effectiveness of the Company's system of accounting and internal control
4. Making recommendations to the Board regarding the appointment, removal and remuneration of the External Auditors of the Company;
5. Providing oversight over Management's processes to ascertain the integrity of the Company's financial statements, compliance with all applicable legal and other regulatory requirements; and assessing the qualification and independence of the External Auditors, and the performance of the Company's internal audit function.

As of December 31, 2021, the Audit and Compliance Committee is comprised of the following:

1.	Alhaji Tunde Kabir Sarumi	-	Chairman
2.	Dr Attu Naji Raphael	-	Member
3.	Ms. Juliet Ebere Gbaka	-	Member
4	Alh. Abatcha Bulama	-	Member
5	Sir. Macauley Atasie	-	Member

Board Finance, Investment and General-Purpose Committee

The Board Finance, Investment and General-Purpose Committee monitors and reviews the Group's investment policies. It ensures that the Group's investment policies reflect the objectives of safety and maintenance of fair returns on investments. The Committee equally establishes standards, rules and guidelines for the Group's investment management operations while reviewing the Group's Investment strategy with a view to sustaining medium to long term competitive edge. The value of the Group's market-to-market portfolios is also evaluated by this

Committee. The Committee met four times during the year to review the Group's financial performance and deliberate on the management and performance of the investment portfolio.

Objectives of the Committee include:

1. Assist the Board to oversee the overall management of the Company and Group's finances.
2. Support the Board in overseeing the Company's investment strategy and portfolios to ensure consistency and compliance with set objectives.
3. The Committee reviews and recommends the Company's Annual Operating Budget to the Board for approval.
4. The Committee reviews the capital adequacy and requirements of the Company and make recommendations to the Board.
5. Ensure that the Company and Group's Investment Portfolio is structured to meet the minimum requirement for Investments as per Insurance Act 2003.
6. Review and make recommendations to the Board regarding investment strategy, policy and guidelines, its implementation and compliance with those policies and guidelines.

7. Ensure that the liability of insurance contracts is adequately matched against their maturity profiles.
8. Periodically review the performance of the major securities and financial instruments relative to the investment portfolio of the Company.
9. The Committee annually reviews the company and group's policies

As of December 31, 2021, the Board Finance, Investment and General-Purpose Committee is comprised of the following:

1.	Mr. Sylva Ogwemoh (SAN)	-	Chairman
2.	Alh. Abatcha Bulama	-	Member
3.	Sir Macauley Atasie	-	Member
4.	Dr. Adiele Ekechukwu	-	Member
5.	Mrs. Joyce Ojemudia	-	Member
6.	Mrs. Olabisi Adekola	-	Member

Board Enterprise Risk Management, Compliance and Governance Committee

The Enterprise Risk Management, Compliance and Governance Committee assists the Board in the development and implementation of a comprehensive Enterprise Risk Management framework in line with NAICOM's risk management guidelines. The Enterprise Risk Management Board Committee supervises the Group's effectiveness in assessing risks appetite vis-à-vis the Company's set objectives. The Committee reviews and recommends for Board approval, the risk management policies and framework as well as assist the Board in its oversight of risk management strategy. It also reviews the adequacy and effectiveness of risk management and controls in the Company while exercising oversight over the process for the identification and assessment of risks across the Company and the adequacy of prevention, detection and reporting mechanisms. The Risk Committee is also saddled with the responsibility of reviewing the Company's compliance level with applicable laws and regulatory requirements which may impact the Company's risk profile.

Objectives of the Committee include:

The development and implementation of a comprehensive enterprise risk management framework in line with NAICOM's risk management guidelines, and where possible, international best practices on risk management.

Reviewing and monitoring of the enterprise risk management practices of the Group and providing improvement recommendations where necessary.
Overseeing the development and implementation of a Business Continuity Plan for the Company and group relative to existing and emerging risks.
Reviewing and monitoring the corporate governance practices and providing improvement recommendations where necessary.
Reviewing and monitoring the corporate governance practices and providing improvement recommendations where necessary.
Monitoring the implementation of the corporate strategy in the context of prevailing trends in the business landscape.
Supervising the strategic activities and initiatives of key operational functions of the Company and the group.

Core responsibilities of the Committee include:

Overseeing the development and periodic review of the enterprise risk management framework, policies and procedures.
Reviewing the adequacy of the risk control activities and provide additional control measures where necessary.
Ensuring that the enterprise risk management framework includes processes for the identification, assessment, control and mitigation of all categories of risks.
Escalating high impact risks to the Board as deemed necessary for further consideration with a view to promptly intervening in the mitigation of such risks.
Supporting the Board and Management in the process of defining short to medium term strategic aspirations and objectives for the Company and the group.
Reviewing the implementation status of key strategic initiatives as defined in the approved corporate strategy and make necessary recommendations.

As of December 31, 2021, the Board Enterprise Risk Management and Governance Committee comprised of the following:

1.	Sir. Macauley Atasie	-	Chairman
2.	Mr. Sylva Ogwemoh (SAN)	-	Member
3.	Dr. Adiele Ekechukwu	-	Member
4.	Alh. Abatcha Bulama	-	Member
5.	Mrs. Joyce Ojemudia	-	Member
6.	Mrs. Olabisi Adekola	-	Member

Board Remuneration Committee

The Board Remuneration Committee was constituted late last year and is poised to hold its inaugural meeting in Q1 2022. In line with Paragraph 5.5 and 11.3.3 of NCCG, the Committee is composed of only Non-Executive Directors and is chaired by an Independent Non-Executive Director. The Committee oversees and advises the Board on remuneration policy, performance evaluation, adoption of incentive plans, and various governance responsibilities related to remuneration.

Core responsibilities of the Committee include:

1. Developing, reviewing and recommending changes in the Group's policies bordering on compensation and provision of benefits to employees
2. Reviewing and making recommendations to the Board concerning the nature and amount of compensation and benefits for Directors.
3. Proffering advice and counsel to Executive Management regarding Human Resources Remuneration policy brought to the attention of the Committee from time to time.

4. Providing detailed information on Directors' remuneration in the Group's annual report to ensure proper disclosure of Directors' remuneration to stakeholders.

As of 31 December 2021, the Board Remuneration Committee comprised of the following Non-Executive Directors:

1.	Dr. Adiele Ekechukwu	-	Chairman
2.	Mr. Sylva Ogwemoh (SAN)	-	Member
3.	Sir. Macauley Atasie	-	Member
4.	Alh. Abatcha Bulama	-	Member

Attendance at Board and Committee Meetings

Board Meetings	Composition	No of Meetings Attended	18th Feb, 2021	19th Apr, 2021	3rd Jun, 2021	6th July, 2021	9th Aug, 2021	16th Sept, 2021	15th Nov, 2021
Dr. Anthony Okocha (Retired on 20th September 2021)	Chairman	6	•	•	•	•	•	•	
Mrs. Joyce Ojemudia	Member	6	•	•	Absent	•	•	•	•
Mrs. Olabisi Adekola	Member	7	•		•	•	•	•	•
Sylva Ogwemoh (SAN)	Member	6	•	•	•	•	Absent	•	•
Alh. Abatcha Bulama	Member	7	•	•	•	•	•	•	•
Sir. Macauley Atasie	Member	7	•	•	•	•	•	•	•
Dr. Adiele Ekechukwu	Member	7	•	•	•	•	•	•	•

Audit and Compliance Committee	Composition	No of Meetings Attended	12th Feb 2021	10th Sep, 2021	27th Oct 2021	20th Dec. 2021	
Alhaji Tunde Kabir Sarumi	Chairman	4	•	•	•	•	
Dr. Attu Naji Raphael	Member	3	•	•	Absent	•	
Ms. Juliet Ebere Gbaka	Member	4	•	•	•	•	
Sylva Ogwemoh (SAN) (Left the Committee on 25th November 2021)	Member	3	•	•	•		
Alh. Abatcha Bulama	Member	4	•	•	•	•	
Sir. Macauley Atasie (Appointed on 25th November 2021)	Member	1	•	•	•	•	

Board Finance, Investment and General Purpose Committee	Composition	No of Meetings Attended	3rd Jun, 2021	17th Jun, 2021	9th Sep, 2021	8th Nov 2021	
Sir. Sylva Ogwemoh (SAN)	Chairman	4	•	•	•	•	
Mrs. Joyce Ojemudia	Member	4	•	•	•	•	
Olabisi Adekola	Member	4	•	•	•	•	
Alh. Abatcha Bulama	Member	4	•	•	•	•	
Dr. Adiele Ekechukwu	Member	4	•	•	•	•	
Sir. Macauley Atasie	Member	3	•	Absent	•	•	

Board Enterprise Risk Management and Governance Committee	Composition	No of Meetings Attended	11th Feb, 2021	31st May, 2021	10th Sep, 2021	8th Nov, 2021
Sir. Macauley Atasie	Chairman	4	•	•	•	•
Sylva Ogwemoh (SAN)	Member	4	•	•	•	•
Dr. Adiele Ekechukwu	Member	4	•	•	•	•
Alh. Abatcha Bulama	Member	4	•	•	•	•
Olabisi Adekola	Member	4	•	•	•	•
Joyce Ojemudia	Member	4	•	•	•	•

Remuneration Committee Members	Composition	No of Meetings Attended				
Dr. Adiele Ekechukwu	Chairman	0				
Sylva Ogwemoh (SAN)	Member	0				
Sir. Macauley Atasie	Member	0				
Alh. Abatcha Bulama	Member	0				

Board Audit Committee Members	Composition	No of Meetings Attended	11th Feb, 2021	15th April 2021	9th Sept. 2021	5th Nov 2021
Dr. Adiele Ekechukwu	Chairman	4	•	•	•	•
Sylva Ogwemoh (SAN)	Member	4	•	•	•	•
Alh. Abatcha Bulama	Member	4	•	•	•	•

- • connotes present
- – connotes absent

Statement on the Board's Level Compliance with requisite code corporate governance

In furtherance of the Group's corporate governance objectives and in line with the CGGIRC and NCCGC, a rigorous Board and corporate governance evaluation is conducted every year by an independent consultant to assess the overall performance of the Board and application of corporate governance principles in the given year. Report on the independent Board and corporate governance evaluation conducted in 2021 confirmed the Group's substantial compliance with the various codes of corporate governance in 2021.

Certification of Consolidated and Separate Financial Statements

In accordance with section 405 of the Companies and Allied Act of Nigeria 2020, the Chief Executive Officer and the Chief Financial Officer certify that the consolidated and separate financial statements have been reviewed and based on their knowledge, the

(i) audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and

(ii) audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the group and company as of and for, the periods covered by the audited financial statements;

We state that management and directors:

(i) are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Group and Company is made known to the officer by other officers of the group and company, particularly during the period in which the audited financial statement report is being prepared

(ii) has evaluated the effectiveness of the Group's and Company's internal controls within 90 days prior to the date of its audited financial statements, and

(iii) certifies that Group's and company's internal controls are effective as of that date

We have disclosed:

(i) All significant deficiencies in the design or operation of internal controls which could adversely affect the group's and company's ability to record, process, summarize and report financial data, and has identified for the group's and company's auditors any material weaknesses in internal controls, and

(ii) Whether or not, there is any fraud that involves management or other employees who have a significant role in the group's internal control; and

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

The financial statements of the Group and company for the year ended 31 December 2021 were approved by the Board of Directors on 28 March 2023.

By order of the Board

Joyce Ojemudia
Managing Director
FRC/2015/CIIN/00000012042

Olabisi Adekola
Executive Director - Finance
FRC/2013/ICAN/00000001179

Nigeria Stock Exchange Free Float Report

Company Name:	African Alliance Insurance Plc
Board Listed:	Main Board
Year End:	December
Reporting Period:	Year ended 31 December 2021
Share Price at End of Reporting Period:	N0.20 (2020: N0.20)
Shareholding Structure/Free Float Status	

	31-Dec-21		31-Dec-20	
Description	**Unit**	**Percentage**	**Unit**	**Percentage**
Issued Share Capital	20,585,000,000	100%	20,585,000,000	100%
Substantial Shareholdings (5% and above)				
Conau Trade and Investment Limited	11,816,192,187	57.40%	11,835,900,000	57.50%
Universal Insurance Plc	1,200,000,000	5.83%	1,200,000,000	5.83%
Total Substantial Shareholding	13,016,192,187	63.23%	13,035,900,000	63.33%
Directors Shareholdings (direct and indirect)				
excluding directors with substantial holdings				
Dr Anthony Okocha	50,000	0.0002%	50,000	0.0002%
Mrs Olabisi Adekola	500,000	0.002%	500,000	0.002%
Total Directors Shareholding	550,000	0.003%	550,000	0.003%
Other Shareholdings				
African Alliance Staff Scheme	23,652,673	0.11%	23,652,673	0.11%
Total Other Shareholdings	23,652,673	0.11%	23,652,673	0.11%
Free Float in Units and Percentage	7,544,605,140	36.65%	7,524,897,327	36.56%
Free Float in Value	1,508,921,028.00		1,504,979,465.40	

Declaration:

A) A) African Alliance Insurance Plc with a free float percentage of 36.65% as at 31 December 2021, is compliant with the Exchange's free float requirements for companies listed on the Main Board.

B) B) African Alliance Insurance Plc with a free float value of N1,508,921,028.00 as at 31 December 2021, is compliant with the Exchange's free float requirements for companies listed on the Main Board.

Results At A Glance

Consolidated and Separate financial statements for the year ended 31st December 2021

COMPREHENSIVE INCOME STATEMENT	Group		Company	
	Dec 31 2021	Dec 31 2020	Dec 31 2021	Dec 31 2020
	N'000	N'000	N'000	N'000
Gross premium written	7,166,770	7,121,766	6,158,340	5,963,632
Gross premium income	7,030,064	7,008,642	6,022,576	5,850,508
Net premium income	6,596,261	6,559,709	5,588,907	5,403,577
Investment income	1,945,456	2,456,968	1,911,695	2,411,620
Profit before tax	2,185,421	1,615,155	2,835,587	2,013,936
Profit after tax	2,416,845	1,568,937	2,800,322	1,967,718

STATEMENT OF FINANCIAL POSITION	Group		Company	
	Dec 31 2021	Dec 31 2020	Dec 31 2021	Dec 31 2020
	N'000	N'000	N'000	N'000
Total assets	41,587,426	56,307,087	40,703,737	54,021,990
Insurance and investment contract liabilities	44,248,815	58,328,955	42,486,541	56,342,177
Total liabilities	47,391,703	61,420,956	44,996,421	58,517,047
Total Equity	(5,804,277)	(5,113,869)	(4,292,684)	(4,495,057)
Profit/(Loss) per share (basic) - in kobo	12%	8%	14%	10%

Independent Auditor's Report

To the Shareholders of African Alliance Insurance Plc
Report on the Audit of the Consolidated and Separate financial statements

Opinion

We have audited the accompanying consolidated and separate financial statements of African Alliance Insurance Plc (the company) and its subsidiaries (together referred to as the group) which comprise the Consolidated and separate statement of financial position as at 31 December 2021, the Consolidated and separate statement of profit or loss and other comprehensive income, statement of changes in equity, Consolidated and separate statement of cash flow for the year then ended, and the notes to the Consolidated and separate financial statements including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the Consolidated and Separate financial position of African Alliance Insurance Plc as at 31 December, 2021 and the financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act Cap (CAMA 2020), Insurance Act I17 LFN 2004, circulars and guidelines issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audit of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of consolidated and separate financial statements in Nigeria.

Material Uncertainty related to going concern

We draw attention to Note 5.5 in the consolidated and separate financial statements which indicates that as of 31 December 2021, the company reported a solvency deficit of N12.3 billion, a negative shareholders fund of N4.2 billion, and the total admissible assets less net insurance and investment contract liabilities amounted to a deficit of N23.2billion.

These events or conditions, along with other matters stated therein, indicate that a material uncertainty exists that may cast significant doubt on the company's and group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Restatement

We draw attention to Note 47 to the consolidated and separate financial statements which provide explanation on why some prior year figures were restated.

Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current year. The matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Key Audit Matter

Valuation of Insurance Contracts Loss Reserve	How the matter was addressed in the audit
Under IFRS 4, the Group is required to perform liability adequacy test on its insurance contract liabilities to ensure the carrying value of the liabilities is adequate As disclosed in note 18 &19 to the financial statements, the insurance and investment contract liabilities of the Group amounted to N 44.24billion and N42.48 billion for the company. This represents about 92% of the Group total liabilities as at 31 December 2021. Determination of the fair value of the contracts is an area that involves exercise of significant judgement and use of key inputs and assumptions. Some of these include operating assumptions in relation to uncertain future outcomes like mortality, morbidity, lapse and surrender, etc., and also economic assumptions relating to interest rates, inflation rates, expenses, return on investments, discount rates, future growth rates etc., which are the key inputs used to estimate these long-term liabilities. At the end of each financial year, management employs the services of an external actuary in the determination of its insurance liability after considering the accuracy and integrity of data used in the valuation. Necessary adjustments are made in the financial statements to reflect the liabilities determined by the actuary.	We reviewed the methodology and processes adopted by management for making reserves in the books of the Group. · Tested entity's control around reserving process and maintenance of data for valuation of insurance contract liabilities. . We considered the validity of management's liability adequacy testing which is a key test performed to check that the liabilities are adequate in the context of expected experience. Our work on the liability adequacy test includes assessing the reasonableness of the projected cash flows and challenging the assumptions adopted in the context of company and industry experience data and specific product features. · We validated the data used in the valuation of the insurance contract liabilities. · We involved Deloitte Actuary in the review of the assumptions and estimates used by management and assessment of the adequacy of the insurance liabilities in line with Liability Adequacy Test ("LAT") based on requirements of IFRS 4. · We ensured the appropriateness of the journals posted and agreed the figures disclosed in the financial statements to the figures stated in the actuarial valuation after thorough review of the basis and assumptions.

	How the matter was addressed in the audit (continued)
	We found that the assumptions used by management were comparable with the market, accord with best practices, the key input data used in estimating the fair value of the insurance and investment contracts liabilities were appropriate in the circumstances. We consider the disclosure of the liabilities to be adequate, relevant and useful.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the "African Alliance Insurance Plc Consolidated and Separate Financial Statements", which includes the Corporate Governance Report, Management Commentary, Enterprise Risk Management Report, Directors' Report, Result at a glance and Other National Disclosures as required by the Companies and Allied Matters Act, 2020, and the Financial Reporting Council Act, 2011, which we obtained prior to the date of this auditors' report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate 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 and separate 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 and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Consolidated and Separate Financial Statements
The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act 2020, Insurance Act I17 LFN 2004, circulars and guidelines issued by the National Insurance Commission (NAICOM), Financial Reporting Council Act, 2011 and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the Group and company's 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 and separate financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the fifth Schedule of the Companies and Allied Matters Act 2020 and Section 28 (2) of the Insurance Act CAP I17 LFN 2004, we expressly state that:

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

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

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

Contraventions

The Company contravened certain sections of the Insurance Act, NAICOM circulars and guidelines during the year. The particulars thereof and penalties paid are as disclosed in Note 43b to the financial statements.

No evidence of non-compliance with laws and regulations (NOCLAR) was brought to our notice during the audit of the financial statements for the year.

For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
24 August, 2023

Engagement partner:
Joshua Ojo
FRC/2013/ICAN/00000000849

Statement of Significant Accounting Policies

General Information

1 General Information

African Alliance Insurance Company is a public limited company incorporated and domiciled in Nigeria. The registered office is located at 54 Awolowo Road, Ikoyi, Lagos.

The Company is principally engaged in the business of providing risk underwriting for life, related financial and pension services, aviation and hospitality services to its customers.

1.2 Principal Activities

The principal business of the company is providing risk underwriting and related financial and hospitality services to its customers. Such services include provision of life insurance services to both corporate and individual customers.

The Subsidiaries activities are:

- Ghana Life Insurance Company Limited, a Life assurance company in Ghana.
- Axiom Air Limited, a cargo airline company

1.3 Components of Financial Statements

The Financial statements comprise the Consolidated and Separate Statements of Comprehensive income, Consolidated and Separate statements of Financial Position, Consolidated and Separate Statement of Changes in Equity, Consolidated and Separate Statements of Cash Flows, and the accompanying Notes.

Income and expenses (excluding the components of other comprehensive income) are recognised in the profit or loss segment of comprehensive income to arrive at the profit for the year.

Other comprehensive income is recognised in the other comprehensive segment of the statement of other comprehensive income and comprises items of income and expenses that are not recognised in the statement of profit or loss as required or permitted by IFRS.

The addition of the profit for the year and the other comprehensive income gives the total comprehensive income for the year.

Reclassification adjustments are amounts reclassified to statement of comprehensive income in the current year that were recognised in other comprehensive income in the current or previous years. Transactions with the owners of the Group in their capacity as owners are recognised in the statement of changes in equity.

1.4 Basis of preparation and measurement

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Allied Matters Act, Insurance Act CAP I17 LFN 2004, the Financial Reporting Council of Nigeria Act 2011 and regulatory guidelines as pronounced from time to time by National Insurance Commission (NAICOM). Historical cost basis was used in preparation of the financial statements as modified by the measurement of certain items at revalued amounts as stated below:

- Property, plant and equipment at valuation
- Investment property at fair value
- Investment at fair value
- Impaired assets at their recoverable amounts

1.5 Compliance with IFRS

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRIC) Interpretations applicable to companies reporting under IFRS as issued by the International Accounting Standards Board (IASB). Additional information required by national regulations have been included where appropriate

1.6 Going Concern status

As at the end of the financial year 31 December 2021, the following going concern matters have been identified by the Directors of African Alliance Insurance Plc:

1. Negative regulatory solvency margin of 713% negative compared to a required 100% position by NAICOM. The company's solvency margin is below the regulatory requirement as stated in the Insurance Act CAP I17, LFN 2004. The company reported a solvency margin deficit of N12.3 billion for the year ended 31 December 2021 compared to a minimum of N2 billion for required for life assurance companies.
2. The total admissible assets of the company less net insurance and investment contract liabilities amounted to a deficit of N23.2 billion as at 31 December 2021.
3. The company also reported a negative shareholders fund of N4.29 billion as at the end of 31 December 2021.

These indicators, based on the performance and financial statements of the company and group, including the deficit in the solvency margin as well as the failure of the regulatory admissible assets of the entity to cover the insurance liabilities, all indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

The board of directors assessed its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future based on the following action plans that it is current executing and will execute within the next 12 to 15 months. These actions are however not sufficient to address the regulatory solvency and liquidity breaches. It is uncertain how NAICOM, the Regulator, will react to the ongoing non-compliance with regulatory ratios.

Action Plans

The Board of Directors hereby confirm that the following action plans are currently undergoing various levels of execution. The directors believe that these actions will enable the company to address and revert to a going concern status without limitations.

a. Rights issue of N2 billion shares to existing shareholders:

The Directors have appointed relevant professional advisors to assist with the relevant processes of obtaining regulatory approval for a rights issue as soon as possible. However, the process is hinged on the conclusion of the FY2021 financial statements.

Of significant impact is that Conau Trade and Investment Limited, the company's majority shareholder, has underwritten to take on 100% of the rights in issue, when the right issues have been approved by the regulators and made available to the shareholders.

Shareholders of the company at the last Annual General Meeting (AGM) had given their consent and approval to the offering. This is however subject to the final approval of the regulators (National Insurance Commission (NAICOM), Financial Reporting Council of Nigeria (FRCN) and Securities and Exchange Commission. We are confident that the regulators will give their nod to the offering.

b. Injection of fresh capital by new investors:

The Board of Directors are at the final stages of concluding arrangement with an independent investor with plans to inject about N7 billion into the company as fresh capital. However, the process involves the conduct of due diligence on the financial statements of the company. The above proposed capital injection has been approved by the shareholders at its last Annual General Meeting (AGM), and is in the following phases:

a) Phase I – Transaction preparation/Investor engagement
b) Phase II – Documentation/Early Regulatory engagement
c) Phase III – Regulatory filings
d) Phase IV – Allotment and listing

The Board of Directors has received the special resolution of the Shareholders to proceed with the action plans and currently in progress.

However the success of this transaction is not under the control of the directors therefore there is material uncertainty as to the probability that this transaction will succeed.

c. Renewal of overdraft facilities:

The Board of Directors have approved that management Access Bank overdraft from its bankers to the tune of N500 million. This is to enable the company to meet its immediate operational requirements from time to time and its support working capital requirements. This is however subject to the approval by the bankers to access the revolving credits.

The company's request has now been approved by one of the banks. The approval is however subject to the following conditions to be fulfilled by the company:

I. Company name, registration number, address etc. and Bank Verification Number (BVN) related information such as Name, Address, Date of Birth, Gender, etc. of Directors.
ii. Receipt of satisfactory credit check reports on the Borrower and its Directors from the Central bank of Nigeria (CBN) and two other credit bureaus.
iii. Receipt of Personal Guarantee of the MD/CEO of the Borrower.
iv. Receipt of fully executed Environmental and Social Risk Management (ESRM) tool kit.
v. Receipt of irrevocable letter of domiciliation/undertaking from Borrower to domicile sales proceeds.

vi. Receipt of favourable search report on the landed property pledged.
vii. Receipt of all required documents for perfection of the pledged property.
viii. Provision of valuation report on landed property valued by one bank's approved valuer and must cover 130% of the facility amount.

The entity has accepted the facility extended by the bank and commenced the process of complying with these conditions.

d. Disposal of company's interest in Ghana Life Assurance Limited:
Directors are at the final stages of concluding the disposal of its interest in Ghana Life Assurance Limited to another investor. All documentation around the disposal has been submitted to the regulator, NAICOM, for its consent and approval. Directors are confident that the transaction will be approved by NAICOM, this is however subject to the timing of the approval by NAICOM.

e. Sale of FGN bonds:
As part of the strategy to meet likely claims and obligations that might arise from its clients, the Board has approved the partial disposal of FGN Bonds to enable management meet any form of claims that might arise during the period.

f. Other matters:

i. Dividend from PAL Pensions: The Directors are confident that this company shall continue to pay out dividend of at least N400 million representing its portion of the dividend. During the year, as included in the consolidated financial statements, the group received the sum of N441 million in dividends.
ii. Growth in Premium Income: The Board and Management continue to strive to ensure that the premium income continue to grow. In the last few months new businesses have been won and these factored into the cash projection adapted for the going concern assessment. The Board is confident that this trend will continue.
iii. De-Risking of all new businesses: As part of its strategy to ensure that toxic revenues are no longer part of the business of the company. Management has engaged in appropriate review of the nature of each business before they are accepted. Once any business does not meet its level of risk appetite the business is not accepted. This has manifest in the level of claims being recorded in the last few months. The Board is confident that as this process continues, we will continue to see value and significant reduction in the level of claims payout.

While all of the above will help to address the liquidity challenges of the company, this does not however ameliorate the deficit of the solvency margin.

Material uncertainty exists for each of these plans, because of events that might be beyond expectations of the Directors. There can be no assurance that the Company will be successful with these strategic initiatives. If such initiatives and plans are not successful, the Company and Group may be forced to limit its business activities or be unable to continue as a going concern, which will have a material adverse effect on operations and financial performance of the company. While the Directors are confident that these action plans will be successful and have prepared these financial statements on a going concern basis, material uncertainties exist that may cast significant doubt on the Company's ability to continue as going concerns.

1.7 Significant judgements and key sources of estimation uncertainty

In the process of applying the accounting policies adopted by the Group, the Directors make certain judgements and estimates that may affect the carrying values of assets and liabilities in the next financial period. Such judgements and estimates are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. The directors evaluate these at each financial reporting date to ensure that they are still reasonable under the prevailing circumstances based on the information available.

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. however, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. these factors should include:

The judgements made by the directors in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements include:

Claims arising from insurance contracts

Liabilities for unpaid claims are estimated on a case-by-case basis. The liabilities recognised for claims fluctuate based on the nature and severity of the claim reported. Claims incurred but not reported are determined using statistical analyses and the Group deems liabilities reported as adequate.

Key judgment areas include: assumptions and estimate in respect of interest rate, expenses inflation, consumer price index.

- **Fair value of unquoted equity financial instruments**
  The fair value 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.

- **Taxation**
  Whether it is probable that future taxable profits will be available against which temporary differences can be utilized; and

1.8 Functional and presentation currency

The consolidated financial statements are presented in Nigerian Naira (Naira), rounded to the nearest thousand, this is also the functional currency of the Group.

1.9 Presentation of financial statements

The Group presents its statements of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within twelve months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in the Notes.

2.0 Changes in accounting policy and disclosures

New and amended standards and interpretations

New and amended standards adopted and interpretations

The Company applied for the first time, certain standards, and amendments, which are effective for annual periods beginning on or after 1 January 2021. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

Interest Rate Benchmark Reform Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
In the current year, IASB published the Phase 2 amendments Interest Rate Benchmark Reform Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Adopting these amendments enables the Company to reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rate (also referred to as 'risk free' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements.

The amendments are relevant for the following types of hedging relationships and financial instruments of the Company, all of which extend beyond 2021:

Fair value hedges where LIBOR-linked derivatives are designated as a fair value hedge of fixed rate debt in respect of the GBP LIBOR risk component Cash flow hedges where IBOR-linked derivatives are designated as a cash flow hedge of IBOR-linked bank borrowings. Bills or exchange and lease liabilities which reference LIBORs and are subject to the interest rate benchmark reform

This standard does not apply to the Company in the current financial year.

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16
In March 2021, the Board amended the conditions of the practical expedient in IFRS 16 that provides relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

New and revised IFRS Standards in issue but not yet effective

A number of standards, interpretations and amendments thereto, had been issued by the IASB which are effective but do not impact on these financial statements as summarized in the table below:

Pronouncement	Nature of change
IFRS 17 (including the June 2020 amendments to IFRS 17) Insurance contracts	IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees. IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied. For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application. **Impact of the initial application IFS 17** This standard is expected to have a material impact on the Group's financial reporting and disclosure as the Group has companies who are predominately in the business of insurance contracts. African Alliance Insurance Plc and Ghana Life insurance have already commenced a project implementation exercise and have performed a high- level impact assessment of IFR 17. The Group expects that the new standard will result in an important changes to the accounting policies for insurance contract liabilities and is to have a significant impact on profit and total equity together with presentation and disclosure.

Pronouncement	Nature of change
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or	The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated

Contribution of Assets between an Investor and its Associate or Joint Venture	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 recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the Board; 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.

Pronouncement	Nature of change
Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Noncurrent	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 covenantsare 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 earlyapplication permitted.The Company would apply the standard retrospectively before its application date.

Pronouncement	Nature of change
Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework	The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

Pronouncement	Nature of change
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 recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories. The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost. The amendments are 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 recognise 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 amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Pronouncement	Nature of change
Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Costof 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 fulfillingcontracts (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.

Pronouncement	Nature of change
	Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.
Annual Improvements to IFRS Standards 2018-2020 - Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture	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). IFRS 9 Financial Instruments The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted. IFRS 16 Leases The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated. IAS 41 Agriculture The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use

	pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement. The amendment is 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.

Pronouncement	Nature of change
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

Pronouncement	Nature of change
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates	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 The Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments. 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.

Pronouncement	Nature of change
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 recognise 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 Board also adds an illustrative example to IAS 12 that explains how the amendments are applied.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 recognises:• 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 recognised 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.

Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

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

Except for the considerations explained in Note 2 above, the Company consistently applied the following accounting policies to the periods presented in the financial statements.

2.1 Consolidation

2.1.1 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 acquiree 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 interest's 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.

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 with the Group's accounting policies.

2.1.2 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.

2.1.3 Disposal of subsidiaries

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.

2.2 Foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'other income'.

All other foreign exchange gains and losses are presented in the income statement within 'Other income' or 'Other expenses'. Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security, and other changes in the carrying amount of the security.

Translation differences related to changes in amortised cost are recognised in profit or loss; other changes in carrying amount are recognised in equity. Translation differences on financial assets and liabilities held at fair value through profit and loss are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as fair value through other comprehensive income financial assets are included in the fair value reserve in equity.

2.3 Financial assets

The Group classifies its financial assets into the following categories: fair value through profit or loss, fair value through other comprehensive income and amortized cost. The classification is determined by management at initial recognition and depends on the objective of the business model.

2.3.1 Classification and Measurements

Financial assets are classified and measured at initial recognition at fair value, including directly attributable transaction cost. Subsequent measurement is based on the business model objective of managing the assets as well as the cashflow characteristics of the asset.

- **Business Model Assessment**

  Business model assessment involves determining if financial assets are managed in order to generate cash flows from collection of contractual cash flows, selling financial assets or both. The Group assesses business model at a portfolio level which reflects how the assets are managed together to achieve a particular business objective.

- **Financial assets at fair value through profit and loss**

  Financial assets will be measured at fair value through the income statement if they do not meet the business model criteria of either "Hold to collect" or "Hold to collect and sell". All equity instruments and similar securities (unless designated at inception to fair value through other comprehensive income); and all derivatives are measured at fair value through profit or loss. An entity have the option to designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch.

- **Financial assets at fair value through other comprehensive income**

  Financial assets will be measured at fair value through other comprehensive income if they are held within a business model where the objective is achieved by both collecting contractual cash flows and selling financial assets ("Hold to collect and sell"), and their contractual cash flows represent solely payments of principal and interest.

2.3.2 Financial Assets Measured At Amortized Cost

Financial assets are measured at amortized cost if they are held within a business model whose objective is to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category are carried at amortized cost using the effective interest rate method. Amortized cost is calculated taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Amortization is included in Interest income in the Consolidated Statement of Income. Impairment on financial assets measured at amortized cost is calculated using the expected credit loss approach.

2.4 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.

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.

Other Receivables And Prepayments

Other receivables balances include dividend receivable, intercompany balances and accrued investment income. The Company has an internal system of assessing the credit quality of other receivables through established policies and approval systems. The Company constantly monitors its exposure to their receivables via periodic review.

Prepayments are essentially prepaid rents and prepaid employee benefits. Other receivables and prepayments are carried at cost less accumulated amortisation and impairment losses.

2.4.1 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.

Financial assets at fair value through other comprehensive income and financial assets at fair value through profit and loss are subsequently carried at fair value. Other 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.

Interest on financial assets fair value through other comprehensive income calculated using the effective interest method is recognised in the income statement. Dividends on equity instruments fair value through other comprehensive income are recognised in the income statement when the Group's right to receive payments is established. Both are included in the investment income line.

2.4.2 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 impairments. 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.

2.4.3 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.

2.4.4 Reclassification of Financial Assets

For financial assets, reclassification is required between FVTPL, FVTOCI and amortised cost; if and only if the entity's business model objective for its financial assets changes so its previous business model assessment would no longer apply.

IFRS 9 does not allow reclassification:

- when the fair value option has been elected in any circumstance for a financial asset;
- or equity investments (measured at FVTPL or FVTOCI); or
- or financial liabilities.

If an entity reclassifies a financial asset, it is required to apply the reclassification prospectively from the reclassification date, defined as the first day of the first reporting period following the change in business model that results in the entity reclassifying financial assets. Previously recognised gains, losses (including impairment gains or losses) or interest are not restated.

2.4.5 Impairment of Asset

Financial assets carried at amortized cost and FVTOCI

The IFRS 9 impairment model is applicable to all financial assets at amortized cost, and debt instruments measured at fair value through other comprehensive income. IFRS 9 replaces the 'incurred loss' model (IAS 39) with an Expected Credit Loss ('ECL') model, resulting in earlier recognition of credit losses compared with IAS 39. Expected credit losses are the unbiased probability weighted average credit losses determined by evaluating a range of possible outcomes and future economic conditions. The ECL model has three stages.

Stage 1: As soon as a financial instrument is originated or purchased, an entity is required to recognize a 12-month expected credit loss in profit or loss and a loss allowance is established. For financial assets, interest revenue is calculated on the gross carrying amount (i.e. without deduction for expected credit losses).

Stage 2: if the credit risk increases significantly and is not considered low, a full lifetime expected credit loss is recognized in profit or loss. The calculation of interest revenue is the same as for stage 1 above.

Stage 3: if the credit risk of a financial asset increases to the point that it is considered credit-impaired, interest revenue is calculated based on the amortized cost (i.e. the gross carrying amount less the loss allowance). Financial assets in this stage will generally be assessed individually. Lifetime expected credit losses are recognized on these financial assets. Based on the criteria in stages 1-3, the Group sets reserves for impairment.

No impairment reserve is set on financial assets measured at fair value through profit and loss.

2.4.6 Financial Liabilities

Financial liabilities are classified into one of the following measurement categories:

I Amortized cost,

ii Fair Value through Profit or Loss (FVTPL)

Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities accounted for at fair value through profit or loss fall into two categories: financial liabilities held for trading and financial liabilities designated at fair value through profit or loss on inception. However, for financial liabilities designated at fair value through profit or loss, gains or losses attributable to changes in own credit risk are presented in Other Comprehensive Income.

- Financial Liabilities at amortized cost
  Financial liabilities that are not classified at fair value through profit or loss fall into this category and are measured at amortized cost using the effective interest rate method.

2.4.7 Offsetting Financial Instruments

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

Cash And Cash Equivalents

Cash and cash equivalents include cash in hand, bank and call deposits and other short-term highly liquid investments with original maturities of three months or less, which are subject to insignificant risk of changes in their fair value and used by the Company to manage its short-term commitments. Cash and cash equivalents are measured at amortised cost in the statement of financial position.

2.5 Trade Receivables and Payables Related to Insurance Contracts

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

Trade And other Payables

Trade Payables

Trade payables are recognised when due. These include amounts due to agents, reinsurers, co-assurers and insurance contract holders. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The fair value of a non- interest-bearing liability is its discounted repayment amount. If the due date is less than one year, discounting is not applied.

Accruals And Other Payables

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The fair value of a non-interest-bearing liability is its discounted repayment amount. If the due date is less than one year, discounting is not applied.

2.6 Reinsurance

The Group cedes insurance risk in the normal course of business for all of its businesses.

2.6.1 Reinsurance Assets

Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims or insurance contract liabilities associated with the reinsurers policies and are in accordance with the related reinsurance contract. reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting year. impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer. the impairment loss recorded in the statement of profit or loss and other comprehensive income.

Gains or losses on buying reassurance are recognised in the income statement immediately at the date of purchase and are not amortised. Ceded reinsurance arrangements do not relieve the Group from its obligation to policy holders.

2.6.2 Reinsurance Liabilities

Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due. The Group has the right to set-off re-insurance payables against amount due from re-insurance and brokers in line with the agreed arrangement between both parties.

2.7 Deferred Policy Acquisition Costs (dac)

Acquisition cost comprise all direct and indirect costs arising from the writing of Life insurance 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 that ratio of unearned premium to written premium.

2.8 Investment in Associates

As associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 - Noncurrent Asset Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate is initially recognised in the consolidated and separate statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interest that, in substance, form part of the Groups net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The requirements of IAS 39 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

2.9 Investment Properties

Investment property is property held on earn rentals or for capital appreciation or both. Investment property, including interest in leasehold land, is initially recognised at cost including the transaction costs. Subsequently, investment property is carried at fair value representing the open market value at the statement of financial position date determined by annual valuation carried out by external registered valuer's. gains or losses arising from changes in the fair value are included in determining the profit or loss for the year to which they relate.

Investment properties are derecognized when either they have been disposed or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is charged or credited to profit or loss.

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

When the Group completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the income statement.

2.10 Intangible Assets

Software license costs and computer software that is not an integral part of the related hardware are initially recognised at cost, and subsequently carried at cost less accumulated amortization and accumulated impairment losses. Costs that are directly attributable to the production of identifiable computer software products controlled by the Group are recognised as intangible assets.

Amortization is calculated using the straight-line method to write down the cost of each license or item of software to its residual value over its estimated useful life.

Amortization begins when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management, even when idle. Amortization ceases at the earlier date that the asset is classified as held for sale and the date that the asset is derecognized and ceases temporarily, while the residual value exceeds or is equal to the carrying value.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset it derecognized.
Intangibles recognised as assets are amortized over their useful lives, which does not exceed five years.

2.11 Property, Plant and Equipment

All categories of property and equipment are initially recognised at cost. Cost includes expenditure directly attributable to the acquisition of the assets. Computer software, including the operating system that is an integral part of the related hardware is capitalized as part of the computer equipment

Work in progress owner-occupied property that are included in property, plant and equipment are stated at cost to date and are not yet de-componentised as the asset has not been put into use.

Subsequent cost is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance expenses are charged to the income statement in the year in which they are incurred.

Increases in the carrying amount arising on revaluation are recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. Decreases that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases are charged to the statement of profit or loss.

Freehold land is not depreciated. Depreciation is calculated using the straight-line method to write down the cost or the revalued amount of each asset to its residual value over its estimated useful life using the following annual rates:

land	0%
Buildings	2%
Motor Vehicles	25%
Computer Equipment	20%
Furniture & Fittings	10%
Office Equipment	10%
Plant & Machinery	10%
Aircraft (Componentized)§ Aircraft Engines	4%
Airframes (Body)	3%
Landing gears	10%
APU, Avionic & other electronic parts	15%

Depreciation on an item of property, plant and equipment commences when it is available for use and continues to depreciate until it is derecognized, even if during that period the item is idle. Depreciation of an item ceases when the item is retired from active use and is being held for disposal

Where no parts of items of property, plant and equipment have a cost that is significant in relation to the total cost of the item, the same rate of depreciation is applied to the whole item.

On an annual basis, the assets' residual values, depreciation method and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit.

2.12 Leases

Based on the accounting policy applied the Company recognizes a right-of-use asset and a lease liability at the commencement date of the contract for all leases conveying the right to control the use of an identified assets for a period. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

The right-of-use assets are initially measured at cost, which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives;
- any initial direct costs incurred by the bank;
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets or restoring the site on which the assets are located.

After the commencement date the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability.

Depreciation is calculated using the straight-line method over the estimated useful lives of the leased asset

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. These include:

- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on a rate, initially measured using the rate as at the commencement date;
- amounts expected to be payable by the company under residual value guarantees;
- the exercise price of a purchase option if the company is reasonably certain to exercise that option.

The lease payments are discounted using the company's incremental borrowing rate or the rate implicit in the lease contract.

2.13 Statutory Deposits

Statutory Deposit represents 10% of the paid-up capital of the Company deposited with the Central Bank of Nigeria (CBN) pursuant to Section 10(3) of the Insurance Act CAP I17 LFN 2004.

Statutory deposits are cash balances held with the Central Bank of Nigeria (CBN) in compliance with the Insurance Act, CAP 117, Laws of the Federation of Nigeria, 2004 for the life insurance companies. The deposits are only available as a last resort to the Company if it goes into liquidation. Statutory deposits are measured at amortised cost.

2.14 Hypothecation Of Assets

The Company structured its assets to meet the requirements of the Insurance Act 2003 such that policy holder's assets and funds are not co-mingled with shareholders'. In particular, investment properties, investment securities (equities and fixed income securities) and insurance funds hypothecated to policyholders are distinguished from those owned by the shareholders.

The assets hypothecated are shown in the financial statements,

Insurance Contract Liabilities

2.15 Insurance Liabilities

The Group issues contracts that transfer insurance risk or financial risk or both. Insurance contracts are those contracts that transfer significant insurance risk. Such contracts may also transfer financial risk.

Life insurance policy claims received up to the last day of each financial period and claims incurred but not reported (IBNR) are provided for and included in the policy liabilities. Past claims experience is used as the basis for determining the extent of the IBNR claims.

Income from reinsurance policies is recognised concurrently with the recognition of the related policy benefit. Insurance liabilities are presented without offsetting them against related reinsurance assets.

Insurance liabilities are retained in the statement of financial position until they are discharged or cancelled and/or expire. The Group performs a liability adequacy test to determine the recognised insurance liabilities and an impairment test for reinsurance assets held at each reporting date.

2.15.1 Classification Of Contracts

A contract is classified as an insurance contract where the Group accepts significant insurance risk by agreeing with the policyholder to pay benefits if a specified uncertain future event (the insured event) adversely affects the policyholder or other beneficiary. Significant insurance risk exists where it is expected that for the duration of the policy or part thereof, policy benefits payable on the occurrence of the insured event will exceed the amount payable on early termination, before allowance for expense deductions at early termination. Once a contract has been classified as an insurance contract, the classification remains unchanged for the remainder of its lifetime, even if the insurance risk reduces significantly during this period.

2.15.2 Recognition And Measurement

Short-term Insurance Contracts

Short-duration life insurance contracts protect the Group's customers from the consequences of events (such as death or disability) that would affect the ability of the customer or his/her dependents to maintain their current level of income. They are usually short-duration life insurance contracts ranging between 12 to 24 months period of coverage. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the policyholder.
For all these contracts, premiums are recognised as revenue (earned premiums) proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the balance sheet date is reported as the unearned premium liability. Premiums are shown before deduction of commission and are gross of any taxes or duties levied on premiums.

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

The liability reserve on short term insurance contract is made up of an unexpired premium reserve (UPR) and reserve for 'Incurred but not reported' claims (IBNR). The UPR are calculated after adjusting for acquisition expenses. IBNR reserves are required to take account of the delay in reporting claims. These are determined by considering ultimate claims ratios for the life schemes on the Group's books. The ratios differ by industry and have been determined following a historical analysis of portfolio claims experience. The IBNR reserves are calculated by adjusting the ultimate claims amounts to allow for claims already paid and those outstanding for payment, and again adjusted to allow for the holding of a separate UPR reserve. As the short-term insurance contract experience of African Alliance Insurance builds up, we will be able to adjust for Group-specific claims settlement patterns.

Long-term Insurance Contracts With Fixed And Guaranteed Terms

These contracts insure events associated with human life (for example, death or survival) over a long duration. Premiums are recognised as revenue when they become payable by the contract holder. Premiums are shown before deduction of commission. Benefits are recorded as an expense when they are incurred.

A liability for contractual benefits that are expected to be incurred in the future is recorded when the premiums are recognised. The liability is determined as the sum of the expected discounted value of the benefit payments and the future administration expenses that are directly related to the contract, less the expected discounted value of the theoretical premiums that would be required to meet the benefits and administration expenses based on the valuation assumptions used (the valuation premiums). The liability is based on assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued. A margin for adverse deviations is included in the assumptions.

Where insurance contracts have a single premium or a limited number of premium payments due over a significantly shorter period than the period during which benefits are provided, the excess of the premiums payable over the valuation premiums is deferred and recognised as income in line with the decrease of unexpired insurance risk of the contracts in force or, for annuities in force, in line with the decrease of the amount of future benefits expected to be paid. The liabilities are recalculated at each end of the reporting period using the assumptions established at inception of the contracts.

The long-term insurance contracts insure events associated with human life. They include individual insurance contracts.

Individual Insurance Contracts

The reserve has been calculated using the gross premium valuation approach. This reserving methodology adopts a cash flow approach taking into account all expected future cash flows including premiums, expenses and benefit payments to satisfy the liability adequacy test. The test also considers current estimates of all contractual cash flows, and of related cash flows such as claims handling costs, as well as cash flows resulting from embedded options and guarantees (where applicable).

2.16 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:

Life Business

Life Fund

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

(I) Classification

IFRS 4 requires contracts written by insurers to be classified as either 'insurance contracts' or contracts with some level of insurance risk transferred

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

The Company only enters into insurance contracts. Therefore, the Company's insurance contract liabilities represent its liability to the policy holders. Liabilities for unpaid claims are estimated on case-by-case basis. The liabilities recognised for claims fluctuate based on the nature and severity of the claim reported. Claims incurred but not reported are determined using statistical analyses and the Company deems liabilities reported as adequate. The liability comprises reserves for unearned premium, unexpired risk, outstanding claims and incurred but not reported claims.

Financial guarantee contracts are recognised as insurance contracts. Liability adequacy testing is performed to ensure that the carrying amount of the liability for financial guaranteed contracts is sufficient.

At the end of each accounting period, this liability is reflected as determined by the actuarial valuation report. In accordance with IFRS 4, the Company has continued to apply its accounting policies on Insurance contracts under its previous Generally Acceptable Accounting Principles.

Unearned Premium Provision

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

Reserve For Unexpired Risk

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

Reserve For Outstanding Claims

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

Reserve For Incurred But Not Reported Claims (IBNR)

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

Liability Adequacy Test

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

The Liability Adequacy Test (LAT) was carried out by EY with FRC/2012/NAS/00000000738, a recognised firm of actuaries.

Actuarial Valuation

An actuarial valuation of the insurance contract liabilities is conducted annually to determine the liabilities on the existing policies as at the date of the valuation. All surpluses and deficits arising therefrom are charged to profit or loss.

(ii) Recognition and Measurement of Insurance contracts

Premium

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

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

Reinsurance

Premiums, losses and other amounts relating to reinsurance treaties are measured over the period from inception of a treaty to expiration of the related business. The actual profit or loss on reinsurance business is therefore not recognised at the inception but as such profit or loss emerges. In particular, any initial reinsurance commissions are recognised on the same basis as the acquisition costs incurred. Premiums ceded, claims recovered, and commission received are presented in the statement of profit or loss and statement of financial position separately from the gross amounts.

Amounts recoverable under reinsurance contracts are assessed for impairment at each reporting date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Company may not recover all amounts due under the contract terms and that the event has a reliably measurable impact on the amounts the Company will receive from the reinsurer. Reinsurance cost represents outward premium paid/payable to reinsurance companies less the unexpired portion as at the end of the financial year.

Claims

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

2.17 Retirement Benefit Obligations

Defined Contribution Plan

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

In accordance with the provisions of the Pension Reform Act 2014, the company engage in a contributory pension with the employer and employee contributing a minimum of 10% and 8% of basic salary, housing and transport allowance respectively to each employee's retirement savings account maintained with their nominated pension fund administrators.

Short-term Employee Benefits

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

A liability is recognised 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 obligation can be estimated reliably.

Defined Benefit And Long-term Benefits Plan

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the date of the statement of financial position less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs.

Terminal Benefits/Severance Pay

This is determined on need – basis. The Company enters into Collective Bargaining Agreement with Staff Union (staff representatives) anytime there is a business imperative to optimize. Management endorses Collective Bargaining Agreement in this instance as the request comes up

2.18 Provisions

General Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable 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 the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. if the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.19 Current Income Tax

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Nigeria Income Tax Act. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the reporting date.

2.20 Deferred Income Tax

Deferred income tax is provided in full on all temporary differences except those arising on the initial recognition of an asset or liability.

Deferred income tax is determined using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, using tax rates and laws enacted or substantively enacted at the statement of financial position date and expected to apply when the related deferred income tax asset is realized or the deferred tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. unrecognized deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off such:

* Current tax assets against current income tax liabilities and
* The deferred taxes relate to the same taxable entity and
* The same taxation authority

2.21 Share Capital and Share Premium

Ordinary shares are recognized at par value and classified as 'share capital' in equity. Any amounts received over and above the par value of the shares issued are classified as 'share premium' in equity.

2.22 Statutory Contingency Reserve

The Group maintains contingency reserves in accordance with the provisions of Insurance Act 2003 to cover fluctuations in securities and variations in statistical estimates at the rate equal to the higher of 1% of total premium or 10% of the net profit.

2.23 Retained Earnings

The retained earnings represent the amount available for dividend distribution to the equity shareholders of the company. See statement of changes in equities for movement in retained earnings.

2.24 Assets Revaluation Reserve

This represents the Group's revaluation reserve emanating from revaluation of certain assets

2.25 Income Recognition

Gross Premiums

Gross premiums on insurance contract are recognized as revenue when payable by the policy holder.

For single premium business revenue is recognised on the date on which the policy is effect.

Gross insurance written premiums comprise the total premiums receivable for the whole period of cover provided by contracts entered into during the accounting period and are recognised on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period for premiums receivable in respect of business written in prior accounting periods.

Premiums collected by intermediaries, but not yet received, are assessed based on estimates from underwriting or past experience and are included in premiums written.

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the statement of financial position date. Unearned premiums are calculated on a daily pro rata basis. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

2.26 Reinsurance Premiums

Gross reinsurance premium on insurance contracts are recognized as an expense when payable or on the date on which the policy is effective. Gross reinsurance premiums written comprise the total premiums payable for the whole cover provided by contracts entered into the period and are recognised on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods.

Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the statement of financial position date. Unearned premiums are deferred over the term of the underlying direct insurance policies for risks attaching contracts and over the term of the reinsurance contract for losses-occurring contracts.

2.27 Fee And Commission Income

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

2.28 Investment Income

Interest income is recognised in the income statement as it accrues and is calculated by using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognised as an adjustment to the effective interest rate of the instrument. Investment income consists of dividends, interest and rental income on investment properties, interest income on loans and receivables, realised gains and losses as well as unrealised gains and losses on fair value assets. Rental income is recognised on an accrual basis.

Interest Income

Interest income is recognised in profit or loss as it accrues and is calculated by using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognised as an adjustment to the effective interest rate of the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Dividend Income

Dividend income from investment is recognised when the shareholders' right to receive payment have been established.

Realised Gains And Losses And Unrealised Gains And Losses

Realised gains and losses on investments include gains and losses on financial assets and investment properties. Realised gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortised cost or fair value and are recorded on occurrence of the sale transaction.

Unrealised gains or losses represent the difference between the carrying value at the year end and the carrying value at the previous year end or purchase value during the year, less the reversal of previously recognised unrealised gains and losses in respect of disposals during the year.

Other Operating Income

Other operating income represents income generated from sources other than premium revenue and investment income. It includes rental income, profit on disposal of property and equipment, salvage recoveries and other sundry income.

2.29 Gross Benefits and Claims

Claims incurred in respect of Insurance contracts include the cost of all claims arising during the year including internal and external claims handling costs that are directly related to the processing and settlement of claims as well as changes in the gross valuation of insurance and investment contract liabilities. All claims paid and incurred are charged against revenue as expenses when incurred.

Insurance claims and claims incurred

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

2.30 Reinsurance Claims

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

2.31 Interest Income and Expense

Interest income and expense are recognized in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash (or, where appropriate, the next re-pricing date) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the entity estimates future cash flows considering all contractual terms of the financial instruments but not future credit losses.

The calculation of the effective interest rate includes contractual fees and points paid or received transaction costs and discounts or premium that are integral part of the effective interest rate.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.
Interest income and expense presented in the financial statement include:

Interest on financial assets and liabilities measured at amortized cost calculated on an effective interest basis
Interest on financial assets measured at fair value through profit or loss calculated on an effective interest rate basis.

Expense Recognition

2.32 Expenses

Expenses are recognised in the income statement when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably. This means, in effect, that recognition of expenses occurs simultaneously with the recognition of an increase in liabilities or a decrease in assets (for example, the accrual of employee entitlements or the depreciation of equipment)

When economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined, expenses are recognised in the income statement on the basis of systematic and rational allocation procedures.

This is often necessary in recognizing the equipment associated with the using up of assets such as property, plant and equipment in such cases the expense is referred to as a deprecation or amortization. These allocation procedures are intended to recognise expenses in the accounting periods in which the economic benefits associated with these items are consumed or expire. an expense is recognised immediately in the income statement when expenditure produces no future economic benefits or when, and to the extent that future economic benefits do not qualify, or cease to qualify, for recognition in the statement of financial position as an asset.

2.33 Underwriting Expenses

Underwriting expenses comprise acquisition costs and other underwriting expenses. Acquisition costs comprise all direct and indirect costs arising from writing insurance contracts. These cost are charged in the income statement in the period they are incurred.

Management expenses
Management expenses are recognised in profit or loss when goods are received, or services rendered. They are expenses other than claims, maintenance and underwriting expenses and include employee benefits, depreciation charges and other operating expenses.

2.34 Impairment Of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. an asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre- discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. in determining fair value less costs to sell, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in the income statement in those expenses categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to comprehensive income. in this case the impairment is also recognised in comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previous impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. if that is the case the carrying amount of the asset is increased to its recoverable amount.

The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

2.35 Critical accounting estimates and judgements

When preparing the financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgements, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

2.35.1 The ultimate liability arising from claims made under insurance contracts

The estimation of the ultimate liability arising from claims made under insurance contracts is the Group’s most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Group will ultimately pay for such claims.

2.35.2 Sources of uncertainty in the estimation of future claim payments

Claims on contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time, and a larger element of the claims provision relates to incurred but not reported claims (IBNR).

Uncertainty in the estimation of future benefits payments and premium receipts for insurance contracts arises from the unpredictability of long-term changes in variables such as the overall levels of mortality, accident level and the variability in policyholder behavior.

Type of Business	Valuation Method
Individual Risk Business	Gross premium
Individual Deposit Based business	Deposit reserve: Account balance at val. date
	Risk reserve: Gross premium
Group Life	UPR + IBNR
Group Deposit Administration	Deposit reserve: Account balance at val. Date

2.35.3 individual Business

A gross premium method is adopted for individual traditional risk business. This is a monthly cash flow approach taking into account the incidence of all expected future cash flows including office premiums, expenses and benefit payments, satisfying the Liability Adequacy Test. This implies that no further testing is required as a result of the implementation of the IFRS; or in other words the liability adequacy test has been met implicitly and a separate liability calculation will not be required for accounting purposes.

Negative reserves will be zeroised at the valuation date.

2.35.4 Individual Deposit Based business

A reserve for the Individual and group deposit-based business (Deposit Plus Plan) will be maintained being the amount standing to the credit of the policyholders (account balance) at the valuation date.

Reserves for the supplementary life cover and expenses for individual deposit-based business will be calculated using a gross premium cash flow approach as described in above. This is the present value of future guaranteed risk related benefit costs and expenses, less future risk premiums

2.35.5 Group Life

Reserves for Group Life business will comprise an unexpired premium reserve (UPR) and where necessary, a reserve for Incurred But Not Reported Claims (IBNR) to make an allowance for the delay in reporting of claims.

The UPR will represent the unexpired portion of the premium for each scheme, net of an expense margin reflecting the acquisition cost loadings. The adequacy of the UPR will be tested by comparing against an Additional Unexpired Risk Reserve (AURR), which will be calculated using pooled industry claims data for the underlying assumptions. An AURR will be held in cases where the UPR is deemed insufficient to meet claims in respect of the unexpired period.

A loss ratio approach will be used for IBNR reserving, where the underlying claim rates are based on an analysis of historical group life claims experience, with judgement adopted where required.

No separate reserve is proposed for claims handling costs for Group Life business as these are typically insignificant in size. Any costs incurred are absorbed as part of the general business management costs.

2.36 Process used to decide on Assumptions

2.36.1 Valuation Interest Rate:

The valuation interest rate is based on current market risk-free yields with adjustments. The use of a risk-free rate also implies that future investment margins (in excess of the risk-free return) will not be capitalised upon, which satisfies paragraph 27 of IFRS 4. Further the result is a "fair value" liability calculation which aids the comparability of accounts between insurers.

The rate of interest used in the valuation is 12.83% PA, with the exception of annuities which adopted an interest rate of 12.79%. The basis to be adopted for distribution of profits among policyholders and shareholders is determined by the Directors, taking into account the requirements of the 2003 Insurance Act with regards to such distributions and the advice of the Actuary.

a. The directors acting upon the advice of the Actuary, determine the principles upon which any distribution of profits to policyholders will be made
b. Reversionary bonuses are allotted in respect of each full year's premium paid
c. Reversionary bonuses vest on the policy anniversary

2.36.2 Expenses

The Group makes provisions for expenses in its mathematical reserves of an amount which is not less than the amount expected to be incurred in fulfilling its long-term insurance contracts. IFRS 4 explicitly requires the consideration of claims handling expenses.

Future Maintenance Expenses

The regulatory maintenance expenses are derived from the best estimate maintenance expenses plus a prudence margin for adverse deviations. The best estimate maintenance expenses are calculated using the sum of the following:

(1) Per policy maintenance charges
(2) Allocated operating expenses

The valuation expense assumptions are as follows:

Type of Business	Current Valuation N'per policy	Previous valuation N'per policy
Individual Life	18,531	16,695
Deposit Based Policies	18,531	16,695
Annuities	18,531	16,695

2.36.3Expense Inflation

The above expenses are subject to inflation at 11.0% pa. Consumer Price Inflation at 31 December 2021 was 15.75%. Both the expense inflation and expense assumption will be actively reviewed in subsequent valuations once more experience data and an expense analysis is made available.

2.36.4Mortality

An appropriate base table of standard mortality is chosen depending on the type of contract. An investigation into Group's experience over the most recent three years is performed, and statistical methods are used to adjust the rates reflected in the table to a best estimate of mortality for that year.

The Mortality Table used in the valuation is the Mortality of Assured Lives 1967-70 (A6770) without adjustment. The annuities were valued using the UK's (PA90)-2 Annuitants table.

+ Where negative reserves were calculated, these were set to zero to prevent policies being treated as assets
+ Any policies subject to substandard terms were valued using the same basis as standard policies

For annuity, we have adopted the UK Pensioner table PA (90) with age rating of -1 to -2

2.36.5Withdrawals

Surrenders are acceptable under the Endowment life assurance portfolio after policies have been in force for a pre-defined length of time (at which policies become eligible to receive a surrender value payout).

2.36.6Group life businesses

Unexpired premium reserves (UPR) are reduced by a margin representing acquisition expenses, as these have been loaded into rates yet they have already been incurred. The acquisition expense ratio of 20% of gross premium was adopted. Group Life commission is currently paid at 9% of premium and a NAICOM (regulatory) fee is payable at 1% of premium. The remaining 10% of premium reflects the loading for additional acquisition expenses.

2.36.7Reinsurance agreements

Reinsurance is allowed for in the valuation by having gross and reinsurance ceded records in the policy files. All reserves have been reported gross of reinsurance, with the value of the reinsurance asset reported separately.

2.36.8Changes In Assumptions

The Group did not change its assumptions for the insurance contracts.

2.36.9insurance and Market Risk Sensitivities

The sensitivity analysis of insurance and market risk is used as it provides a detailed understanding of the risks inherent in the business and to help develop a risk monitoring and management framework to ensure the risks remain within limits, taking into account the available capital and shareholder risk tolerance levels.

Consolidated and Separate Statement of Comprehensive Income

		Group		Company	
			Restated		Restated
		Dec 31 2021	Dec 31 2020	Dec 31 2021	Dec 31 2020
	Notes	N'000	N'000	N'000	N'000
Gross premium written	30	7,166,770	7,121,766	6,158,340	5,963,632
Unearned premium	30	(136,706)	(113,124)	(135,764)	(113,124)
Gross premium income		**7,030,064**	**7,008,642**	**6,022,576**	**5,850,508**
Insurance premium ceded to reinsurers	31	(433,803)	(448,933)	(433,669)	(446,931)
Net premium income		**6,596,261**	**6,559,709**	**5,588,907**	**5,403,577**
Fees and commission income	32	149,316	93,844	149,316	93,844
Net underwriting income		**6,745,577**	**6,653,552**	**5,738,223**	**5,497,421**
Insurance claims incurred and loss adjustments expenses	33a	(9,422,089)	(8,159,149)	(8,142,214)	(7,113,114)
Insurance claims incurred recovered from reinsurers	33Di	(348,662)	249,998	(348,662)	249,998
Underwriting expenses	34	(1,472,908)	(1,483,811)	(1,410,535)	(1,323,715)
Changes in long term insurance contracts	35	12,632,949	(11,623,223)	12,699,591	(11,530,278)
Net underwriting expenses		**1,389,290**	**(21,016,185)**	**2,798,181**	**(19,717,108)**
Net underwriting Profit or (loss)		**8,134,867**	**(14,362,633)**	**8,536,404**	**(14,219,687)**
Other income	36	1,101,899	786,534	1,086,958	784,495
Gain on disposal of Associate	37	-	10,399,265	-	10,399,265
Fair value gains on investment properties	11	278,550	161,051	85,500	16,962
Fair value (loss)/gain on financial asset	38	(6,816,988)	4,940,700	(6,816,988)	4,940,700
Investment income	39	1,945,456	2,456,968	1,911,695	2,411,620
Profit/ (Loss) from investment contracts	39a	666,093	(61,648)	666,093	(61,648)
Share of profit of equity accounted investee	13	-	731,138	-	731,138
Employee benefit expenses	41	(1,251,517)	(1,109,693)	(1,023,917)	(857,396)
Other operating expenses	43	(1,961,720)	(2,245,371)	(1,723,391)	(2,050,178)
ECL Impairment	40	99,250	26,479	123,701	26,298
Finance cost	42	(10,469)	(107,633)	(10,469)	(107,633)
Profit before tax		**2,185,421**	**1,615,155**	**2,835,587**	**2,013,936**
Income tax expense	44	231,424	(46,219)	(35,265)	(46,218)
Profit for the year		**2,416,845**	**1,568,937**	**2,800,322**	**1,967,718**

Consolidated and Separate Statement of Comprehensive Income (continued)

		Group		Company	
			Restated		Restated
		Dec 31 2021	Dec 31 2020	Dec 31 2021	Dec 31 2020
	Notes	N'000	N'000	N'000	N'000
Profit attributable to:	-	-	-	-	-
– Owners of the parent		2,368,508	1,537,559	-	-
– Non-controlling interests	46	48,337	31,378	-	-
		2,416,845	**1,568,937**	**2,800,322**	**1,967,718**
Other comprehensive income:					
Items that may be subsequently reclassified to profit or loss					
Exchange difference on translation of foreign operations	45	(585,811)	409,399	-	-
		(585,811)	**409,399**	-	-
Items that will not be subsequently reclassified to					
profit or loss					
Gain on revaluation of property, plant and equipment					
(net of taxes)	15	86,508	132,238	10,000	8,000
Additional reserve on sale and reacquisition of					
investment in Associate	29	(6,100,000)	4,100,000	(6,100,000)	4,100,000
Remeasurement of the net defined benefit liability	22ii	-	20,734	-	20,734
Change in value of unquoted equities FVOCI (net of taxes)	29	3,492,050	799	3,492,050	799
		(2,521,442)	**4,253,771**	**(2,597,950)**	**4,129,533**
Other comprehensive income for the year		**(3,107,253)**	**4,663,170**	**(2,597,950)**	**4,129,533**
Total comprehensive income for the year		**(690,408)**	**6,232,107**	**202,372**	**6,097,251**
Total comprehensive income attributable to:					
– Owners of the parent		(676,600)	6,107,465	202,372	6,097,251
– Non-controlling interests		(13,808)	124,642	-	-
		(690,408)	**6,232,107**	**202,372**	**6,097,251**

Consolidated And Separate Statement Of Financial Position

		Group			Company		
		31-Dec-21	31-Dec-20	1-Jan-20	31-Dec-21	31-Dec-20	1-Jan-20
		N'000	N'000	N'000	N'000	N'000	N'000
ASSETS	**Notes**		**Restated**			**Restated**	
Cash and cash equivalents	6	1,389,861	17,799,223	2,076,831	1,308,630	17,659,067	1,859,154
Financial assets :							
-fair value through profit or loss - quoted equities	7.1	147,544	1,020,938	997,229	147,544	1,020,938	997,229
'-fair value through profit or loss - bonds	7.2	10,414,572	22,884,140	21,346,629	10,414,572	22,884,140	21,346,629
- fair value through Other Comprehensive Income (OCI)	7.3	16,089,177	97,146	96,240	16,084,889	92,839	92,040
- Amortized cost	7.4	86,176	80,240	-	86,176	80,240	-
Trade receivables	8	88,884	11,603	125,469	-	-	-
Reinsurance assets	9	113,116	486,196	311,054	113,116	486,196	311,054
Other receivables and prepayments	10	1,117,988	596,544	667,927	2,710,191	1,152,966	1,062,137
Investment properties	11	9,668,536	10,774,958	10,432,005	8,030,000	8,969,500	8,811,600
Investment in subsidiary	12	-	-	-	542,728	542,728	542,728
Investment in Associate	13	-	-	1,545,042	-	-	1,545,042
Deferred Tax Asset	25b	147,690	147,972	147,935	146,476	146,476	146,476
Intangible assets	14	56,481	62,165	57,323	29,428	25,720	21,775
Property, plant and equipment	15	1,876,748	1,841,453	1,629,625	847,735	621,668	551,033
Right of Use Assets	16	42,252	139,511	220,019	42,252	139,511	220,019
Statutory deposit	17	348,401	364,998	353,534	200,000	200,000	200,000
Total assets		**41,587,426**	**56,307,087**	**40,006,862**	**40,703,737**	**54,021,990**	**37,706,916**

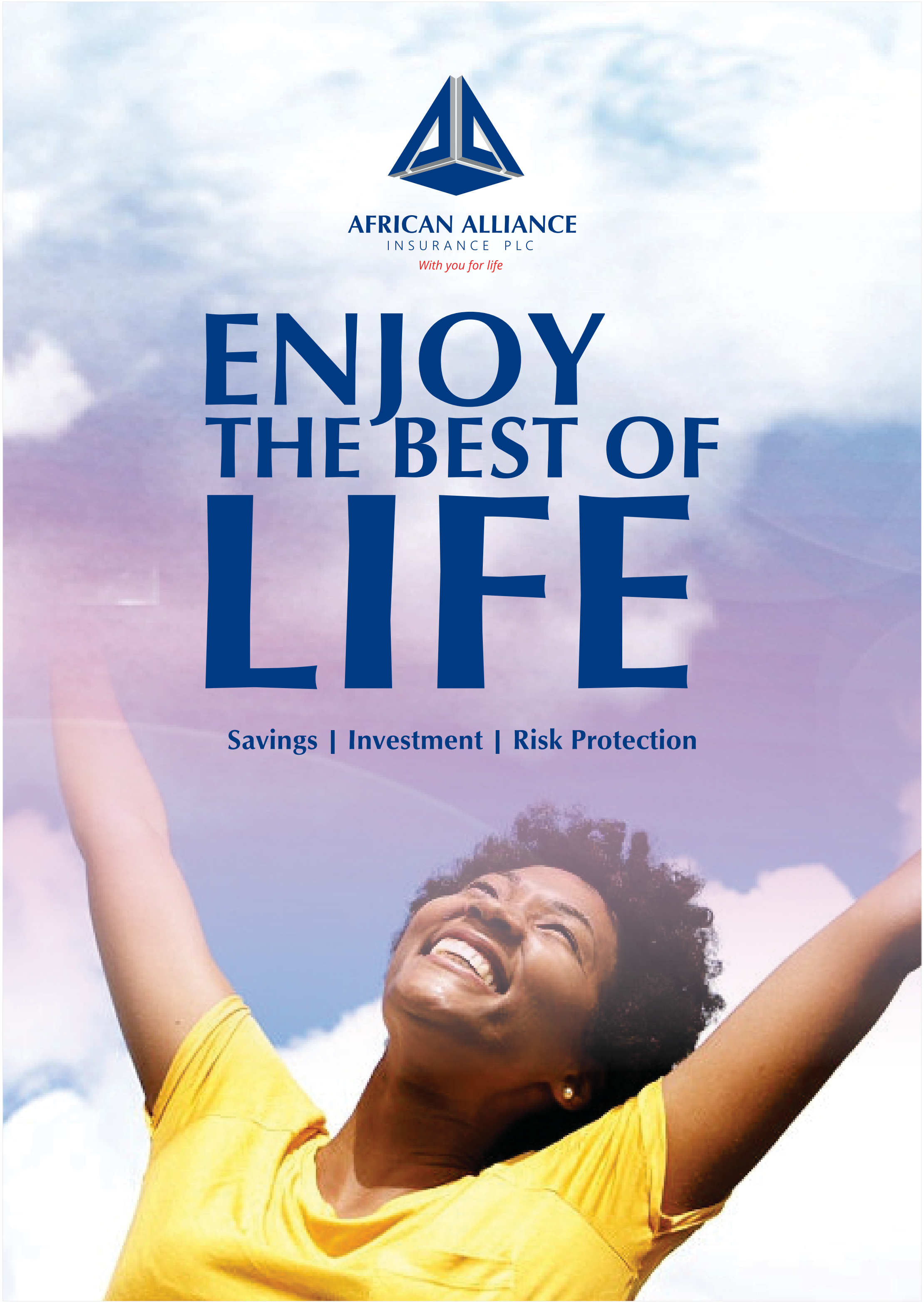
		Group			Company		
		31-Dec-21	31-Dec-20	1-Jan-20	31-Dec-21	31-Dec-20	1-Jan-20
		N'000	N'000	N'000	N'000	N'000	N'000
LIABILITIES	**Notes**		**Restated**			**Restated**	
Insurance contract liabilities	18	40,852,662	53,185,432	41,521,103	39,090,388	51,198,654	39,673,313
Investment contract liabilities	19	3,396,153	5,143,523	5,651,964	3,396,154	5,143,524	5,651,964
Trade payables	20	1,184,874	877,560	1,027,469	946,624	639,310	739,568
Other payables and accruals	21	803,762	621,143	344,386	736,881	518,338	300,344
Provisions and accruals		132,652	73,305	68,937	61,700	22,500	33,500
Employee benefit liabilities	22i	35,652	49,732	114,363	35,652	49,732	114,363
Borrowings	23	166,202	452,799	1,460,582	54,034	252,759	940,159
Tax payable	24	615,741	632,980	786,761	582,882	600,123	753,905
Deferred tax liability	25a	204,005	384,482	377,272	92,107	92,107	92,107
Total liabilities		**47,391,703**	**61,420,956**	**51,352,837**	**44,996,421**	**58,517,047**	48,299,223

		Group			Company		
		31-Dec-21	31-Dec-20	1-Jan-20	31-Dec-21	31-Dec-20	1-Jan-20
		N'000	N'000	N'000	N'000	N'000	N'000
EQUITY	**Notes**		Restated			Restated	
Share capital	26b	10,292,500	10,292,500	10,292,500	10,292,500	10,292,500	10,292,500
Share premium	26c	14,365,133	14,365,133	14,365,133	14,365,133	14,365,133	14,365,133
Contingency reserves	27	1,903,181	1,684,639	1,061,976	1,854,544	1,570,986	964,214
Retained earnings	28	(34,276,925)	(36,431,262)	(37,346,004)	(32,421,384)	(34,938,147)	(36,299,093)
Translation reserve	45	(856,957)	(282,862)	(686,898)	-	-	-
Fair value reserves	29	2,625,241	5,218,054	965,911	1,616,522	4,214,472	84,939
		(5,947,827)	(5,153,798)	(11,347,382)	(4,292,684)	(4,495,057)	(10,592,307)
Non-controlling interest	46	143,550	39,929	1,407	-	-	
Total equity		**(5,804,277)**	**(5,113,869)**	**(11,345,975)**	**(4,292,684)**	**(4,495,057)**	**(10,592,307)**
Total equities and liabilities		**41,587,426**	**56,307,087**	**40,006,862**	**40,703,737**	**54,021,990**	**37,706,916**

Signed on behalf of the Board of Directors on 28 March 2023 by:

Joyce Ojemudia
Managing Director
FRC/2015/CIIN/00000012042

Olabisi Adekola
Executive Director -
Chief Financial Officer
FRC/2013/ICAN/00000001179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Statement of changes in equity - group

	Share	Share	Fair value	Contingency	Translation	Retained	Non-controlling	Total
STATEMENT OF CHANGES IN EQUITY - GROUP	**Capital**	**Premium**	**Reserve**	**Reserve**	**Reserve**	**Earnings**	**Interest**	**Equity**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
At 1 January 2021	**10,292,500**	**14,365,133**	**1,684,639**	**5,218,054**	**(282,862)**	**(36,431,262)**	**39,929**	**(5,113,869)**
Total comprehensive income for the year:								
Profit for the year				-	-			
Changes in fair value of FVOCI Investments	-	-	-	3,422,209	-	2,368,508	48,337	2,416,845
Translation reserve	-	-	-	-	(574,094)	-	69,841	3,492,050
Gain on revaluation of PPE	-	-	-	84,978	-	-	(11,716)	(585,811)
Additional reserve on sale of investment in Associate	-	-	-	(6,100,000)	-	-	1,530	86,508
	-	-	-			-	-	(6,100,000)
Total Comprehensive income for the year				**(2,592,813)**	**(574,094)**	**2,368,508**	**107,992**	**(690,408)**
	-	-	-					
Transfer to contingency reserve			218,542			(214,171)	(4,371)	-
Total transactions with owners, recognised directly in equity	-	-	**218,542**	-	-	**(214,171)**	**(4,371)**	-
At 31 December 2021	**10,292,500**	**14,365,133**	**1,903,181**	**2,625,241**	**(856,957)**	**(34,276,925)**	**143,550**	**(5,804,277)**

	Share Capital	Share Premium	Fair value Reserve	Contingency Reserve	Translation Reserve	Retained Earnings	Non-controlling Interest	Total Equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2020	**10,292,500**	**14,365,133**	**1,061,976**	**965,911**	**(686,898)**	**(37,346,004)**	**1,407**	**(5,113,869)**
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	1,537,559	31,378	2,416,845
Changes in fair value of FVOCI Investments	-	-	-	799	-	-	-	3,492,050
Translation reserve	-	-	-	-	404,036	-	5,363	(585,811)
Remeasurement of the net defined benefit liability	-	-	-	20,734	-	-	-	86,508
Gain on revaluation of PPE	-	-	-	130,610	-	-	1,628	(6,100,000)
Additional reserve on sale of PAL	-	-	-	4,100,000	-	-	-	**(690,408)**
Deferred tax on revaluation	-	-	-	-	-	-	-	
								-
Total Comprehensive income for the year	-	-	-	**4,252,143**	**404,036**	**1,537,559**	**38,368**	
								-
Transfer to contingency reserve			**622,663**			(622,817)	154	
								(5,804,277)
Total transactions with owners, recognised directly in equity	-	-	**622,663**	-	-	(622,817)	154	
Balance at 31 December 2020	**10,292,500**	**14,365,133**	**1,684,639**	**5,218,054**	**(282,862)**	**(36,431,262)**	**39,929**	

Statement of Changes in Equity - Company

	Share Capital	Share Premium	Contingency Reserve	Fair Value Reserve	Retained Earnings	Total Equity
	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2021	**10,292,500**	**14,365,133**	**1,570,986**	**4,214,472**	**(34,938,147)**	**(4,495,057)**
Total comprehensive income for the year						
Profit for the year					2,800,322	2,800,322
Other comprehensive gain for the year				(2,597,950)	-	(2,597,950)
Total Comprehensive loss for the year				**(2,597,950)**	**2,800,322**	**202,372**
	-	-	-			
Transactions with owners, recorded directly in equity						-
Transfer to contingency reserve			283,559		(283,559)	
				-		-
Total transactions with owners, recognised directly in equity	-	-	283,559		(283,559)	
At 31 December 2021	**10,292,500**	**14,365,133**	**1,854,544**	**1,616,522**	**(32,421,384)**	**(4,292,684)**
At 1 January 2020-Restated	**10,292,500**	**14,365,133**	**964,214**	**84,939**	**(36,299,093)**	**(10,592,307)**
Total comprehensive income for the year						
Profit for the year	-	-	-		1,967,718	1,967,718
Other comprehensive income for the year	-	-	-	4,129,533	-	4,129,533
Total Comprehensive loss for the year				**4,129,533**	**1,967,718**	**6,097,251**
	-	-	-			
Transactions with owners, recorded directly in equity						-
Transfer to contingency reserve	-	-	606,772		(606,772)	
						-
Total transactions with owners, recognised directly in equity	-	-	606,772	-	**(606,772)**	
At 31 December 2020	**10,292,500**	**14,365,133**	**1,570,986**	**4,214,472**	**(34,938,147)**	**(4,495,056)**

Statement of Cash Flows

	Notes	Group		Company	
CASH FLOWS FROM OPERATING ACTIVITIES		Dec 31 2021	Dec 31 2020	Dec 31 2021	Dec 31 2020
		N'000	N'000	N'000	N'000
Cash premium received	30	7,166,770	7,104,632	6,158,340	5,832,632
Premium received yet to be allocated	20i	222,097	-	222,096	-
Cash received from deposit contract liabilities	19	319,735	22,354	319,735	22,354
Cash withdrawals from deposit contract liabilities	19	(1,401,160)	(592,783)	(1,401,160)	(592,783)
Dividend received	39	11,818	8,256	11,818	8,256
Claims recoveries		26,729	(11,730)	26,729	(11,730)
Claims paid	33c	(8,887,588)	(8,277,210)	(7,686,652)	(7,231,175)
Cash paid to reinsurers/ coinsurers		(616,496)	(326,225)	(616,496)	(324,228)
Commission received	32	149,316	93,844	149,316	93,844
Maintenance expenses paid	34	(623,428)	(822,611)	(561,055)	(662,515)
Acquisition costs	34	(849,480)	(661,199)	(849,480)	(661,199)
Employee benefits paid	41	(1,251,517)	(1,106,110)	(1,023,917)	(853,813)
Other operating expenses paid		(1,691,799)	(2,799,728)	(1,528,262)	(1,783,372)
Other income received	36	44,350	136,044	42,564	103,770
Interest received	39	1,443,638	2,448,711	1,409,877	2,403,364
Income tax paid	24	(52,506)	(200,000)	(52,506)	(200,000)
Net cashflow from operating activities		**(5,989,520)**	**(4,983,756)**	(5,379,051)	(3,856,598)
Cash flow from investing activities:					
Purchase of plant and equipment	15	(208,825)	(194,502)	(208,825)	(174,295)
Purchase of intangible assets	14	(11,819)	(12,992)	(11,819)	(12,992)
Capital Improvement of investment properties	11	-	(140,938)	-	(140,938)
Proceeds from disposal of property and equipment		909	8,640	909	1,837
(Purchase of) /Proceeds from disposal of investment in					
PAL Pension Limited	13	(12,500,000)	12,500,000	(12,500,000)	12,500,000
Capital injection made to Subsidiary		-	-	(1,000,000)	(122,500)
Cash received from associate company	13	-	175,445	-	175,445
Purchase of financial assets- Bonds FVTPL	7.2i	(705,013)	(263,200)	(705,013)	(263,200)
Purchase of financial assets- Bonds amortized cost		(5,847)	(82,262)	(5,847)	(82,262)
Proceeds from disposal of investments - equities FVTPL	36b	7,569	-	7,569	-
Cash received from disposal of bonds	36a	6,445,800	2,294,887	6,445,800	2,294,887
Cash received from redemption of bonds		964,656	2,088,185	1,324,777	2,088,185
Net cashflow from investing activities		**(6,012,570)**	**16,373,263**	**(6,652,449)**	**16,264,167**
Cash flow from financing activities:					
(Purchase of) /Proceeds from disposal of investment in					
PAL Pension Limited	13	(4,100,000)	4,100,000	(4,100,000)	4,100,000
Payments for lease liability - principal	16	(11,780)	(33,138)	(11,780)	(33,138)
Repayment of borrowings	23	(377,067)	(1,198,153)	(289,194)	(687,400)
Proceeds from borrowings	23	80,000	1,450,912	80,000	940,159
Net cash used in Financing activities (See Note 53)		**(4,408,847)**	**4,319,621**	**(4,320,974)**	**4,319,621**
Net decrease in cash and cash equivalents		**(16,410,936)**	**15,709,128**	**(16,352,474)**	**16,727,191**

Statement of Cash Flows (continued)

	Notes	Group		Company	
CASH FLOWS FROM OPERATING ACTIVITIES		Dec 31 2021	Dec 31 2020	Dec 31 2021	Dec 31 2020
		N'000	N'000	N'000	N'000
Cash and cash equivalent at beginning of year	6.2	17,799,687	2,090,433	17,659,122	931,931
Effect of foreign exchange rate changes		10,327	126	10,327	-
Net decrease in cash and cash equivalents		(16,410,936)	15,709,128	(16,352,474)	16,727,191
Cash and cash equivalent at end of year		1,399,078	17,799,687	1,316,975	17,659,122

Proceed and cash outflow on disposal and reacquisition of PAL split between investing and financing activities.

General Informations

1. General Information

African Alliance Insurance Company is a public limited company incorporated and domiciled in Nigeria. The registered office is located at 54 Awolowo Road, Ikoyi, Lagos.

The company is principally engaged in the business of providing risk underwriting for life, related financial and pension services, aviation and hospitality services to its customers.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are disclosed under General information on the Reporting Entity and Summary of Significant Accounting Policies. These policies have been consistently applied to all the years presented unless otherwise stated.

3 Solvency

The solvency level at the valuation date was (713%) for the Company (2020: (1314%)). The company's assets do not match liabilities (see note 5.4). Hence, asset admissibility requirements and localization rules in section 25 of Insurance Act CAP I17 LFN 2004 were not met. The life fund shows a deficit of N23.2 billion as at 31 December 2021.

The assets backing the life funds are as follows:

	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Government Bonds	10,414,572	22,884,140	10,414,572	22,884,140
Cash and cash equivalents	1,389,861	17,799,223	1,308,630	17,659,067
Investment in quoted equity	147,544	1,020,938	147,544	1,020,938
Total	**11,951,977**	**41,704,301**	**11,870,746**	**41,564,146**

4 Management of Insurance Risk

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

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

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk. The Group issues contracts that transfer insurance and/or financial risk. This section summarises the nature and management of these risks.

4.1 Underwriting Risk

Underwriting risk relates mainly to the uncertainty that the insured event will occur. The nature of an insurance contract is that the timing and size of claims are uncertain and therefore unpredictable. The principal underwriting risk is the risk that the actual outcome of mortality, morbidity and medical claims will result in volatile profits from one year to the next. Such volatility may result from large concentrations of risk or from charging inadequate premiums relative to the severity or incidence of the risk accepted. Inadequate policy wording may fail to protect the insurer from claims that were not envisaged when the product was priced. Insurance events are random and the actual number and amount of underwriting benefits will vary from the best estimates established from statistical techniques and taking cognisance of past experience. The Group manages these risks through its underwriting strategy, reinsurance arrangements and claims handling processes.

The following policies and practices are used by the Group as part of its underwriting strategy to mitigate underwriting risk:

i) All long-term insurance product additions and alterations, both within and outside of agreed business definitions, are required to pass through the approvals framework that forms part of the governance process. The contracted actuary approves the financial soundness of new and revised products.
ii) The Group's underwriting strategy aims to ensure that the underwriting risks are well diversified in terms of type (medical, occupational, financial) and amount of risk covered. Whilst this is difficult to measure at underwriting stage, the success or failure of the strategy may be measured by the historical stability of profits emerging from the book of business.
iii) Product pricing and reserving policies also include specific allowance for the risk of HIV/AIDS.
iv) The contracted actuary reports annually on the profitability of the business taking into consideration the reasonable benefit expectation of policyholders. All new rate tables are approved and authorised by the statutory actuary prior to being issued.
v) The right to re-rate premiums is retained as far as possible, although this is limited by competitive pressure.
vi) Investigations into mortality and morbidity experience are conducted when necessary to ensure that corrective action is taken.

Claims risk is represented by the fact that the Group may incur unexpectedly high mortality and morbidity losses on any group of policies. Client service staffs are trained to identify and investigate fraudulent claims timeously. The legitimacy of claims is verified by internal, financial and operating controls that are designed to contain and monitor claims risks. The internal audit team also investigates and advises on improvements to internal control systems.

4.2 Frequency And Severity Of Claims

The frequency and severity of claims can be affected by several factors. The most significant are the increasing level of death, job loss and level of awards for the damages suffered as a result of road accidents. Estimated inflation is also a significant factor due to the long period typically required to settle cases where information are not readily available. The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk. Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Group has the right not to renew policies and it has the right to reject the payment of a fraudulent claim.

The reinsurance arrangements include surplus and quota - share. The effect of such reinsurance arrangements is that the Group should not suffer total net insurance losses of more than N10 million on any policy. The Group has specialised claims units dealing with the mitigation of risks surrounding claims. This unit investigates and adjusts all claims. The claims are reviewed individually on a quarterly basis and adjusted to reflect the latest information on the underlying facts, contractual terms and conditions, and other factors. The Group actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

The concentration of insurance risk before and after reinsurance by class of business in relation to the type of insurance risk accepted is summarised below, with reference to the carrying amount of the estimated insurance liabilities (gross and net of reinsurance) arising from all life insurance contracts:

GROUP	2021			2020		
Life Business	Gross Liability N'000	Re-Insurance N'000	Net liability N'000	Gross Liability N'000	Re-Insurance N'000	Net liability N'000
Individual Traditional	7,993,861		7,993,861	8,988,596	-	8,988,596
Investment linked contracts	3,396,155		3,396,155	5,143,525	-	5,143,525
Group Credit Life	-		-	-	-	-
Group Life – UPR	609,692		609,692	543,737	(19,248)	524,489
Group Life – AURR	77,031		77,031	7,223	(23)	7,200
Group Life – IBNR	915,330		915,330	1,084,818	(286,409)	798,410
Annuity	29,210,367		29,210,367	41,286,681	-	41,286,681
Additional reserves	1,077,457		1,077,457	930,504	-	930,504
Claims reserve- Life business	968,921		968,921	343,872	-	343,872
Total liability -life business	**44,248,815**		**44,248,815**	**58,328,956**	**(305,680)**	**58,023,276**

Claims incurred by class of business during the period under review are shown below:	2021			2020		
	Gross Liability N'000	Re-Insurance N'000	Net liability N'000	Gross Liability N'000	Re-Insurance N'000	Net liability N'000
Group Life	1,381,712	348,662	1,730,374	683,474	(249,998)	433,476
Group Credit Life	-	-	-	-	-	-
Annuity	4,352,252	-	4,352,252	4,406,809	-	4,406,809
Term Life	-	-	-	-	-	-
Individual Life	3,153,623	-	3,153,623	3,186,927	-	3,186,927
	8,887,587	**348,662**	**9,236,249**	**8,277,210**	**(249,998)**	**8,027,212**

COMPANY	2021			2020		
	Gross Liability N'000	Re-Insurance N'000	Net liability N'000	Gross Liability N'000	Re-Insurance N'000	Net liability N'000
Individual Traditional	6,231,588		6,231,588	7,001,818	-	7,001,818
Investment linked contracts	3,396,155		3,396,155	5,143,525		5,143,525
Credit Life			-	-		-
Group Life – UPR	609,692	(21,583)	588,109	543,737	(19,248)	524,489
Group Life – AURR	77,031		77,031	7,223	(23)	7,200
Group Life – IBNR	915,330	(91,533)	823,797	1,084,818	(286,409)	798,410
Annuity	29,210,367		29,210,367	41,286,681		41,286,681
Additional reserves	1,077,457		1,077,457	930,504		930,504
Outstanding claims	968,921		968,921	343,872		343,872
	42,486,543	**(113,116)**	**42,373,427**	**56,342,179**	**(305,680)**	**56,036,499**

Claims incurred by class of business during the period under review are shown below:	2021			2020		
	Gross Liability N'000	Re-Insurance N'000	Net liability N'000	Gross Liability N'000	Re-Insurance N'000	Net liability N'000
Group Life	1,381,712	348,662	1,730,374	683,474	(249,998)	433,476
Group Credit Life	-		-			
Annuity	4,352,252		4,352,252	4,406,809		
Term Life	-		-	-		
Individual Life	1,952,687		1,952,687	2,140,892		
	7,686,651	**348,662**	**8,035,313**	**7,231,175**	**(249,998)**	**6,981,177**

4.3 Sources of Uncertainty in the Estimation of Future Claim Payments

Claims on contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time, and a larger element of the claims provision relates to incurred but not reported claims (IBNR).

Uncertainty in the estimation of future benefits payments and premium receipts for insurance contracts arises from the unpredictability of long-term changes in variables such as the overall levels of mortality, accident level and the variability in policyholder behavior.

The insurance liabilities have been made on the following principles:-

Type of Business	Valuation Method
Individual Risk Business	Gross premium valuation approach
Individual Deposit Based business	Deposit reserve: Account balance at valuation date
	Risk reserve: Gross premium
Group Life	UPR + IBNR
Group Deposit Administration	Account Balance at valuation date

4.3.1individual Business

A gross premium method was used for individual risk business. This is a monthly cashflow projection approach taking into account the incidence of all expected future cashflows including office premiums, expenses and benefit payments satisfying the Liability Adequacy Test.

Individual Deposit Business

The reserves for individual deposit administration policies have been taken as the amount standing to the credit of the policyholders at the valuation date. Risk reserves have been held in addition to cover future expenses and the cost of life cover using a cashflow projection approach.

4.3.2Group Business

Reserves for Group Life business comprise an unexpired premium reserve (UPR) and where necessary, a reserve for Incurred But Not Reported Claims (IBNR) to make an allowance for the delay in reporting of claims.

The UPR represents the unexpired portion of the premium for each scheme, net of an expense margin reflecting the acquisition cost loadings. The adequacy of the UPR has been tested by comparing against an Additional Unexpired Risk Reserve (AURR), which has been calculated using pooled industry claims data for the underlying assumptions. An AURR will be held in cases where the UPR is deemed insufficient to meet claims in respect of the unexpired period.

A loss ratio has been used for IBNR reserving, where the underlying claim rates are based on an analysis of historical group life claims experience, with judgement adopted where required.
No separate reserve is proposed for claims handling costs for Group Life business as these are typically insignificant in size. Costs incurred are absorbed as part of the general business management costs.

4.4 Process Used To Decide On Assumptions

4.4.1 Valuation Interest Rate:

The valuation interest rate is based on current market risk-free yields with adjustments. The use of a risk-free rate also implies that future investment margins (in excess of the risk-free return) will not be capitalised upon, which satisfies paragraph 27 of IFRS 4. Further the result is a "fair value" liability calculation which aids the comparability of accounts between insurers.

Net valuation interest rate of 12.79%pa & 12.83% pa were adopted for annuity and other long-term businesses, which has been applied as a single long-term rate of return. As at 31 December 2021, FGN bond yields of duration between 5 and 20 years were round 13.00%. The 30-year FGN bond yield was 13.28%.

For the purpose of determining the valuation interest rate, we have considered a 0.25% prudent margin against the long-term yield to arrive at a gross valuation interest rate of 12.15% and 11.90%. This makes some allowance for the volatility and liquidity of the "risk free" yields.

Type of Business	Rate	
	Risk	Annuity
Assumed Average yield based on a long-term FGN bonds	12.83%	13.04%
Less Prudent Margin	0.00%	0.00%
Less Reinvestment Risk Margin	0.00%	-0.25%
Net Valuation Interest rate	12.83%	12.79%
Rate Adopted	**12.83%**	**12.79%**

The valuation interest rates for the individual risk products are as follows:

Type of Business	31 December 2021 valuation	31 December 2020 valuation
Risk products	12.83%	6.50%
Deposit Based policies	12.83%	6.50%
Annuities	12.79%	7.65%

4.4.2 Expenses

The Group makes provisions for expenses in its mathematical reserves of an amount which is not less than the amount expected to be incurred in fulfilling its long-term insurance contracts. IFRS 4 explicitly requires the consideration of claims handling expenses.

Future maintenance expenses

The regulatory maintenance expenses are derived from the best estimate maintenance expenses plus a prudence margin for adverse deviations. The best estimate maintenance expenses are calculated using the sum of the following:

(1) Per policy maintenance charges
(2) Allocated operating expenses

The valuation expense assumptions are as follows:

Type of Business	Current Valuation N'per policy	Previous valuation N'per policy
Individual Life	18,531 pp pa	16,695 pp pa
Deposit Administration	18,531 pp pa	16,695 pp pa
Annuities	18,531 pp pa	16,695 pp pa

4.4.3 Expense Inflation

The above expenses are subject to inflation at 11.0% pa. Consumer Price Inflation at 31 December 2021 was 15.75%. In the long run, we anticipate consumer price inflation levels falling and, as well, the Company being efficient in its operations.

4.4.4 Mortality

There has been no change to the mortality assumption since the previous valuation. For annuity books we use UK PA90 Ultimate Mortality Tables with an age rating of -2 for both males and females.

The mortality table for the current valuation remains at the UK's Mortality of Assured Lives 1967-70 (A67-70) without adjustment for individual risk business.

The industry analysis shows that the A67-70 table appears prudent based on recent experience. Further the reserves are less sensitive to the mortality basis with discount rate and expense being more dominant assumptions.

4.4.5 Withdrawals

Withdrawals comprise both surrenders (voluntary) and lapses (involuntary). Surrenders are acceptable under the Endowment life assurance portfolio after policies have been in force for a pre-defined length of time (at which policies become eligible to receive a surrender value payout).

4.4.6 Lapses

We have made an allowance for future lapses (being an exit without payment, before a surrender value becomes payable) and surrenders under the endowment plans at the rates;

Rate per Annum	Protection Plan	Lapse Rate p.a All Endowments	Surrender Rate p.a Traditional Endowments	Anticipated Endowments
Year 1	10.0%	20.0%	0.0%	0.0%
Year 2	7.5%	20.0%	0.0%	0.0%
Year 3	5.0%	0.0%	10.0%	5.0%
Year 4	2.5%	0.0%	7.5%	5.0%
Year 5+	2.5%	0.0%	5.0%	5.0%

- i For individual policies the valuation age has been taken as Age Last Birthday at the valuation date. The period to maturity has been taken as the full term of the policy less the expired term. Full credit has been taken for premiums due between the valuation date and the end of the premium paying term.
- ii The valuation of the liabilities was made on the assumption that premiums have been credited to the accounts as they fall due, according to the frequency of the payment.
- iii No specific adjustment has been made for immediate payment of claims.
- iv No specific adjustment has been made for expenses after premiums have ceased in the case of limited payment policies i.e., they have been allocated at the same level of expenses as premium paying policies.
- v For all protection business any negative reserves were set to zero to prevent policies being treated as assets.
- vi Any policies subject to substandard terms were valued using the same basis as standard policies.

4.4.7 Bonuses

Reversionary bonuses are allotted in respect of each full year's premium paid. Reversionary bonuses vest on the policy anniversary.

4.4.8 Group Life Businesses

Unexpired premium reserves (UPR) are reduced by a margin representing acquisition expenses, as these have been loaded into rates yet they have already been incurred.

Acquisition expense ratio of 20% of gross premium was adopted and a NAICOM (regulatory) fee is payable at 1% of premium, the remaining 10% of premium reflects the loading for additional acquisition expenses.

Additional Reserves

Additional reserves such as data contingencies and expense overrun reserves were estimated as necessary using the information available and reported in the main valuation.

4.4.9 Reinsurance Agreements

Reinsurance is allowed for in the valuation by having gross and reinsurance ceded records in the policy files. All reserves has been reported gross of reinsurance, with the value of the reinsurance asset reported separately.

4.4.10 Canges In Assumptions

The Group did not change its assumptions for the insurance contracts.

4.5 Insurance and Market Risk Sensitivities

The sensitivity analysis of insurance and market risk is used as it provides a detailed understanding of the risks inherent in the business and to help develop a risk monitoring and management framework to ensure the risks remain within limits, taking into account the available capital and shareholder risk tolerance levels.

4.5a Sensitivity of liabilities to changes in long term valuation assumptions

N'000	Base	VIR +1%	VIR -1%	Expenses +10%	Expenses -10%	Expense inflation +2%	Expense inflation -2%	Mortality +5%	Mortality -5%
Individual Risk Reserves (Excluding Annuity)	6,231,588	5,948,103	6,537,647	6,354,211	6,106,074	6,312,727	6,155,514	6,233,073	6,225,586
Annuity	29,210,367	27,747,668	30,835,817	29,400,403	29,020,342	29,598,381	28,912,419	29,483,173	28,946,862
Investment Linked Products	3,281,964	3,281,964	3,281,964	3,281,964	3,281,964	3,281,964	3,281,964	3,281,964	3,281,964
Group DA	114,191	114,191	114,191	114,191	114,191	114,191	114,191	114,191	114,191
Group Life - UPR	609,692	609,692	609,692	609,692	609,692	609,692	609,692	609,692	609,692
Group Life - AURR	77,031	77,031	77,031	77,031	77,031	77,031	77,031	77,031	77,031
Group Life - IBNR	915,330	915,330	915,330	915,330	915,330	915,330	915,330	915,330	915,330
Outstanding Claims	968,921	968,921	968,921	968,921	968,921	968,921	968,921	968,921	968,921
Additional reserves	1,077,457	1,033,983	1,125,547	1,085,259	1,069,583	1,089,164	1,068,124	1,084,301	1,070,732
Reinsurance	(113,116)	(113,116)	(113,116)	(113,116)	(113,116)	(113,116)	(113,116)	(113,116)	(113,116)
Net liability	42,373,426	40,583,768	44,353,024	42,693,887	42,050,013	42,854,286	41,990,070	42,654,561	42,097,193
% Change in Net Liability		-4.2%	4.7%	0.8%	-0.8%	1.1%	-0.9%	0.7%	-0.7%

SUMMARY	Base	Interest rate +1%	Interest rate -1%	Expenses +10%	Expenses -10%	Expense inflation +2%	Expense inflation -2%	Mortality +5%	Mortality -5%
Individual	40,770,298	38,980,639	42,749,896	41,090,758	40,446,885	41,251,158	40,386,942	41,051,433	40,494,065
Group	1,716,244	1,716,244	1,716,244	1,716,244	1,716,244	1,716,244	1,716,244	1,716,244	1,716,244
Gross liability	42,486,542	40,696,884	44,466,140	42,807,003	42,163,129	42,967,402	42,103,186	42,767,677	42,210,309
% Change in liability		-4.2%	4.7%	0.8%	-0.8%	1.1%	-0.9%	0.7%	-0.7%

All stresses were applied independently. The mortality stress has been applied in the opposite direction for annuities. For example the 5% strengthening of the mortality assumption was modeled as 5% higher mortality for annuitants.

5 Management Of Financial Risk

The Group is exposed to various financial risks in connection with its current operating activities, such as foreign currency risk, interest rate risk, credit risk, market risk and liquidity risk. These risks contribute to the key financial risk that the proceeds from the Group's financial assets are insufficient to fund the obligations arising from insurance policy contracts.

The Company manages these risks through the activities of the Audit Committee and the Investment Committee. Each committee meets at least four times per annum to discuss financial risk issues. Management is responsible for implementing recommendations that have been agreed and reporting back to the relevant committee.

The Audit Committee is a committee of the Board of African Alliance Insurance Plc and is responsible for the implementation and monitoring of overall risk management, internal financial controls and financial and actuarial reporting within the Group. The main responsibilities of this Committee are:

I) Setting and overseeing the overall standard for financial and actuarial reporting, risk management and internal controls within the Group;
ii) Monitoring the effectiveness of business risk management processes in the Group;
iii) Reviewing and assessing the quality of the work done by professionals responsible for financial and actuarial reporting, risk management and internal control;
iv) Engaging in discussions with external and internal auditors on the quality and acceptability of the control environment and reporting structures.

The Investment Committee is a management committee and is responsible for

I) Ensuring that insurance and investment contract liabilities are matched with appropriate supporting assets based on the type of benefits payable to the contract holders;
ii) Ensuring that the long-term investment return on assets supporting policy liabilities are sufficient to fund policyholders' reasonable benefit expectations and the shareholders' profit entitlement;
iii) The implementation and monitoring of the asset management process to ensure that the risks arising from trading positions are effectively managed within the pre-determined risk parameters.

5.1 Market Risk

The business's operations are exposed to market risk. Market risk is the risk of adverse financial impact as a consequence of market movements such as currency exchange rates, interest rates and other price changes. Market risks arises due to fluctuations in both value of assets and liabilities. The company has established policies and procedures in order to manage market risk.

The acquisition of policyholders' assets is based on the design of the product and marketing descriptions. Within these parameters, investments are managed with the aim of maximising policyholder returns while limiting risk to acceptable levels within the framework of statutory requirements. The focus of risk measurement and management is to ensure that the potential risks inherent in an investment are reasonable for the future potential reward, exposure to investment risk is limited to acceptable levels, premium rates are adequate to compensate for investment risk and an adequate reserving policy is applied for long-term policy liabilities. The diverse product range requires a variety of approaches to the management of risk; these range from portfolio management practices and techniques such as optimization of expected risks and rewards based on investment objectives, to asset-liability matching in support of statement of financial position obligations.

5.1.1 Foreign Exchange Risk

Foreign exchange risk is the risk associated with movement in the foreign exchange prices from foreign currency denominated transactions which the Group is exposed to.

The Group is exposed to foreign exchange currency risk primarily through certain transactions denominated in foreign currency. The Group is exposed to foreign currency denominated in dollars and Pound through bank balances in other foreign currencies.

The Group manages its exposure 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 income. There have been no major changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.
The carrying amounts of the Group's foreign currency-denominated assets as at end of the year are as follows:

Type of Business	Currency	Group		Company	
		31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
Cash And Bank Balances	Dollars	7,571	0.960	7,571	0.960
	Pounds	**4**	**325,639**	**337,421**	**325,639**

The table below shows the effect of the closing rate of the USD and GBP was N 435 /$1 (2020 December: N379.5/$) and N N587.77/GBP (2020 December: N518.0175 /GBP) respectively as at 31 December 2021 with unfavourable/favourable change in USD/GBP against the naira with all other variables held constant.

Changes in USD exchange rate	Group		Company	
	Impact on PBT			
	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-21 N'000	31-Dec-20 N'000
Increase/(decrease) by 10% (+/-)	757	0.10	757	0.10
Increase/(decrease) by 15% (+/-)	1,136	0.14	75,668	0.10
Changes in POUNDS exchange rate				
Increase/(decrease) by 10% (+/-)	33,742	32,564	33,742	32,564
Increase/(decrease) by 15% (+/-)	50,613	48,846	50,613	48,846

5.1.2 Interest-rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument or insurance contract or reinsurance contract will fluctuate because of changes in market interest rates. Interest rate risk also arises from fluctuations in future cash flows of a financial instrument because of changes in market interest rates.

The company is exposed to interest rate risk as the company invest in short term investments at fixed interest rates. Interest rate risk also exists in products sold by the company. The company manages this risk by adopting close asset/liability matching criteria, to minimise the impact of mismatches between asset and liability values arising from interest rate movements and interest rate risk exposures from guarantees embedded in insurance liabilities. The company's insurance contracts and investment contracts with DPF have certain options and guarantees that transfer interest rate risk to the company. These are:

- options to surrender the insurance contract or the investment contract with DPF where the surrender value (i.e. the strike price of the option) is either a fixed amount or a fixed amount plus interest depending on the year in which the contract was issued;
- guaranteed annuity options where the company has guaranteed at the inception of certain contracts that it will be paying a life annuity to the surviving policyholders at their retirement dates which will be calculated using the higher of the current annuity rate at that date or the guaranteed annuity rate set in the contract. The guaranteed rate has fixed at inception both the level of mortality risk and the interest rate that will be used to calculate the annuity payments.

Interest rate risk is managed through monitoring of interest rate sensitivity analysis across all investment portfolios. The table below shows the maturity profile of interest rate sensitivity analysis as at 31 December 2021, holding all other variables constant and assuming all interest rates are floating and move in line with prevailing interest rates. Based on historical data, 100 and 500 basis points changes are deemed to be reasonably possible and are used when reporting interest rate risk.

31-December-2021 GROUP	Non-Interest Bearing	1-3 months	Interest Earning Assets 3-6 months	6 -12 months	>12 months	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	227,443	290,605	406,846	255,732	209,235	1,389,861
Financial assets:						
-fair value through P or L - equities	-	-	-	-	147,544	147,544
-fair value through P or L - bonds	-	-	-	705,013	9,709,559	10,414,572
- fair value through OCI	16,089,177	-	-	-	-	16,089,177
- Amortized cost	-	-	-	5,847	80,329	86,176
Other receivables and prepayments	885,684	-	-	-	232,304	1,117,988
Statutory deposit	-	-	-	-	348,401	348,401
	17,202,304	**290,605**	**406,846**	**966,592**	**10,727,372**	**29,593,719**
Interest bearing liabilities						-
Investment contract liabilities	-	109,808	229,808	1,188,654	1,867,885	3,396,154
Borrowings	-	-	-	-	166,202	166,202
	-	**109,808**	**229,808**	**1,188,654**	**2,034,087**	**3,562,356**
						-
Gap	**17,202,304**	**180,797**	**177,039**	**(222,062)**	**8,693,286**	**26,031,363**
Cumulative gap - Sensitivity analysis	**17,202,304**	**17,383,101**	**17,560,139**	**17,338,077**	**26,031,363**	
Increase by 100bp	172,023	1,808	1,770	(2,221)	86,933	260,314
Increase by 500bp	860,115	9,040	8,852	(11,103)	434,664	1,301,568
Decrease by 100bp	(172,023)	(1,808)	(1,770)	2,221	(86,933)	(260,314)
Decrease by 500bp	(860,115)	(9,040)	(8,852)	11,103	(434,664)	(1,301,568)

COMPANY	Non-Interest Bearing	1-3 months	Interest Earning Assets 3-6 months	6 -12 months	>12 months	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	203,932	270,297	401,927	237,861	194,614	1,308,630
Financial assets :						
-fair value through P or L - equities	-	-	-	-	147,544	147,544
-fair value through P or L - bonds	-	-	-	705,013	9,709,559	10,414,572
- fair value through OCI	16,084,889	-	-	-	-	16,084,889
'- Amortized cost	-	-	-	5,847	80,329	86,176
Other receivables and prepayments	2,498,879	-	-	-	211,310	2,710,189
Statutory deposit	-	-	-	-	200,000	200,000
	18,787,700	**270,297**	**401,927**	**948,721**	**10,543,356**	**30,952,000**
Interest bearing liabilities						-
Investment contract liabilities	-	109,808	229,808	1,188,654	1,867,885	3,396,154
Borrowings	-	-	-	-	54,034	54,034
	-	**109,808**	**229,808**	**1,188,654**	**1,921,919**	**3,450,188**
						-
Gap	**18,787,700**	**160,489**	**172,119**	**(239,933)**	**8,621,437**	27,501,812
Cumulative gap - Sensitivity analysis	**18,787,700**	**18,948,189**	**19,120,308**	**18,880,375**	**27,501,812**	
Increase by 100bp	187,877	1,605	1,721	(2,399)	86,214	275,018
Increase by 500bp	939,385	8,024	8,606	(11,997)	431,072	1,375,091
Decrease by 100bp	(187,877)	(1,605)	(1,721)	2,399	(86,214)	(275,018)
Decrease by 500bp	(939,385)	(8,024)	(8,606)	11,997	(431,072)	(1,375,091)

31-December-2020	Non-Interest Bearing	1-3 months	Interest Earning Assets			
			3-6 months	6 -12 months	>12 months	Total
GROUP	N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	198,501	192,945	291,421	16,951,436	164,920	17,799,223
Financial assets :						
-fair value through P or L - equities	-	-	-	-	1,020,938	1,020,938
-fair value through P or L - bonds	-	-	-	263,200	22,620,940	22,884,140
- fair value through OCI	97,146	-	-	-	-	97,146
'- Amortized cost	-	-	-	80,240	-	80,240
Other receivables and prepayments	428,127	-	-	-	168,417	596,544
Statutory deposit	-	-	-	-	364,998	364,998
	723,774	**192,945**	**291,421**	**17,294,876**	**24,340,213**	**42,843,229**
Interest bearing liabilities						-
Investment contract liabilities	-	257,176	411,482	1,645,927	2,828,938	5,143,524
Borrowings	-	-	-	252,759	200,040	452,799
	-	**257,176**	**411,482**	**1,898,686**	**3,028,978**	**5,596,323**
						-
Gap	**723,774**	**(64,231)**	**(120,061)**	**15,396,189**	**21,311,235**	**37,246,906**
Cumulative gap - Sensitivity analysis	**723,774**	**659,543**	**539,482**	**15,935,671**	**37,246,906**	
Increase by 100bp	7,238	(642)	(1,201)	153,962	213,112	372,469
Increase by 500bp	36,189	(3,212)	(6,003)	769,809	1,065,562	1,862,345
Decrease by 100bp	(7,238)	642	1,201	(153,962)	(213,112)	(372,469)
Decrease by 500bp	(36,189)	3,212	6,003	(769,809)	(1,065,562)	(1,862,345)

	Non-Interest Bearing	1-3 months	Interest Earning Assets			
			3-6 months	6 -12 months	>12 months	Total
COMPANY	N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	175,501	157,906	227,335	16,948,632	149,692	17,659,067
Financial assets :						
-fair value through P or L - equities	-	-	-	-	1,020,938	1,020,938
-fair value through P or L - bonds	-	-	-	263,200	22,620,940	22,884,140
- fair value through OCI	92,839	-	-	-	-	92,839
'- Amortized cost	-	-	-	80,240	-	80,240
Other receivables and prepayments	1,029,390	-	-	-	123,576	1,152,966
Statutory deposit	-	-	-	-	200,000	200,000
	1,297,730	**157,906**	**227,335**	**17,292,072**	**24,115,146**	**43,090,190**
Interest bearing liabilities						-
Investment contract liabilities		257,176	411,482	1,645,927	2,828,938	5,143,524
Borrowings				252,759	-	252,759
	-	**257,176**	**411,482**	**1,898,686**	**2,828,938**	**5,396,283**
						-
Gap	**1,297,730**	**(99,270)**	**(184,146)**	**15,393,386**	**21,286,208**	**37,693,907**
Cumulative gap - Sensitivity analysis	**1,297,730**	**1,198,460**	**1,014,313**	**16,407,699**	**37,693,907**	
Increase by 100bp	12,977	(993)	(1,841)	153,934	212,862	376,939
Increase by 500bp	64,886	(4,964)	(9,207)	769,669	1,064,310	1,884,695
Decrease by 100bp	(12,977)	993	1,841	(153,934)	(212,862)	(376,939)
Decrease by 500bp	(64,886)	4,964	9,207	(769,669)	(1,064,310)	(1,884,695)

5.2 Credit Risk

Credit risk arises from the inability or unwillingness of a counter party to a financial instrument to discharge its contractual obligations. The Group determines counter-party credit quality by reference to ratings from independent ratings agencies or, where such ratings are not available, by internal analysis. The Group seeks to avoid unacceptable concentration of credit risk to groups of counterparties, to business sectors, product types, etc.

Key areas where the Group is exposed to credit risk are:

- Reinsurers' share of insurance liabilities;
- Amounts due from reinsurers in respect of claims already paid;
- Amounts due from insurance contract holders;
- Amounts due from insurance intermediaries
- Amounts due from loans and receivables;
- Amounts due from money market and cash positions

The Group structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties. Such risks are subject to an annual or more frequent review on a quarterly basis. Limits on the level of credit risk by category and territory are approved by the Management Committee.

Reinsurance is used to manage insurance risk. This does not, however, discharge the Group's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Group remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract.

The Group's financial instruments do not represent a concentration of credit risk because the business deals with a variety of reinsurers and its premiums receivable and loans are spread among a number of major industries, customers and geographic areas. Amounts receivable in terms of long-term insurance business are secured by the underlying value of the unpaid policy benefits in terms of the policy contract. An appropriate level of provisioning is maintained based on the outstanding claims reserve on policies.

The Group manages its exposure to credit risk through counter party risk using established limits as approved by the Board. These limits are determined based on credit ratings of the counter party amongst other factors. The investments portfolio is monitored on a monthly basis.

5.2.1Maximum exposure to credit risk before collateral and other credit enhancements.

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Cash and cash equivalents	1,389,861	17,799,223	1,308,630	17,659,067
Investment securities	26,737,468	24,082,463	26,647,005	23,997,917
Trade receivables	88,884	11,603	-	-
Reinsurance assets	113,116	486,196	113,116	486,196
Other receivables	1,117,988	596,544	2,710,191	1,152,966
Statutory deposit	348,401	364,998	200,000	200,000
	29,795,718	**43,341,027**	**30,978,941**	**43,496,146**

5.2.2 Credit Quality Of Financial Assets

All assets are classified as "Neither past due nor impaired". Credit quality of trade receivables is summarised as follows:

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Neither past due nor impaired	28,588,846	42,732,880	28,268,751	42,343,179
Individually impaired	1,206,872	608,147	2,710,191	1,152,966
Gross	29,795,718	43,341,027	30,978,941	43,496,145
Less: allowance for impairment	(3,971,808)	(3,938,997)	(3,946,802)	(3,938,513)
Net	**25,823,910**	**39,402,030**	**27,032,139**	**39,557,633**

No trade receivable balance was past due but not impaired in line with the regulatory requirement of 'No Premium No Cover'. The risk associated with Trade receivables are low.

5.2.3 Credit Quality Of Financial Assets Neither Past Due Nor Impaired

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to internal credit ratings or to historical information about counter party default rates.

5.2.4 Management Of Credit Risk

The Board of Directors is responsible for oversight of the Entity's credit risk, including:

- Formulating credit policies for The Entity, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to the Board of Directors as appropriate.
- Reviewing and assessing credit risk in all credit exposures prior to making commitment to customers. Renewals and reviews of facilities are subject to the same review process
- Developing and maintaining The Entity's criteria for categorising exposures, and to focus management on the attendant risks. The responsibility for approving and reviewing the Risk Assets Acceptance Criteria and Credit Risk Policy lies with the Board of Directors
- Reviewing compliance of with exposure and concentration limits, and promotion of best practices throughout the entity in the management of credit risk.

5.2.5 Credit Risk Management

The Entity acknowledges that there are diverse intrinsic risks inherent in the vagaries of its business segments and, as a result, applies different parameters to adequately diminish the risks in each business segments.

The Entity's rating grades as defined by the Board of Directors, covering all the entity's credit exposure to corporate, commercial, conglomerates and multinationals. Obligor rating in the entity is handled by Relationship Managers with further review by Risk Management and Control before it goes through the approval process.

Moody's	PD	AAIC	Definition
Aaa	0.02%	AAA	Superior asset quality. Asset will be recovered in full. Risk of loss is remote.
Aa1	0.03%	AA	
Aa2	0.05%	AA-	
Aa3	0.09%	A+	
A1	0.14%	A	
A2	0.18%	A-	Asset quality is reliable, but with considerable risk. Risk of loss is doubtful.
A3	0.22%	BBB+	
Baa1	0.28%	BBB	
Baa2	0.43%	BBB-	
Baa3	0.66%	BB+	The quality of the Asset is acceptable with some potential weakness. While the asset is currently protected, it is considered potentially weak.
Ba1	1.10%	BB	
Ba2	1.65%	BB-	
Ba3	2.48%	CCC+	
B1	3.71%	CCC	
B2	5.57%	CCC-	
B3	8.35%	CC+	Asset quality is unreliable with strong tendency for failure/loss. Imminent weakness with slim chance of survival.
Caa1	10.20%	CC	
Caa2	13.80%	CC-	
Caa3	100.00%	C+	
Ca		C	Asset recovery is of great concern. The risk of loss is more imminent and pronounced.
		C-	

The Entity's operational measurements for credit risk are in conformity with the impairment allowances required under the applicable reporting standard – IFRS 9, and are based on expected losses at the date of entering the contract.

The estimation of credit exposure is complex and requires the use of models, as the value of a product varies with changes in market variables, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties.

The Entity has developed models to support the quantification of the credit risk. These rating and scoring models are in use for all key credit portfolios and form the basis for measuring default risks. In measuring credit risk, the Group considers three components: (i) the 'probability of default' (PD) by the client or counterparty on its contractual obligations; (ii) current exposures to the counterparty and its likely future development, from which the Group derive the 'Exposure At Default' (EAD); and (iii) the likely recovery ratio on the defaulted obligations (the 'Loss Given Default') (LGD). The models are reviewed regularly to monitor their robustness relative to actual performance and amended as necessary to optimise their effectiveness.

For debt securities, external ratings are used by Risk Management department for managing of the credit risk exposures as supplemented by The Entity's own assessment through the use of internal ratings tools.

GROUP						
31 December 2021	**AAA**	**AA**	**A**	**BB**	**CC**	**Total**
Policyholder Portfolio	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Cash and cash equivalents	1,389,861	-	-	-	-	1,389,861
Marketable investment securities	-	26,651,292	-	-	-	26,651,292
Total	**1,389,861**	**26,651,292**				**28,041,153**
Shareholder Portfolio						
Cash and bank balances	-	-	-	-	-	-
Marketable investment securities	-	-	-	-	-	-
Reinsurance assets	113,116	-	-	-	-	113,116
Statutory deposit	348,401	-	-	-	-	348,401
Due from policy holders	-	-	-	-	-	-
Total	**461,517**	-	-	-	-	**461,517**
31 December 2020	AAA	AA	A	BB	CC	Total
Policyholder Portfolio						
Cash and cash equivalents	17,799,223	-	-	-	-	17,799,223
Marketable investment securities	-	24,002,223	-	-	-	24,002,223
Total	**17,799,223**	**24,002,223**	-	-	-	**41,801,446**
Shareholder Portfolio						
Cash and bank balances						-
Marketable investment securities						-
Reinsurance assets	486,196	-	-	-	-	486,196
Statutory deposit	364,998	-	-	-	-	364,998
Due from policy holders	-	-	-	-	-	-
Total	**851,194**	-	-			**851,194**
				-	-	

COMPANY						
31 December 2021	**AAA**	**AA**	**A**	**BB**	**CC**	**Total**
Policyholder Portfolio	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Cash and bank balances	1,308,630	-	-	-	-	1,308,630
Marketable investment securities	26,733,181	-	-	-	-	26,733,181
Total	**28,041,811**	-	-	-	-	**28,041,811**
Shareholder Portfolio			-	-	-	
Cash and bank balances	-	-	-	-	-	-
Marketable investment securities	-	-	-	-	-	-
Reinsurance assets	113,116	-	-	-	-	113,116
Statutory deposit	200,000	-	-	-	-	200,000
Due from policy holders	-	-	-	-	-	-
Total	**313,116**	-	-	-	-	**313,116**
		-	-	-	-	
31 December 2020	**AAA**	**AA**	**A**	**BB**	**CC**	**Total**
Policyholder Portfolio						
Cash and bank balances	17,659,067	-				17,659,067
Marketable investment securities	24,078,157	-	-	-	-	24,078,157
Total	**41,737,224**	-	-	-	-	**41,737,224**
Shareholder Portfolio			-	-	-	
Cash and bank balances	-	-		-	-	-
Marketable investment securities	-	-	-	-	-	-
Reinsurance assets	486,196	-	-	-	-	486,196
Statutory deposit	200,000	-	-	-	-	200,000
Total	**686,196**	-	-	-	-	**686,196**

5.2.6 Concentration Of Credit Risk Exposure

a. Geographical sectors

The concentration of credit risk exposure are all in Nigeria.

b. Industry Sector

The following table breaks down the Group's credit exposure at carrying amounts, as categorised by the industry sectors of the Group's counterparties.

GROUP	31-DEC-2021				31-DEC-2020			
	Premium Receivable	Investment securities	Other receivable	Total	Premium Receivable	Investment securities	Other receivable	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Finance and insurance	-	28,127,329	-	28,127,329	-	41,881,686	-	41,881,686
Public sector	-	-	348,401	348,401	-	-	364,998	364,998
Retail	88,884	-	1,117,988	1,206,872	11,603	-	596,544	608,147
	88,884	**28,127,329**	**1,466,389**	**29,682,602**	**11,603**	**41,881,686**	**961,542**	**42,854,831**

COMPANY	31-DEC-2021				31-DEC-2020			
	Premium Receivable	Investment securities	Other receivable	Total	Premium Receivable	Investment securities	Other receivable	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Finance and insurance	-	27,955,635	-	27,955,635	-	41,656,983	-	41,656,983
Public sector	-	-	200,000	200,000	-	-	200,000	200,000
	-	**27,955,635**	**200,000**	**28,155,635**	**-**	**41,656,983**	**200,000**	**41,856,983**

5.2.7 Offsetting Financial Assets And Financial Liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the statement of financial position. As at year end, none of these agreement arrangements met the criteria for offsetting in the statement of financial position.

Reinsurance payable and receivables results from the agreement entered into by the parties with a right of set-off on recognised amounts that is enforceable only following a predetermined events as stipulated within the treaty agreements. Under the requirements of 'IFRS 4 - Insurance contract', reinsurance assets and liabilities are disclosed gross. Each party to the agreement will have the option to settle all such amounts on a net basis in the event of default of the other party. An event of default includes a failure by a party to make payment when due.

GROUP						
31 December 2021	Related amounts not offset in the statement of financial position					
Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements	Gross amount of recognised financial asset	Gross amount of financial liabilities offset in the statement of financial position	Net amounts of financial assets presented in the statement financial of position	Financial instruments (including non cash collateral	Cash collateral received	Net amount
	N'000	N'000	N'000	N'000	N'000	N'000
Reinsurance Receivables (note 9	113,116	-	113,116	-	-	113,116

31 December 2020	Related Amounts Not Offset In The Statement Of Financial Position					
Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements	Gross amount of recognised financial liabilities	Gross amount of financial assets offset in the statement of financial position	Net amounts of financial liabilities presented in the statement financial of position	Financial instruments (including non cash collateral	Cash collateral received	Net amount
	N'000	N'000	N'000	N'000	N'000	N'000
Reinsurance Payables (note 20)	236,396	-	-	-	-	-

31 December 2020	Related amounts not offset in the statement of financial position					
Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements	Gross amount of recognised financial asset	Gross amount of financial liabilities offset in the statement of financial position	Net amounts of financial assets presented in the statement financial of position	Financial instruments (including non cash collateral	Cash collateral received	Net amount
	N'000	N'000	N'000	N'000	N'000	N'000
Reinsurance receivables (note 9)	486,196	-	486,196	-	-	486,196

31 December 2020	Related amounts not offset in the statement of financial position					
Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements	Gross amount of recognised financial liabilities	Gross amount of financial assets offset in the statement of financial position	Net amounts of financial liabilities presented in the statement financial of position	Financial instruments (including non cash collateral	Cash collateral received	Net amount
	N'000	N'000	N'000	N'000	N'000	N'000
Reinsurance Payables (note 20)	151,178	-	151,178	-	-	151,178

COMPANY

31 December 2021	Related amounts not offset in the statement of financial position					
Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements	Gross amount of recognised inancial asset	Gross amount of financial liabilities offset in the statement of financial position	Net amounts of financial assets presented in the statement financial of position	Financial instruments (including non cash collateral	Cash collateral received	Net amount
	N'000	N'000	N'000	N'000	N'000	N'000
Reinsurance receivables (note 9)	113,116	-	113,116	-	-	113,116

31 December 2021	Related amounts not offset in the statement of financial position					
Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements	Gross amount of recognised financial liabilities	Gross amount of financial assets offset in the statement of financial position	Net amounts of financial liabilities presented in the statement financial of position	Financial instruments (including non cash collateral	Cash collateral received	Net amount
	N'000	N'000	N'000	N'000	N'000	N'000
Reinsurance payables (note 20)	236,396	-	236,396	-	-	236,396

31 December 2020	Related amounts not offset in the statement of financial position					
Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements	Gross amount of recognised financial asset	Gross amount of financial liabilities offset in the statement of financial position	Net amounts of financial assets presented in the statement financial of position	Financial instruments (including non cash collateral	Cash collateral received	Net amount
	N'000	N'000	N'000	N'000	N'000	N'000
Reinsurance receivables (note 9)	486,196	-	486,196	-	-	144,052

31 December 2020	Related amounts not offset in the statement of financial position					
Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements	Gross amount of recognised financial asset	Gross amount of financial liabilities offset in the statement of financial position	Net amounts of financial assets presented in the statement financial of position	Financial instruments (including non cash collateral	Cash collateral received	Net amount
	N'000	N'000	N'000	N'000	N'000	N'000
Reinsurance payables (note 20)	151,178	-	151,178	-	-	-

5.2.8 Impairment Model

Premium debtors are measured at amortized cost, less provision for impaired receivables. Under IFRS, an asset is impaired if the carrying amount is greater than the recoverable amount. The entity applies the Expected Credit Loss model as per IFRS 9 to calculate impairment for trade receivables."

Based on NAICOM's "No Premium No Cover" guidelines which state that "all insurance covers shall be provided on a strict 'no premium no cover' basis", only cover for which payment has been received shall be booked. However, brokers have a 30-day period to make payments from the date of the credit notes.

After analysing this financial instrument based on NAICOM "No Premium No Cover" guidelines, a nil impairment standpoint was taken.

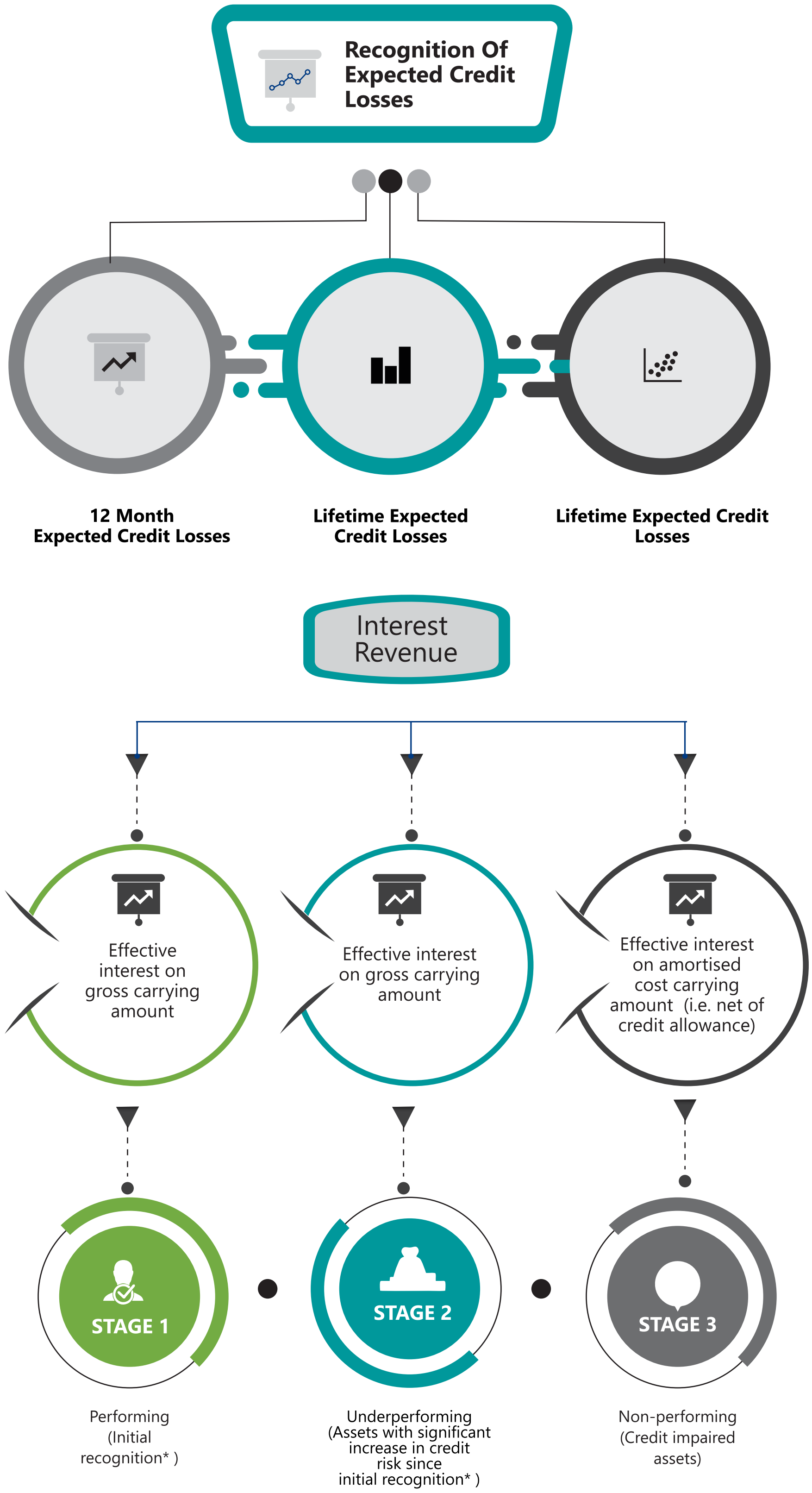
The impairment requirements of IFRS 9 apply to all debt instruments that are measured at amortised cost or FVOCI, and to off-balance sheet lending commitments such as loan commitments and financial guarantees (hereafter collectively referred to as financial assets).

Provisions are recognised upon initial recognition of the financial asset based on expectation of potential credit losses at the time of initial recognition. Under IFRS 9, the Company first evaluates individually whether objective evidence of impairment exists for loans that are individually significant and then collectively assess the loan and other receivables that are not significant and those which are significant but for which there is no objective evidence of impairment available under the individual assessment

Staged Approach to the Determination of Expected Credit Losses

IFRS 9 outlines a three-stage model for impairment based on changes in credit quality since initial recognition. These stages are as outlined below:

Change in credit quality since initial recognition



* **Except for purchased or originated credit impaired assets**

Stage 1:
The Company recognises a credit loss allowance at an amount equal to the 12 month expected credit losses. This represents the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date, assuming that credit risk has not increased significantly after the initial recognition.

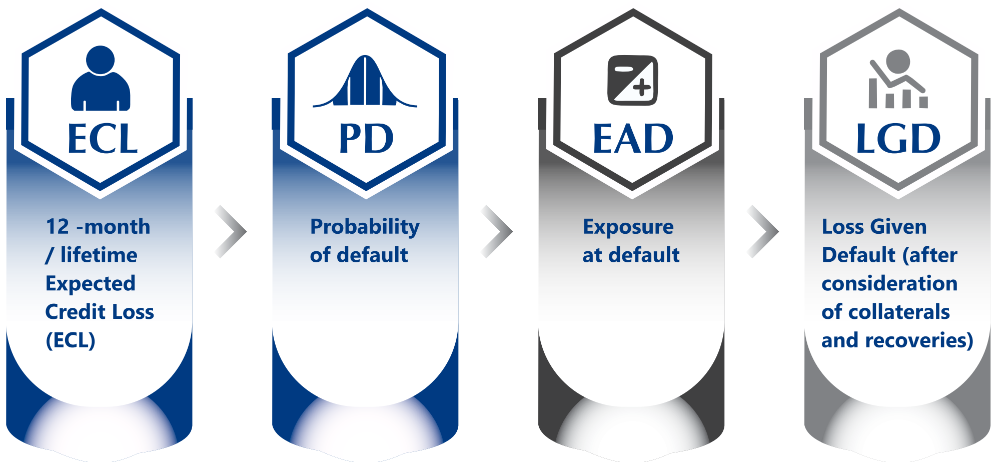
Stage 2: The Company recognises a credit loss allowance at an amount equal to the lifetime expected credit losses (LTECL) for those financial assets that are considered to have experienced a significant increase in credit risk since initial recognition. A financial assets is significantly impaired if an entity compares the risk of a default occurring over the expected life of the financial instrument as at the reporting date with the risk of default as at the date of initial recognition. This requires the computation of ECL based on Lifetime probabilities of default that represents the probability of a default occurring over the remaining lifetime of the financial assets. Allowance for credit losses is higher in this stage because of an increase in credit risk and the impact of a longer time horizon being considered compared to 12 months in stage 1.

Stage 3: The Company recognises a loss allowance at an amount equal to life-time expected credit losses, reflecting a probability of default (PD) of 100% via the recoverable cash flows for the asset. For those financial assets that are credit impaired. The Company's definition of default is aligned with the regulatory definition. The regulatory definition of default hinged on the "No premium No cover" policy states that premium not collected after 3 months is deemed impaired and uncollected. The treatment of the loans and other receivables in stage 3 remains substantially the same as the treatment of impaired financial assets under IFRS 9 except for the portfolios of assets purchased or originated as credit impaired.

The Company does not originate or purchase credit impaired loans or receivables

Impairment Methodology
Calculation of Expected Credit Losses

Calculation of the expected credit loss is based on the key risk parameters of PD, LGD and ED according to the formular set below:



The calculation of ECL incorporates forward-looking information in all the ECL components. This forward-looking information which includes inflation rate, Consumer Price Index (CPI), Exchange rate, Employment rate etc. will impact the various ECL components as follows:

- Probability of default – The PDs will vary during various stages of an economic cycle. It is based on the likelihood that a borrower will default within one year (PD), assessment of the creditworthiness of the counterparty and transformation of 1 Year horizon into lifetime of the asset.
- Loss Given Default – Collateral values will vary based on the stage of an economic cycle.
- Exposure at default – Change in interest rates may affect the EAD e.g. higher interest rates may result in longer terms for loans causing a change in the EAD.

Loss Given Default

The Company applies historical experience to determine the expected loss given default ratios for each class of financial instruments. Where internal historical experience is not available, other sources, e.g. data available from rating companies as well as professional judgments are used to determine the LGD ratios that will apply. Collateral that is held against the financial assets is also considered in determining the LGD.

The Company management has resolved to use the recovery rates as published by Moody's credit analytics for all credit exposures to sovereign denominated in foreign currencies and all corporate exposures.

For sovereign exposures denominated in Naira which are assessed as low credit risk exposures, we have resolved to use LGDs within the rage of 5-10% based on the Central banks of Nigeria's Revised Guidance Notes on Credit risk. Section 3.1 of the document addresses exposure to sovereigns and Central banks and states that financial institutions should assign a risk weight of 0% to the following:

- Exposures to Federal Government of Nigeria (FGN) and Central Bank of Nigeria (CBN);
- Instruments issued by other entities backed by express guarantee of the FGN
- Inter-bank transactions guaranteed by the FGN or CBN; and

Inter-bank transactions among supervised institutions collateralized by FGN Bonds, Treasury Bills or other similar sovereign bills.

5.2.9. Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its obligations when they fall due as a result of policyholder benefit payments, cash requirements from contractual commitments, or other cash outflows, such as debt maturities. Such outflows would deplete available cash resources for operational, trading and investments activities. In extreme circumstances, lack of liquidity could result in reductions in the consolidated balance sheet and sales of assets, or potentially an inability to fulfil policyholder commitments. The risk that the Group will be unable to do so is inherent in all insurance operations and can be affected by a range of institution-specific and market-wide events including, but not limited to, credit events, merger and acquisition activity, systemic shocks and natural disasters.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the undiscounted contractual cashflow at maturity of the financial liabilities and the expected collection date of the financial assets.

All policyholder funds are invested in appropriate assets to meet the reasonable benefit expectations of policyholders, which include the expectation that funds will be available to pay out benefits as required by the policy contract. The disclosure in note 6 demonstrate that the Group has significant liquid resources. The value for policyholders' liabilities and the assets backing them are as per the carrying amount in the statement of the financial position.

The maturity profile of the total policyholders' liabilities and assets backing them is shown below:

GROUP							
	Carrying amount	0-3 months	3 to 9 months	9 months to 1 year	1 to 5 years	> 5 years	Total
31-Dec_2021	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Trade payables	1,184,874	355,462	414,706	414,706	-	-	1,184,874
Other liabilities	1,621,357	324,271	405,339	486,407	405,339	-	1,621,357
Investment linked contract liabilities	3,396,153	509,423	849,038	509,423	1,528,269	-	3,396,153
Total financial liabilities	**6,202,384**	**1,189,157**	**1,669,083**	**1,410,536**	**1,933,608**	-	**6,202,384**
Cash and cash equivalents	1,389,861	208,479	347,465	486,451	208,479	138,986	1,389,861
Marketable investment securities	26,651,292	1,332,565	932,795	1,998,847	3,731,181	18,655,904	26,651,292
Trade receivables	88,884	88,884	-	-	-	-	88,884
Reinsurance assets	113,116	-	-	113,116	-	-	113,116
Other receivables	1,117,988	167,698	279,497	391,296	167,698	111,799	1,117,988
Total financial assets	**29,361,141**	**1,797,626**	**1,559,758**	**2,989,710**	**4,107,358**	**18,906,689**	**29,361,141**
Net financial assets and liabilities	**23,158,757**	608,469	(109,326)	1,579,174	2,173,750	18,906,689	23,158,757
Insurance contract liabilities - Life fund	(40,852,662)	(1,746,344)	(2,328,459)	(3,725,534)	(3,841,957)	(29,210,367)	(40,852,662)
Net policyholders assets and liabilities	**(17,693,905)**	**(1,137,875)**	**(2,437,785)**	**(2,146,360)**	**(1,668,207)**	**(10,303,678)**	**(17,693,905)**

GROUP							
	Carrying amount	0-3 months	3 to 9 months	9 months to 1 year	1 to 5 years	> 5 years	Total
31 December 2020	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Trade payables	877,560	263,268	307,146	307,146	-	-	877,560
Other liabilities	1,829,959	365,992	457,489	548,987	457,491	-	1,829,959
Investment linked contract liabilities	5,143,523	771,528	1,285,881	771,528	2,314,586	-	5,143,523
Total financial liabilities	**7,851,042**	**1,400,788**	2,050,516	**1,627,661**	**2,772,077**	-	**7,851,042**
Cash and bank balances	17,799,223	2,669,883	4,449,806	6,229,728	2,669,883	1,779,923	17,799,223
Marketable investment securities	24,002,223	1,200,111	840,078	1,800,167	3,360,311	16,801,556	24,002,223
Trade receivables	11,603	11,603	-	-	-	-	11,603
Reinsurance assets	486,196	-	-	486,196	-	-	486,196
Other receivables	596,544	89,482	149,136	208,790	89,482	59,654	596,544
Total financial assets	**42,895,789**	**3,971,079**	**5,439,020**	**8,724,881**	**6,119,676**	**18,641,133**	**42,895,789**
Net financial assets and liabilities	**35,044,747**	**2,570,291**	**3,388,504**	**7,097,220**	**3,347,599**	**18,641,133**	**35,044,747**
Insurance contract liabilities - Life fund	(53,185,432)	(1,784,813)	(2,379,750)	(3,807,600)	(3,926,588)	(41,286,681)	(53,185,432)
Net policyholders assets and liabilities	**(18,140,685)**	**785,478**	**1,008,754**	**3,289,620**	**(578,989)**	**(22,645,548)**	**(18,140,685)**

COMPANY							
	Carrying amount	0-3 months	3 to 9 months	9 months to 1 year	1 to 5 years	> 5 years	Total
31 December 2021	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Trade payables	946,624	283,987	331,318	331,318	-	-	946,624
Other liabilities	1,409,449	281,890	352,362	422,835	352,362	-	1,409,449
Investment linked contract liabilities	3,396,154	509,423	849,038	509,423	1,528,269	-	3,396,154
Total Financial Liabilities	**5,752,226**	**1,075,300**	**1,532,719**	1,263,576	1,880,631	-	5,752,226
Cash and cash equivalents	1,308,630	196,295	327,158	458,021	196,295	130,863	1,308,630
Marketable investment securities	26,647,005	1,332,350	932,645	1,998,525	3,730,581	18,652,903	26,647,005
Trade receivables	-	-					-
Reinsurance assets	113,116	406,529		113,116			113,116
Other receivables	2,710,191		677,548	948,567	406,529	271,019	2,710,191
Total financial assets	**30,778,941**	**1,935,173**	**1,937,350**	**3,518,229**	**4,333,404**	**19,054,785**	**30,778,941**
Net financial assets and liabilities	25,026,715	859,873	404,631	2,254,653	2,452,772	19,054,785	25,026,715
Insurance contract liabilities - Life fund	**(39,090,388)**	(4,767,201)	(6,356,268)	(10,170,030)	(10,487,843)	(7,309,045)	(39,090,388)
Net policyholders assets and liabilities	**(14,063,672)**	**(3,907,328)**	**(5,951,637)**	**(7,915,377)**	**(8,035,071)**	**11,745,740**	**(14,063,672)**

COMPANY							
	Carrying amount	0-3 months	3 to 9 months	9 months to 1 year	1 to 5 years	> 5 years	Total
31-Dec-2020	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Trade payables	639,310	191,793	223,759	223,758	-	-	639,310
Other liabilities	1,443,452	288,690	360,863	433,036	360,863	-	1,443,452
Investment linked contract liabilities	5,143,524	771,529	1,285,881	771,529	2,314,585	-	5,143,524
Total financial liabilities	**7,226,286**	**1,252,012**	**1,870,503**	**1,428,323**	**2,675,448**		**7,226,286**
						-	
Cash and bank balances	17,659,067	2,648,860	4,414,767	6,180,673	2,648,860	1,765,907	17,659,067
Marketable investment securities	23,997,917	1,199,896	839,927	1,799,844	3,359,708	16,798,542	23,997,917
Trade receivables	-	-	-	-	-	-	-
Reinsurance assets	486,196	-	-	486,196	-	-	486,196
Other receivables	1,152,966	172,945	288,242	403,538	172,945	115,296	1,152,966
Total financial assets	43,296,146	**4,021,701**	**5,542,936**	**8,870,251**	**6,181,513**	**18,679,745**	**43,296,146**
Net financial assets and liabilities	36,069,860	2,769,689	3,672,433	7,441,928	3,506,065	18,679,745	36,069,860
Insurance contract liabilities - Life fund	(51,198,654)	(1,486,796)	(1,982,394)	(3,171,831)	(3,270,951)	(41,286,682)	(51,198,654)
Net policyholders assets and liabilities	**(15,128,794)**	**1,282,893**	**1,690,039**	**4,270,097**	**235,114**	**(22,606,937)**	**(15,128,794)**

The maturity of non-derivative financial liabilities and financial assets have been compiled based on undiscounted cash flows, which include estimated interest payments.

5.2.10 Capital management policies and procedures

The Company manages its capital to ensure that the company will be able to continue as going concern and comply with the regulators' capital requirements while maximising the return to stakeholders through the optimsation of the debt and equity balance. The capital structure of the company consists of equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

The Group's Issued share capital as at 31 December, 2021 is N10,292,500 (2020:N10,292,500). The company is not in compliance with the minimum capital requirement of N2 billion as stipulated by the Insurance Act

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Share capital	10,292,500	10,292,500	10,292,500	10,292,500
Share premium	14,365,133	14,365,133	14,365,133	14,365,133
Contingency reserves	1,903,181	1,684,639	1,854,544	1,570,986
Fair value reserves	2,625,241	5,218,054	1,616,522	4,214,472
Translation reserve	(856,957)	(282,862)	-	-
Retained earnings	(34,276,925)	(36,431,262)	(32,421,384)	(34,938,147)
	(5,947,827)	**(5,153,798)**	**(4,292,684)**	**(4,495,055)**

The Company's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain the future development of the business. Management uses regulatory capital ratios to monitor its capital base. Capital is allocated between specific operations and activities and to a large extent driven by optimization of the return achieved on the capital allocated. The amount of capital allocated to each activity is based primarily on the regulatory capital. In some cases the regulatory requirements do not fully reflect the varying degree of risk associated with different activities. In such cases, the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations or activities is undertaken independently of those responsible for the operation by a committee.

The National Insurance Commission (NAICOM) specifies the minimum amount and type of capital that must be held by the company to cover the insurance liabilities. The regulator measures the financial strength of insurance companies using the capital adequacy requirements for the category of company. This test compares insurer's capital against the risk profile.

The company recorded a negative shareholders fund and Solvency Margin of N4.29 billion and N12.3 billion respectively. This is below the minimum regulatory capital of N2 billion required by the National Insurance Commission (NAICOM) for life insurance business. These constitute non-compliance with the regulatory capital requirements. The continuation of the Company's operation is dependent on the ability to meet its regulatory capital requirement and generate sufficient cash flows to meet its obligation as they fall due.

5.3 Group Hypothecation

	ITEM	Life	Annuity	Investment Contract	Total (Admissible)
		N'000	N'000	N'000	N'000
	Insurance Contract Liabilities	11,642,295	29,210,367	-	40,852,662
	Investment Contract Liabilities	-	-	3,396,154	3,396,154
	Gross Insurance Funds	11,642,295	29,210,367	3,396,154	44,248,816
Less					
Reinsurance Receivables					
1	Reinsurance expenses prepaid		-		-
2	Reinsurers' share of Claims expense paid	-	-		-
3	Reinsurers' share of Unearned premium reserve	(21,583)	-		(21,583)
4	Reinsurers' share of Incurred but not reported claims	(91,533)	-		(91,533)
5	Others (specify)	-	-	-	-
Net Insurance Funds		**11,529,179**	**29,210,367**	**3,396,154**	**44,135,700**
Admissible Assets					
1	Cash and Cash Equivalents	325,313	1,050,062	14,487	1,389,862
2	Treasury bills and Government Bonds	6,281,732	2,341,541	1,791,299	10,414,572
3	Corporate Bonds & Debenture		86,176		86,176
4	Quoted Shares	85,575	-	61,968	147,544
5	Unquoted Shares	988,000	595,900	339,780	1,923,680
6	Loan to Policy holders	186,343			186,343
7	Investment Properties	3,662,215	1,866,700	1,188,620	6,717,535
8	Total Admissible Assets	11,529,178	5,940,379	3,396,154	20,865,712
SURPLUS(DEFICIT) IN ASSETS COVER		(0)	**(23,269,988)**	-	**(23,269,988)**

5.4 Company Hypothecation

	ITEM	Life	Annuity	Investment Contract	Total (Admissible)
		N'000	N'000	N'000	N'000
	Insurance Contract Liabilities	9,880,020	29,210,367		39,090,388
	Investment Contract Liabilities		-	3,396,154	3,396,154
	Gross Insurance Funds	9,880,020	29,210,367	3,396,154	42,486,541
Less					
Reinsurance Receivables					
1	Reinsurance expenses prepaid		-		-
2	Reinsurers' share of Claims expense paid	-	-		-
3	Reinsurers' share of Unearned premium reserve	(21,583)	-		(21,583)
4	Reinsurers' share of Incurred but not reported claims	(91,533)	-		(91,533)
5	Others (specify)	-	-	-	-
Net Insurance Funds		9,766,904	29,210,367	3,396,154	42,373,425
Admissible Assets					
1	Cash and Cash Equivalents	222,569	1,071,575	14,487	1,308,630
2	Treasury bills and Government Bonds	6,281,732	2,341,541	1,791,299	10,414,572
3	Corporate Bonds & Debenture	-	86,176	-	86,176
4	Quoted Shares	85,575		61,968	147,544
5	Unquoted Shares	988,000	595,900	339,780	1,923,680
6	Loan to Policy holders	165,349			165,349
7	Investment Properties	2,024,680	1,866,700	1,188,620	5,080,000
8	Total Admissible Assets	9,767,905	5,961,892	3,396,154	19,125,951
DEFICIT IN ASSETS COVER		**1,001**	**(23,248,475)**	0	**(23,247,475)**

5.5 Minimum Capital requirement

The Company's issued and paid-up share capital as at 31 December 2021 is N10,292,5000 (2020:N10,292,500).

The company did not meet the minimum capital requirement of N2 billion as stipulated by the Insurance Act

The Solvency Margin for African Alliance Insurance Plc.	Total	Inadmissible	Admissible	
as at 31 December 2021 is as follows:	N'000	N'000	N'000	
Admissible Assets				
Cash & Cash Equivalents	1,308,630	88,947	1,219,683	
Financial assets :				
'-fair value through profit or loss	10,562,116	-	10,562,116	
'- fair value through other comprehensive income	16,084,889	-	16,084,889	
'- amortized Cost	86,176	-	86,176	
Trade Receivable		-	-	
Reinsurance Assets	113,116	-	113,116	
Other Receivable & Prepayment	2,710,191	2,703,130	7,061	
Investment properties	8,030,000	2,550,383	5,479,617	
Investment in Subsidiary	542,728	542,728	-	
Investment in Associate		-	-	
Deferred Tax Asset	146,476	146,476	-	
Intangible Asset	29,428	29,428	-	
Property Plant & Equipment (Land and Building)	98,000	-	98,000	
Property Plant & Equipment (Others)	749,735	-	749,735	
Right of Use Assets	42,252	-	42,252	
Statutory Deposit	200,000	-	200,000	
	40,703,737	6,061,091		
Total Admissible Assets (a)				34,642,645
Insurance Contract Liabilities	39,090,388	-	39,090,388	
Investment Contract Liabilities	3,396,154	-	3,396,154	
Employee Benefit	35,652	-	35,652	
Borrowing	54,034	-	54,034	
Trade Payable	946,624	-	946,624	
Other payables and accruals	736,881	-	736,881	
Provision & accruals	61,700	-	61,700	
Provision for Current Tax	582,882	-	582,882	
Deferred Tax Liability	92,107	92,107	-	
	44,996,421	92,107		
Total Admissible Liabilities (b)				44,904,315
SOLVENCY DEFICIT (a-b)				**(10,261,670)**
Subject to Higher of:				
15% of Net premium income			838,336	
or				
Minimum Capital Requirement			2,000,000	2,000,000
Surplus/(Deficit)				(12,261,670)
Gross Solvency ratio				(613)
Net Solvency ratio				(713)

During the year the solvency margin was deficit 713% (2020: (deficit 1314)%).
The company's capital objectives are to ensure that the company is properly capitalized and funded at all times, having regard to its regulatory needs, prudent management and the needs of all stakeholders.

Precisely, the company has adopted the following capital management policies:
(i) Maintenance, as a minimum, of capital sufficient to meet the statutory requirement.
(ii) An Economic Capital at Risk (ECaR) approach is also used by the management and the board to ensure that obligations to policyholders can be met in adverse circumstances.

(iii) Maintenance of an appropriate level of liquidity at all times. The company further ensures that it can meet its expected capital and financing needs at all times, having regard to business plans to guarantee its going concern status, forecast and any strategic initiatives.

Sensitivities

The company has both qualitative and quantitative risk management procedures to monitor the key risks and sensitivities of the business. This is achieved through scenario analysis and risk assessments. From an understanding of the principal risks, appropriate risk limits and control are defined. The Enterprise Risk Management committee plays a major role here.

The risk types affecting the surplus capital of the company are market risk, credit risk, liquidity risk, liability risk, business risk and operational risk.

The minimum capital required is compared with the equity maintained during the period in the table below:

	31-Dec-2021	31-Dec-2020
	N'000	N'000
Shareholders' equity	(4,292,684)	(4,495,057)
Capital requirement on regulatory basis	2,000,000	2,000,000
Shortfall in Solvency Margin	(12,261,670)	(24,274,758)
Shortfall in Asset cover for contract liabilities	(23,247,475)	(8,022,015)

5.5b Measurement Basis of Financial Assets and Liabilities

	31 December 2021			31 December 2020		
	Fair Value	Amortised Cost	Total	Fair Value	Amortised Cost	Total
Group	N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	1,389,861	-	1,389,861	17,799,223	-	17,799,223
Investment securities	26,651,293	86,176	26,737,469	24,002,224	80,240	24,082,464
Trade receivables	-	88,884	88,884	-	11,603	11,603
Reinsurance assets	-	113,116	113,116	-	486,196	486,196
Other assets	-	1,117,988	1,117,988	-	596,544	596,544
Statutory deposit	-	348,401	348,401	-	364,998	364,998
Total Financial Assets	**28,041,154**	**1,754,565**	**29,795,719**	**41,801,447**	**1,539,581**	**43,341,028**
Financial liabilities						
Bank overdraft	-	166,202	166,202	-	452,799	452,799
Trade payable	-	1,184,874	1,184,874	-	877,560	877,560
Other payables and accruals	-	1,621,357	1,621,357	-	1,829,958	1,829,958
Investment linked contract liabilities		-	-	-	-	-
Total Financial Liabilities	-	**2,972,433**	**2,972,433**	-	**3,160,317**	**3,160,317**

	31 December 2021			31 December 2020		
	Fair Value	Amortised Cost	Total	Fair Value	Amortised Cost	Total
Company	N'000	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents	26,647,005	1,308,630	-	1,308,630	-	-
Investment securities	-	86,176	26,733,181	17,659,067	80,240	17,739,307
Trade receivables	-	-	-	23,997,917	0	23,997,917
Reinsurance assets	-	113,116	113,116	-	486,196	486,196
Other assets	-	3,252,918	3,252,918	-	1,695,694	1,695,694
Statutory deposit		200,000	200,000	-	200,000	200,000
Total Financial Assets	**27,955,634**	**3,652,211**	**31,607,845**	**41,656,984**	**2,462,130**	**44,119,114**
Financial liabilities						
Bank overdraft	-	54,034	54,034	-	252,759	252,759
Trade payable	-	946,624	946,624	-	639,310	639,310
Other payables and accruals	-	736,881	736,881	-	540,838	540,838
Investment linked contract liabilities	-	3,396,154	3,396,154	-	5,143,524	5,143,524
Total Financial Liabilities	-	**5,133,692**	**5,133,692**	-	**6,576,431**	**6,576,431**

5.6 Measurement of Financial Assets and Liabilities at Fair Value

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data. All level 2 valuation were derived using either the net present value and discounted cash flow models or comparison with similar instruments for which market observable prices exist.

Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

There were no transfers from Level 1 to Level 2 or between level 2 or level 3 of the fair value hierarchy during the year.

5.6.1 Fair Value of Financial Assets and Liabilities

The table below summarizes the carrying amounts and fair values of the financial assets and liabilities.

	Group				Company			
	31-Dec-2021		31-Dec-2020		31-Dec-2021		31-Dec-2020	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Financial Assets								
Statutory deposits	348,401	348,401	364,998	364,998	200,000	200,000	200,000	200,000
Cash and bank balances	1,389,861	1,389,861	17,799,223	17,799,223	1,308,630	1,308,630	17,659,067	17,659,067
Investment securities:								
FVTPL-equities	147,544	147,544	1,020,938	1,020,938	147,544	147,544	1,020,938	1,020,938
FVTPL-bonds	10,414,572	10,414,572	22,884,140	22,884,140	10,414,572	10,414,572	22,884,140	22,884,140
FVOCI	16,089,177	16,089,177	97,146	97,146	16,084,889	16,084,889	92,839	92,839
Amortized cost		-		-	-	-	-	-
Loan and receivables	-	-		-	-	-	-	-
Trade receivables	88,884	88,884	11,603	11,603	-	-	-	-
Reinsurance assets	113,116	113,116	486,196	486,196	113,116	113,116	486,196	486,196
Other receivables	1,117,988	1,117,988	596,544	596,544	2,710,191	2,710,191	1,152,966	1,152,966
TOTAL	**29,709,542**	**29,709,542**	**43,260,788**	**43,260,788**	**30,978,941**	**30,978,941**	**43,496,146**	**43,496,146**
Financial liabilities								
Trade payables	1,184,874	1,184,874	877,560	877,560	946,624	946,624	639,310	639,310
Other liabilities	1,005,616	1,005,616	1,196,978	1,196,978	826,567	826,567	843,329	843,329
Investment linked contract liabilities	3,396,153	3,396,153	5,143,523	5,143,523	3,396,154	3,396,154	5,143,524	5,143,524
TOTAL	**5,586,643**	5,586,643	**7,218,061**	**7,218,061**	**5,169,344**	**5,169,344**	**6,626,163**	**6,626,163**

5.7 The risk types affecting the surplus capital of the company are market risk, credit risk, insurance risk, liquidity risk, liability risk, business risk and operational risk.

5.7.1 Financial instruments measured at fair value - Fair value hierarchy

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position

Group 31 December 2021	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total fair value N'000
Financial assets				
Investment securities:				
Financial assets designated at fair value through P or L	10,562,116	-	10,562,116	10,562,116
Fair value through Other Comprehensive Income	-	-	16,089,177	16,089,177
	10,562,116	**9,668,536**	**16,089,177**	**36,319,828**

Group 31 December 2020	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total fair value N'000
Financial assets				
Investment securities:				
Financial assets designated at fair value through P or L	23,905,077	-	-	23,905,077
Fair value through Other Comprehensive Income	-	-	97,146	97,146
Investment properties	-	10,774,958	-	10,774,958
	23,905,077	**10,774,958**	**97,146**	**34,777,181**

Company 31 December 2021	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total fair value N'000
Financial assets				
Investment securities:				
Financial assets designated at fair value through P or L	10,562,116	-	-	10,562,116
Financial assets designated at fair value through P or L	-	-	16,084,889	16,084,889
Investment properties		8,030,000	-	8,030,000
	10,562,116	**8,030,000**	**16,084,889**	**34,677,005**

Company 31 December 2020	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total fair value N'000
Financial assets				
Investment securities:				
Financial assets designated at fair value through P or L	23,905,077	-	-	10,562,116
Financial assets designated at fair value through P or L	-	-	92,839	92,839
Investment properties		8,969,500	-	8,969,500
	23,905,077	**8,969,500**	**92,839**	**32,967,416**

5.7.2 Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised:

Group	Level 1	Level 2	Level 3	Total fair value	Total caring amount
31 December 2021	N'000	N'000	N'000	N'000	N'000
Financial assets					
Cash and cash equivalents	1,389,861	-	-	-	1,389,861
Investment securities:	-	-	-	-	
Fair value through profit or loss					
Trade receivables	10,414,572	-	-	-	10,414,572
Reinsurance assets	-	88,884	-	-	88,884
Other receivables	-	113,116	-	-	113,116
Statutory deposit	-	1,117,988	-	-	1,117,988
		348,401			348,401
			-	-	
	11,804,433	**1,668,389**			**13,472,821**
Financial liabilities					
Trade payables	-	-	-	-	-
Other liabilities	-	-	-	-	-
Investment linked contract liabilities	-	-	-	-	-
	-	-	-	-	-

Group	Level 1	Level 2	Level 3	Total fair value	Total caring amount
31 December 2020	N'000	N'000	N'000	N'000	N'000
Financial assets		-			
Cash and cash equivalents	17,799,223	-	-	17,799,223	17,799,223-
Investment securities:			-	-	
Fair value through profit or loss		-			22,884,140
Trade receivables	22,884,140	11,603	-	-	11,603
Reinsurance assets	-	486,196	-	-	486,196
Other receivables	-	596,544	-	-	596,544
Statutory deposit	-	364,998	-	-	364,998
	-				
	40,683,363	**1,459,341**	-	**17,799,223**	**42,142,704**
Financial liabilities					
Trade payables	-	-	-	-	-
Other liabilities	-	-	-	-	-
Investment linked contract liabilities	-	-	-	-	-
	-	-	-	-	-

Company 31 December 2021	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total fair value N'000	Total caring amount N'000
Financial assets					
Cash and cash equivalents	-	1,308,630	-	1,308,630	1,308,630
Investment securities:			-		
Fair value through profit or loss-equities	147,544	-		-	147,544
Fair value through profit or loss-bonds	10,414,572	-	-	-	10,414,572
Fair value through Other Comprehensive Income	16,084,889	-	-	-	16,084,889
Reinsurance assets		113,116	-	113,116	113,116
Other receivables	-	2,710,191	-	2,710,191	2,710,191
Statutory deposit	-	200,000		200,000	200,000
			-		
	26,647,005	**4,331,937**		**4,331,937**	**30,978,941**
Financial liabilities	-	-	-		-
Trade payables	-	-	-		-
Other liabilities	-	-	-		-
Investment linked contract liabilities	-	-	-		-

Company 31 December 2020	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total fair value N'000	Total caring amount N'000
Financial assets					
Cash and cash equivalents	-	17,659,067	1,308,630	17,659,067-	17,659,067
Investment securities:					-
Fair value through profit or loss- equity	1,020,938	-	-	-	1,020,938
Fair value through profit or loss- bond	22,884,140	-	-	-	22,884,140
Fair value through Other comprehensive Income	92,839	-	-	-	92,839
Trade recievables		-	-	-	-
Reinsurance assets	-	486,196	-		486,196
Other receivables	-	1,152,966	-		1,152,966
Statutory deposit		200,000			200,000
			-		
	23,997,917	**19,498,229**		**17,659,067**	**43,496,146**
Financial liabilities		-			
Trade payables	-	-	639,310		639,310
Other liabilities	-	-	843,329		843,329
Investment linked contract liabilities	-	-	5,143,524		5,143,524
	-				
			6,626,163		**6,626,163**

There was no transfer between levels during the year under review

5.7.3 Financial instruments in level 3

The financial instruments in level 3 above comprise unquoted equity instruments. The following table shows a reconciliation from the beginning balances to the ending balances for financial instruments in level 3 of the fair value hierarchy.

	Group		Company	
	31 -Dec-21	31 -Dec-20	31 -Dec-21	31 -Dec-20
	N'000	N'000	N'000	N'000
At 1 January	97,146	96,240	92,839	92,040
Acqusition	15,992,050	-	15,992,050	-
Translation adjustment	(19)	107	-	-
Fair value changes	-	799	-	799
At 31 December	**16,089,177**	**97,146**	**16,084,889**	**92,839**

These are investment in unquoted securities which are not traded or quoted on any stock market. The Company has no intention of disposing the securities in the forseeable future.

The Company holds equity instruments in non-listed companies designated at the fair value other comprehensive income. The Company holds non controlling interest between (2%- 49%) in these companies.

The unquoted equity instruments are carried at fair value (2020: carried at fair value) using market approach. The resulting fair value adjustment of all equities designated at fair value through other comprehensive income (FTOCI) are recorded in other income.

5.7.3a Sensitivity Analysis on Financial instruments in level 3

Directors apply the discounted cash flow methodology for the fair measurement of its unquoted level 3 financial instruments, to determine their fair value at each reporting date. A significant number of the inputs, while not observable in the market, are however derived from market prices, rates or are estimated based on assumptions, and similar listed or quoted entities. These assumptions, judgement and estimation usually required for the adoption of an appropriate valuation model to be used, determination of expected cash-flows on the financial instruments being valued, determination of the probability of counter-party default, and selection of appropriate discount rates and driven by the Directors. Fair value estimates obtained from such models are adjusted for factors such as the liquidity risk or model uncertainties, to the extent that Directors believes that a third party market participant would take them into account in pricing a transaction. Model inputs and values are calibrated against historical data and published forecasts. This calibration process is inherently subjective and it yields ranges of possible inputs and estimates of fair value.

The group's valuation methodology takes into account growth in net earnings or cash flow, fixed capital investments, working capital investments and net borrowings, beta, risk free rate, market risk premium and assumed annual growth rate. These features are used to estimate expected future cash-flows and discounted at a risk-adjusted rate. This technique is subject to inherent limitations such as estimation of the appropriate risk-adjusted discount rate, and different assumptions and inputs would yield different results.

When assessing a DCF valuation, the adopted discount rate and adopted terminal yield have a strong interrelationship in deriving a fair value given the discount rate will determine the rate at which the terminal value is discounted to the present value. An increase in the discount rate and a decrease in the terminal yield will offset the impact on the fair value. Same impact will apply if there is a decrease in the discount rate and an increase in the terminal yield. A linear directional change in the discount rate and the terminal yield will potentially increase the impact on the fair value.

Significant inputs	Impact on fair value of an increase in input	Impact on fair value of an decrease in input
Risk free rate	Increase	Increase
Beta	Decrease	Decrease
Market risk premium	Decrease	Decrease
Assumed terminal growth rate	Decrease	Decrease

Market risk premium

This is the premium estimated as required over the long term risk-free rate. In most cases, the unsystematic risk pertaining to countrywide factors such as socio-political risk, a country's sovereign rating etc. is usually priced into risk-free instruments such as government bonds. The unsystematic risk pertaining to the stock market or particular industry is addressed by the market risk premium, while the beta is responsible for company-specific risks.

We have used a market risk premium of 6% for the valuation, as we believe most of the inherent risks in the Nigerian capital market have been largely priced in the bond yields.

Beta

The beta of a stock measures the sensitivity of the excess expected return on an individual share relative to that of a benchmark equities market or index. It is best derived by the regression analysis of a company's stock price returns to that of the benchmark market index. However, in cases where a company is not publicly listed, it can be derived by using a proxy from a similar company which is publicly listed, or by using the industry average.

There are however cases where there are no comparable companies that are publicly listed to use as proxies. In such cases, betas are estimated or assumed based on the sensitivity of the industry to the stock market and/or the overall economy as a guide. The unquoted financial instruments valuation is peculiar in the sense that it is privately held and does not have ready and direct comparables publicly listed on the Nigerian Stock Exchange, although there are similar unlisted entities in the market. We assumed a beta of 1.28 for the unquoted financial instrument based on our perceived sensitivity of its industry to the Nigerian economy.

Risk-Free rate

The risk-free rate used in the valuation models is the yield of the most actively traded 10-yr FGN bond, as we believe this is the best reference for a riskfree instrument with a similar duration to the investment horizon of equities.

The risk-free rate used in the unquoted financial instruments valuation reports was the current yield, 16% on the most actively traded 10-yr FGN bond in the Nigerian bond market at the time.

Assumed terminal growth rate

This is the rate that the company is assumed to continue to grow after the forecasted years in the valuation. It is usually close to the GDP rate of the country where the company is situated. In certain cases, the assumed growth rate may exceed the current GDP as the industry may be in its growth phase.

We have reduced the terminal growth rate for the unquoted financial instruments to 4% in line with growth projections for the country. It is important to note that huge potentials remain largely untapped in the Nigerian housing industry, predicated on a large and growing population with unmet housing needs.

5.7.4 Fair valuation methods and assumptions

i. Cash & cash equivalents

This represents cash held in various bank accounts at the end of the year. The fair value of this amount is the carrying amount

ii. Other receivables

Other assets represent amount due from reinsurers and other related parties which usually have a short recycle period and as such the fair values of these balances approximate their carrying amount.

iii. Statutory deposit

This represents the deposit held by Central bank of Nigeria. i.e. 10% of the minimum capitalisation in compliance with the Insurance Act. The fair value of this balance is approximately its carrying amount.

iv. Trade payables

These represent amount payable to reinsurers and other creditors which have a short recycle period and as such the fair values of these balances approximate their carrying amount

v. Other liabilities

These are amounts outstanding and are payable within a period of one year. Amount outstanding are assumed to approximate their respective fair values

vi. Insurance contract liabilities

These are amounts payable to policyholders in the event of a claim. The carrying amount have been calculated by the actuary and the carrying amount represents the fair value as at 31 December, 2021.

Segment Reporting

Identification of Reportable Segments

The business activities of African Alliance Insurance Plc. Group are first organized by product and type of service: life insurance activities and air freight activities.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (or loss) before income taxes, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within this industry. Inter-segment pricing is determined on an arm's length basis.

Information reported to the chief operating decision maker (the CEO) for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Company's reportable segments under IFRS 8 are therefore as follows:

- Life business
- Air freight business

Life Business

The Life reportable segment offers a wide variety of insurance products for both personal and corporate customers. The products offer range from provision of group life policies, traditional life policies with a segment of investment linked and annuity policies. The main source of income in this segment is the premium received from the insured on risk covered by the entity and the investment income earned on placements and deposit with financial institutions.

Air Freight

This reportable segment is a private company who provides cargo air transportation through relevant leasing arrangement.

Segment Revenues and Results

The following is an analysis of the group revenue and results from continuing operations by reportable segment:

Company	Segment revenue 31-Dec-21 N'000	Segment revenue 31-Dec-20 N'000	Segment profit /(loss) 31-Dec-21 N'000	Segment profit /(loss) 31-Dec-20 N'000
Life business	7,166,770	7,121,331	8,134,867	(14,362,633)
Interest Income				
- Life Business			1,944,568	2,456,533
- Air freight			888	435
Interest expense			**1,945,456**	**2,456,968**
- Life Business				
- Air freight				
			-	-
Depreciation & Amortisation			-	-
- Life Business			(232,098)	(191,136)
- Air freight			-	-
			(232,098)	**(191,136)**

			31-Dec-2021 N'000	31-Dec-20 N'000
Other income			1,101,899	786,534
Impairment charges			99,250	26,479
Fair value gain on investment properties			278,550	161,051
Fair value through profit or loss			(6,816,988)	4,940,700
Loss from investment contracts			666,093	(61,648)
Gain on disposal of associate			-	10,399,265
Share of profit of equity accounted investee			-	731,138
Other operating and administrative expenses			(2,981,138)	(3,163,931)
Finance cost			(10,469)	(107,633)
Profit before tax (continuing operations)			**2,185,421**	**1,615,155**

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit before tax carried by each segment without allocation of other operating administration costs and director's salaries, share of profit of associates, investment income, other gains and losses as well as finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment Assets	31-Dec-21	31-Dec-20
	N'000	N'000
Life business	41,581,374	56,301,923
Air Freight	6,052	5,164
	41,587,426	**56,307,087**

Segment Liabilities	31-Dec-21	31-Dec-20
	N'000	N'000
Life business	44,025,067	58,054,323
Air Freight	3,366,636	3,366,633
	47,391,703	**61,420,956**

Other Segment Information	Depreciation and amortisation		Additions to non-current assets	
	Year ended 31	Year ended 31	Year ended 31	Year ended 31
	Dec-21	Dec-20	Dec-21	Dec-20
	N'000	N'000	N'000	N'000
Life business	232,098	191,136	208,825	194,502
Air Freight	-	-	-	-
	232,098	**191,136**	**208,825**	**194,502**

6 Cash And Cash Equivalents

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Cash in hand	138	-	-	-
Cash in bank	424,370	190,842	403,576	174,489
Short-term bank deposits	965,353	17,608,381	905,053	17,484,578
	1,389,861	**17,799,223**	**1,308,630**	**17,659,067**
Short-term bank deposits	998,630	17,608,845	913,398	17,484,634
Expected credit loss (note 6.1)	(33,277)	(464)	(8,345)	(56)
	965,353	**17,608,381**	**905,053**	**17,484,578**

6.1 Movement in ECL Adjustment on Cash and Cash Equivalent is detailed below

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
At 1 January	464	13,602	56	12,937
Movement for the year	32,813	(13,138)	8,289	(12,881)
At 31 December	**33,277**	**464**	**8,345**	**56**

6.2 Cash and Cash Equivalent for the purpose of Cashflow

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. They include:

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Cash in bank	424,370	190,842	403,576	174,489
Short-term bank deposits	998,630	17,608,845	913,398	17,484,634
Bank overdraft (See Note 23)	(23,922)	-	-	-
	1,399,078	**17,799,687**	**1,316,975**	**17,659,121**

6.3. Cash and Cash equivalent shows a significant deduction from N17.6billion to N1.3billion majorly due to the cash outflow of N16.6billion in 2021 towards the settlement of the purchase consideration for the reacquisition of PAL Pension Limited.

7 Financial Assets

7.1 FVTPL - Quoted Equities

These are quoted equities on the Nigerian Stock Exchange, the fair values were determined by reference to the quoted closing bid prices at the end of the reporting year derived as follows:

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Quoted equity securities	147,544	1,020,938	147,544	1,020,938
7.1i Movement in FVTPL - Quoted equities				
At 1 January	1,020,938	997,229	1,020,938	997,229
Additions	-	-	-	-
Transfer to Conau Trade and Investment Limited (note 7.1ii)	(780,000)		(780,000)	
Disposals	(5,802)	-	(5,802)	-
Fair value changes	(87,592)	23,709	(87,592)	23,709
	147,544	**1,020,938**	**147,544**	**1,020,938**

7.1ii **During the year, the entity's investment in quoted equities of 3,900,000,000 units in universal Insurance Plc s was transfer to CONAU Trade and Investment Limited as part of the purchase consideration towards the re-acquisition of its investment in PAL Pensions Limited at market value of N780 million included in the disposal amount above.

For the purpose of cash flow, the market value of N780 million was not included as the transfer didn't involve exchange of cash between the parties (Conau Trade and Investment Limited and the Entity African Alliance Insurance)

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
7.2 FVTPL - Debt Securities (bonds)	N'000	N'000	N'000	N'000
Government and corporate bonds	17,143,968	17,967,149	17,143,968	17,967,149
Fair value changes (note 7.2ii)	(6,729,396)	4,916,991	(6,729,396)	4,916,991
	10,414,572	**22,884,140**	**10,414,572**	**22,884,140**

7.2i Movement in FVTPL - Debt Securities (bonds)	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
At 1 January	22,884,140	24,319,397	22,884,140	24,319,397
Additions	705,013	263,200	705,013	263,200
Redemption/ disposal (note 7.2iv)	(5,120,408)	(4,383,072)	(5,120,408)	(4,383,072)
Interest income on bond	(1,324,777)	(2,232,376)	(1,324,777)	(2,232,376)
Fair value changes	(6,729,396)	4,916,991	(6,729,396)	4,916,991
	10,414,572	**22,884,140**	**10,414,572**	**22,884,140**

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
7.2ii Fair Value Movement In Bonds	N'000	N'000	N'000	N'000
As 1 January	6,955,142	2,038,151	6,955,142	2,038,151
Fair value changes	(6,729,396)	4,916,991	(6,729,396)	4,916,991
At 31 December	**225,746**	**6,955,142**	**225,746**	**6,955,142**

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
7.2iii Net fair value gains	N'000	N'000	N'000	N'000
Fair value gain on equity shares (note 7.1i)	(87,592)	23,709	(87,592)	23,709
Fair value gain on Bonds (note 7.2ii)	(6,729,396)	4,916,991	(6,729,396)	4,916,991
	(6,816,988)	**4,940,700**	**(6,816,988)**	**4,940,700**

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
7.2iv Redemption/ Disposal of Bonds	N'000	N'000	N'000	N'000
Bonds disposed at cost	5,764,083	1,554,494	5,764,083	1,554,494
Bonds matured at cost	850,000	1,300,000	850,000	1,300,000
Fair value changes on bonds redeem and matured	(1,493,675)	1,528,578	(1,493,675)	1,528,578
	5,120,408	**4,383,072**	**5,120,408**	**4,383,072**

7.3 FVOCI (Unquoted Equities)

The unquoted equities carried as fair value through Other Comprehensive Income financial assets were fair valued using the fund prices advised by the investee companies

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Other unquoted equities (note 7.3i)	97,127	97,146	92,839	92,839
Investment in PAL Pension Limited (note 7.3ii)	15,992,050	-	15,992,050	-
	16,089,177	**97,146**	**16,084,889**	**92,839**

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
7.3i Movement In Fvoci - Other Unquoted Equities	N'000	N'000	N'000	N'000
At 1 January	97,146	96,240	92,839	92,040
Translation adjustment	(19)	107	-	-
Fair value changes	-	799	-	799
At 31 December	**97,127**	**97,146**	**92,839**	**92,839**

	Group		Company	
7.3ii Movement in FVOCI - PAL Pension Limited	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
At 1 January	-	1,545,042	-	1,545,042
Repurchase of PAL Pension Limited	18,600,000	-	18,600,000	-
Increase/ (decrease) in equity accounted investment in	-		-	555,693
PAL Pension Limited		555,693		-
Fair Value loss at the date of repurchase- Note 29	(6,100,000)	-	(6,100,000)	10,399,265
Gain/(loss) on revaluation of PAL Pension- Note 37a	-	10,399,265	-	(12,500,000)
Transfer of disposal of PAL Pension Limited - Note 13.1	-	(12,500,000)	-	-
Fair value reserve on PAL Pension Limited as at reporting		-		
date (note 29)	3,492,050		3,492,050	-
At 31 December	15,992,050	-	15,992,050	

7.3iii Accounting for the investment in PAL Pensions as Investment at Fair Value at OCI

PAL pension was being accounted as an Associate investment and consolidated in line with the requirements of IAS 28 on the basis of the representation of African Alliance on the Board of Pensions Alliance Limited by the erstwhile Chief Executive Officer.
In August 2020, the CEO resigned her employment with the company and therefore ceased to represent the company on the Board of Pensions Alliance Limited.

In January 2021, subsequent to its reacquisition, African Alliance Insurance Company Plc reached out to the directors of Pensions Alliance Limited for an equitable representation on the Board of PAL based on the shareholding structure. This led to disagreements and subsequently court suit during the financial year. During the Fy2021;

* African Alliance Insurance Company Plc had no representation on the Board of the Pensions Alliance Limited.

* The audited financial statements of Pensions Alliance Limited did not indicate a director represented African Alliance Insurance Company Plc on its board;
* The court judgement was issued on the 22 April 2022, where the court affirmed for an equitable representation of the shareholders on the Board of the PAL;
* African Alliance Insurance Company Plc did not participate in the decision-making process of Pensions Alliance Limited neither was it able to exert any influence or control during the Fy2021;
* It however received interim dividend for the period under review Fy2021.

As a result, Directors concluded that African Alliance does not have significant influence in the affairs of Pension Alliance Limited as at 31 December 2021 hence investment in Pension Alliance Limited as at that date was reported as investment in Unquoted equities in line with the requirements of IFRS 9.

	Group		Company	
7.4 Amortised Cost - Debt Securities	**31-Dec-21**	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
	N'000	**N'000**	**N'000**	**N'000**
Commercial paper	21,310	4,926	21,310	4,926
Corporate bond	60,995	21,010	60,995	21,010
Promissory notes	-	56,326	-	56,326
Treasury bill	5,803	-	5,803	-
ECL Adjustment as at 31 December	(1,932)	(2,021)	(1,932)	(2,021)
	86,176	**80,240**	**86,176**	**80,240**

	Group		Company	
7.4i Movement In Amortised Cost - Debt Securities	**31-Dec-21**	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
	N'000	**N'000**	**N'000**	**N'000**
At 1 January	82,261	-	82,261	-
Additions	5,847	82,261	5,847	82,261
ECL Adjustment	(1,932)	(2,021)	(1,932)	(2,021)
At 31 December	**86,176**	**80,240**	**86,176**	**80,240**

7.4ii Movement in ECL adjustment on Amortised cost - Debt securities	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
At 1 January	(2,021)	-	(2,021)	-
Movement for the year	89	(2,021)	89	(2,021)
At 31 December	**(1,932)**	**(2,021)**	**(1,932)**	**(2,021)**

8 Trade Receivables	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Insurance brokers (note 8.2)	88,884	11,603	-	-
Trade debtors	58,159	58,159	-	-
Impairment allowance (note 8.1)	(58,159)	(58,159)		
			-	-
	88,884	**11,603**		

8.1 Movement In Impairments Of Trade Receivables	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
At 1 January	58,159	58,159	-	-
Additional charge during the year	-	-	-	-
			-	-
	58,159	**58,159**		

8.2 Trade receivables age analysis for the group relates to its subsidiary company, Ghana Life Insurance	Group			
	31-Dec-21		31-Dec-20	
	No of Policies	N'000	No of Policies	N'000
Age of Debt	-	-	-	-
Within 14Days	41	61,650	3	11,603
Within 15-30 Days	14	27,234	-	-
Within 31-90 Days	-	-	-	-
Within 91-180 Days	-		-	-
Above 180 Days	55	88,884	3	11,603

	Group		Company	
9 Reinsurance Assets	**31-Dec-21**	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
	N'000	**N'000**	**N'000**	**N'000**
Claims receivables (Note 9 (I))	-	180,516	-	180,515
Reinsurance share of claims Incurred But Not Reported	91,533	286,409	91,533	286,409
(IBNR) (note 9 (ii))	21,583	19,272	21,583	19,272
Prepaid reinsurance (note 9(iii))				
	113,116	**486,196**	**113,116**	**486,196**

	Group		Company	
9 (I) Movement in Claims Receivables	**31-Dec-21**	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
	N'000	**N'000**	**N'000**	**N'000**
At 1 January	180,516	-	180,516	-
Changes during the year	(180,516)	180,516	(180,516)	180,516
At 31 December	-	**180,516**	-	**180,516**

	Group		Company	
9 (ii) Movement in reinsurance share of claims Incurred	**31-Dec-21**	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
But Not Reported (IBNR)	**N'000**	**N'000**	**N'000**	**N'000**
At 1 January	286,409	245,802	286,409	245,802
Changes during the year	(194,876)	40,607	(194,876)	40,607
At 31 December	**91,533**	**286,409**	**91,533**	**286,409**

	Group		Company	
9 (iii) Prepaid reinsurance	**31-Dec-21**	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
	N'000	**N'000**	**N'000**	**N'000**
At 1 January	19,272	65,252	19,272	65,252
Amortised in the year-reinsurance expense (see	2,311	(45,980)	2,311	(45,980)
note 31)				
At 31 December	**21,583**	**19,272**	**21,583**	**19,272**

10 Other receivables and prepayments	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Mortgage Loans- staff	16,597	21,493	16,597	21,493
Policy loans	204,750	205,163	183,756	160,398
Agency Loans	61,665	66,608	61,665	66,078
Investment Income Receivable	4,654	-	-	-
Prepayment Rent	5,579	12,574	5,579	12,574
Prepayment - Others	122,384	122,427	63,626	112,431
Staff Loans & Receivables	-	12,760	7,061	12,631
Interest receivables on loans	2,134	4,724	-	-
Withholding tax receivable	268,061	2,451	268,061	268,061
Staff share loans (note 10.1b)	2,131,790	2,131,790	2,131,790	2,131,790
Deposit for Investment (note 10.2)	-	-	1,628,616	628,616
Due from related company (note 10.3)	1,600,267	1,600,267	1,600,267	1,600,267
Director's current account	-	4,338	-	-
Stock of raw materials & consumables	5,956	4,708	2,453	4,708
Other debit balances	500,706	345,773	547,275	72,377
	4,924,544	4,535,076	6,516,746	5,091,423
Impairment allowance (note 10.1c)	(3,806,555)	(3,938,532)	(3,806,555)	(3,938,457)
	1,117,988	**596,544**	**2,710,191**	**1,152,966**
Current		-	-	-
Non-current	**1,117,988**	**596,544**	**2,710,191**	**1,152,966**
	1,117,988	**596,544**	**2,710,191**	**1,152,966**

10.1a The Movement in Other receivables and prepayments	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
At 1 January	4,535,076	4,622,320	5,091,424	5,016,032
Additional deposit for investment to Ghana life	-	-	1,000,000	-
Movement during the year	389,468	(87,244)	425,322	75,392
At 31 December	**4,924,544**	**4,535,076**	**6,516,746**	**5,091,424**

10.1b Staff Share Loan:

This amount is made up of African Alliance Company Plc share purchased during the private placement exercise on behalf of staff of the company.

10.1c The Movement in impairment allowance is as follows	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
At 1 January	3,938,532	3,954,394	3,938,457	3,953,894
Impairment allowance no longer required	(114,759)	(15,862)	(114,683)	(15,437)
Balances written off against provision	(17,218)	-	(17,218)	-
	3,806,555	**3,938,532**	**3,806,555**	**3,938,457**

10.1d Impairment Allowance	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Policy Loans	18,407	113,202	18,407	113,155
Mortgage Staff Loan	5,914	4,015	5,914	3,987
Agents loans	26,446	8,927	26,446	8,927
Due to related company	1,600,267	1,600,267	1,600,267	1,600,267
Staff Account Receivable	7,002	10,953	7,002	10,953
Staff Share loan	2,131,790	2,131,790	2,131,790	2,131,790
Short term Loan	-	52,648	-	52,648
Other debit balances	16,729	16,729	16,729	16,729
	3,806,555	**3,938,532**	**3,806,555**	**3,938,457**

10.1.e Movement in impairment allowance in other receivables	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Policy Loans (note 10.1.f)	(94,795)	(9,925)	(94,748)	(9,972)
Mortgage Staff Loan	1,898	(35,146)	1,926	(35,173)
Agency Loan	17,518	6,629	17,518	6,629
Staff Account Receivable	(3,950)	6,350	(3,951)	6,350
Short term Loan	(52,647)	-	(52,648)	-
Other debit balance	-	16,729	-	16,729
	(131,976)	**(15,363)**	**(131,903)**	**(15,437)**

10.1.f Policy Loans

The Company grants policy loan to customers with in-forced policies collaterised by the life insurance policy. Movement in impairment of policy loan relates to excess impairment allowance write back.

10.2 Deposits for shares/Investment	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Ghana Life Insurance Limited	-	-	1,628,616	1,628,616

10.2a Movement in Deposit for Shares	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
At 1 January 2021	-	-	628,616	628,616
Additional injection of funds during the year (note 10.1A)			1,000,000	-
At 31 December 2021			**1,628,616**	**628,616**

10.2b During the year, African Alliance Insurance Company Plc injected an additional capital of N1billion to Ghana Life Insurance Company Plc to reduce the shortfall in the shareholders fund as required by the Ghana Insurance Commission. This is correctly disclosed as deposit for shares as Ghana Life is yet to allocate shares for this amount.

10.3 Due From Related Company	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
*Universal Insurance Company Plc	**1,600,267**	**1,600,267**	**1,600,267**	**1,600,267**

* This represents receivable balances from Universal Insurance Company Plc (a related company) from prior years. Balance has been fully provisioned in prior years in the books of African Alliance Insurance Company Plc.

11 Investment properties	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
At 1 January	10,774,958	10,432,005	8,969,500	8,811,600
Translation adjustment	(359,972)	40,964	-	-
Acquisition during the year (note 11.1)	-	140,938	-	140,938
Transfer to Conau Trade and Investment Limited during the year (note 11.2)	(860,000)	-	(860,000)	-
Transfer to building (note 11.3)	(165,000)	-	(165,000)	-
Fair value gain on revaluation	278,550	161,051	85,500	16,962
	9,668,536	**10,774,958**	**8,030,000**	**8,969,500**

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Of the investment properties, the following	-	-	-	-
relates to insurance Funds:				
Insurance funds	6,520,966	7,267,195	5,415,852	6,049,500
Shareholders' funds	3,147,570	3,507,763	2,614,148	2,920,000
	9,668,536	**10,774,958**	**8,030,000**	**8,969,500**

11.1 *There was no acquisition or improvement on investment properties during the year

	Group		Company	
11.2 Transfer to Conau Trade and Investment Limited	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Fair value as at disposal date	1,220,000	-	1,220,000	-
Carrying amount	(860,000)	-	(860,000)	-
		-		-
Gain on Disposal	**360,000**	-	**360,000**	-

11.2a **During the year, the investment property on 29A Akin Adesola Victoria Island was transfer to CONAU Trade and Investment Limited as part of the purchase consideration towards the re-acquisition of its investment in PAL Pensions Limited at market value of N1.220billion

11.2b For the purpose of cash flow, the market value of the investment property was not included as the transfer didn't involve exchange of cash between the parties (Conau Trade and Investment Limited and the Entity African Alliance Insurance)

11.3 ***The Investment property on 1 plot land Ajah Road, Ajah, Lagos was moved to land and building. The Company reclassified its investment property at 1 plot Ajah Road, Ajah, Lagos to Property, Plant and Equipment because it now occupy the whole building for its marketing and business generation purpose during the year.

	Group		Company	
11.4 A brief description of the properties held by company as follows:	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
13/17 Breadfruit Street, Lagos Island, Lagos State.	1,990,000	1,973,000	1,990,000	1,973,000
Pankere Village, Near Abijo GRA, Ibeju Lekki L.G.A, Lagos State.	2,950,000	2,920,000	2,950,000	2,920,000
245 Aba Road, Port- Harcourt, Rivers state.	870,000	850,000	870,000	850,000
Plot 2220/ No. 36, Suez Crescent, Wuse Zone 4, Abuja	885,000	880,500	885,000	880,500
73 Oyemekun Road, Akure, Ondo State.	29,000	27,500	29,000	27,500
No 9B Crescent B, Oba Oyekan Estate, Lekki Phase 1, Lagos state	75,000	70,000	75,000	70,000
4-bedroom duplex, Ajah Road, Ajah, Lagos	-	165,000	-	165,000
29A Akin Adesola Street, Victoria Island, Lagos	-	860,000	-	860,000
No. 112 Broad Street Lagos.	1,231,000	1,223,500	1,231,000	1,223,500
Land & Residential properties held in Ghana Life Insurance	1,638,536	1,805,458	-	-
	9,668,536	**10,774,958**	**8,030,000**	**8,969,500**

11.4a A brief descriptions of the properties held by the company in its name are as follows:	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
13/17 Breadfruit Street, Lagos Island, Lagos State.	1,990,000	1,973,000	1,990,000	1,973,000
No 9B Crescent B, Oba Oyekan Estate, Lekki Phase 1, Lagos state	75,000	70,000	75,000	70,000
4-bedroom duplex, Ajah Road, Ajah, Lagos	-	165,000	-	165,000
73 Oyemekun Road, Akure, Ondo State.	29,000	27,500	29,000	27,500
No. 112 Broad Street Lagos.	1,231,000	1,223,500	1,231,000	1,223,500
Plot 2220/ No. 36, Suez Crescent, Wuse Zone 4, Abuja	885,000	880,500	885,000	880,500
29A, Akin Adesola Street, Victoria Island	-	860,000	-	860,000
245 Aba Road, Port- Harcourt, Rivers state.	870,000	850,000	870,000	850,000
Land & Residential properties held in Ghana Life Insurance	1,638,536	1,805,458	-	-
	6,718,536	**7,854,958**	**5,080,000**	**6,049,500**

11.4b A brief descriptions of the properties held by the company in the name of Conau Trade and Investment Limited are as follows	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Pankere Village, Near Abijo GRA, Ibeju Lekki L.G.A, Lagos State.	2,950,000	2,920,000	2,950,000	2,920,000
Total investment property	**9,668,536**	**10,774,958**	**8,030,000**	**8,969,500**

Investment properties are carried at fair value as at 31 December 2021 which has been determined by an independent professional valuer, AC Otegbulu & Partners Estate Surveyors & valuers, a registered member of Financial Reporting Council of Nigeria (FRCN/2013/NIESV/00000013597) with the signing partner as Austin C. Otegbulu (FRC/2013/NIESV/00000001582). Valuations are performed on an annual basis and the fair value gains and losses are recognised in the profit or loss are recognised in the profit or loss account.

The Properties have been valued using fair value basis. The fair value of all the properties are determined using recent comparable prices i.e. the highest price in terms of money, which the subject property assets will fetch in an open and competitive market under all conditions requisite to a fair sale.

None of the assets above are encumbered or pledged as security for loan as at 31 December 2021

11.5 Movement in Investment Properties

11.5a Group 2021

Group 2021 Description	At 1 January	Translation	Additions	Disposal/ reclassification	Fair value	December
	N'000	N'000		N'000	N'000	N'000
13/17 Breadfruit Street, Lagos Island, Lagos State.	1,973,000	-	-	-	17,000	1,990,000
Pankere Village, Near Abijo GRA, Ibeju Lekki L.G.A, Lagos State.	2,920,000	-	-	-	30,000	2,950,000
245 Aba Road, Port- Harcourt, Rivers state.	850,000	-	-	-	20,000	870,000
Plot 2220/ No. 36, Suez Crescent, Wuse Zone 4, Abuja	880,500	-	-	-	4,500	885,000
73 Oyemekun street, Akure	27,500	-	-	-	1,500	29,000
No 9B Crescent B, Oba Oyekan Estate, Lekki Phase 1, Lagos state	70,000	-	-	-	5,000	75,000
4-bedroom duplex, Ajah Road, Ajah, Lagos	165,000	-	-	165,000	-	-
29A Akin Adesola Street, Victoria Island, Lagos	860,000	-	-	860,000	-	-
No. 112 Broad Street Lagos.	1,223,500	-	-	-	7,500	1,231,000
Land & Residential properties held in Ghana Life Insurance	1,805,458	(359,972)	-	-	193,050	1,638,536
	10,774,958	**(359,972)**	-	**1,025,000**	**278,550**	**9,668,536**

11.5b Company 2021

Company 2021 Description	At 1 January	Additions	Disposal/ reclassification	Fair Value	At 31 December
	N'000	N'000	N'000	N'000	N'000
13/17 Breadfruit Street, Lagos Island, Lagos State.	1,973,000	-	-	17,000	1,990,000
Pankere Village, Near Abijo GRA, Ibeju Lekki L.G.A, Lagos State.	2,920,000	-	-	30,000	2,950,000
245 Aba Road, Port- Harcourt, Rivers state.	850,000	-	-	20,000	870,000
Plot 2220/ No. 36, Suez Crescent, Wuse Zone 4, Abuja	880,500	-	-	4,500	885,000
73 Oyemekun street, Akure	27,500	-	-	1,500	29,000
No 9B Crescent B, Oba Oyekan Estate, Lekki Phase 1, Lagos state	70,000	-	-	5,000	75,000
4-bedroom duplex, Ajah Road, Ajah, Lagos	165,000	-	165,000	-	-
29A Akin Adesola Street, Victoria Island, Lagos	860,000	-	860,000	-	-
No. 112 Broad Street Lagos.	1,223,500	-	-	7,500	1,231,000
		-			
	8,969,500		**1,025,000**	**85,500**	**8,030,000**
		-			

11.6 Investment Properties not In the name of African Alliance

PROPERTIES	TITLE OF DOCUMENTS	DATE OF ACQUISITION	TITTLE DOCUMENT NO	LOCATION	CARRYING AMOUNT N'000
Pankere Village, Near Abijo GRA, Ibeju Lekki L.G.A, Lagos State	Deed of Assignment & Governor's Consent for Application to assignment between Land Owner and Conau Trade and Investment Limited	Year 2008	N/A	Abijo GRA Ibeju Lekki, Lagos state	2,950,000

Investment Properties in the name of African Alliance

PROPERTIES	TITLE OF DOCUMENTS	DATE OF ACQUISITION	TITTLE DOCUMENT NO	LOCATION	CARRYING AMOUNT N'000
13/17 Breadfruit Street, Lagos Island, Lagos State.	Lagos State Government Land Certificate and Deed of Assignment	Year 1960	L03746	13/17 Breadfruit Street, Lagos	1,990,000
Pro245 Aba Road, Port- Harcourt, Rivers state.	Deed of Assignment & Certificate of Occupancy	Year 2008	N/A	Plot C4, Rumuogba Layout, Aba Road, Port Harcourt	870,000
73 Oyemekun Road, Akure, Ondo State.	Certificate of Right of Occupancy	Year 1983	N/A	73 Oyemekun street, Akure	29,000
Plot 2220/ No. 36, Suez Crescent, Wuse Zone 4, Abuja	Deed of Assignment between Federal Republic of Nigeria represented by EFCC and Conau Trade and Investment Limited	Year 2008	N/A	2220 Suez Canal Crescent Sani Abacha Estate, Abuja	885,000
No 9B Crescent B, Oba Oyekan Estate, Lekki Phase 1, Lagos state	Lagos State Government Allocation Letter	Year 2004	N/A	Block B House 9B Oba Adeyinka Oyekan Housing Estate Lekki, Lagos	75,000
Property 112 Broad Street, Lagos	Lagos State Government Land Certificate and Deed of Assignment	Year 1961	L03990	112 Broad Street, Lagos	1,223,000
No. 112 Broad Street Lagos.	Lagos State Government Land Certificate and Deed of Assignment	Year 1961	L03990	112 Broad Street, Lagos	1,231,000

12 Investment in Subsidiary

The company's investment in subsidiary is as stated below:

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Axiom Air Limited (Note 12a)	-	-	3,000,000	3,000,000
Ghana Life Insurance Company Limited (Note 12b)	-	-	1,770,741	1,770,741
	-	-	**4,770,741**	**4,770,741**
Impairment allowance (note 12d)	-	-	(4,228,013)	(4,228,013)
			542,728	**542,728**

12a. Axiom Air Limited:-	Company	
The movement in Axiom Air Limited is as follows:	31-Dec-21	31-Dec-20
	N'000	N'000
At 1 January	3,000,000	3,000,000
Additions, during the period (capital injection)	-	-
Impairment allowance	(3,000,000)	(3,000,000)

The company was incorporated on 17 July 2008 to carry on the business of airline owners and management, provide air transport for public use; to provide all necessary and or desirable services incidental to this objective, including booking, reservation, routing and ticketing services, baggage management, flight catering and entertainment and provision of hotel accommodation. The company is wholly owned, the single aircraft owned by Axiom Air is in Jordan for maintenance since 2014

12b Ghana Life Insurance Company Limited	Company	
The movement in Ghana Life Limited is as follows:	31-Dec-21	31-Dec-20
	N'000	N'000
At 1 January	1,770,741	1,770,741
Impairment Allowance	(1,228,013)	(1,228,013)
	542,728	**542,728**

The company is a subsidiary of African Alliance Insurance Plc. The company is domiciled in Ghana and is permitted by its regulation to carry on the business of life insurance, the Company is actively in business

12c Movement in the investment in Ghana life is as follows	Company	
	31-Dec-21	31-Dec-20
	N'000	N'000
At 1 January	1,228,013	1,228,013
Impairment allowance	-	-
At 31 December	**1,228,013**	**1,228,013**

12d Movement in impairment allowance in investment	Company	
	31-Dec-21	31-Dec-20
	N'000	N'000
At 1 January	4,228,013	4,228,013
Impairment charge/(written back) for the year	-	-
At 31 December	**4,228,013**	**4,228,013**

Movement In Impairment Charge		Additional	
African Alliance Realty Company Limited	1-Jan-21	Charge	31-Dec-21
	N'000	N'000	N'000
Axiom Air Limited	3,000,000	-	3,000,000
Ghana Life Insurance company	1,228,013	-	1,228,013
		-	
	4,228,013		**4,228,013**

12e Principal Subsidiaries Undertakings:			
The Group had the following subsidiaries as at 31 December 2021			
Company Name	Nature of Business	Country of Origin	% of equity capital controled
Ghana Life Insurance	Life insurance business	Ghana	98
Axiom Air Limited	Air freight Business	Nigeria	100

	Ghana Life Insurance		Axiom Air Limited
	Functional Currency GHS'000	Reporting Currency N'000	Reporting Currency N'000
Total Assets	58,657	3,049,761	**6,052**
Total Liabilities	37,220	1,951,484	**3,366,636**
Total equity	21,437	1,098,276	**3,360,583**
Revenue	17,235	1,008,430	**886**
(Loss)/ profit for the year	(4,527)	(278,823)	**886**
Other comprehensive income	1,307	76,508	**-**

	Group		Company	
13. Investment In Associate	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
Investment in Associate- PAL Pension Limited	N'000	N'000	N'000	N'000
Balance at 1 January	-	1,545,042	-	1,545,042
Increase/ decrease in equity accounted investment			-	
in PAL Pension Limited	-	555,693	-	555,693
Gain/ (loss) on revaluation of PAL Pension limited-			-	
See profit or loss	-	10,399,265		10,399,265
Transfer to disposal of PAL Pension Limited	-	(12,500,000)		(12,500,000)
Balance at 31 December 2021		-		-

	Group		Company	
13.1 Disposal of PAL Pension Limited	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
PAL Pension Limited at fair values transferred from	-	-	-	-
investment in associate	-	12,500,000	-	12,500,000
Gain on disposal- transferred to fair value				
reserve note 29	-	4,100,000	-	4,100,000
Cash proceed from disposal	-	(16,600,000)	-	(16,600,000)
		-		-

13.1A Pension Alliance Limited	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Total Assets	-	5,530,289	-	5,530,289
Total Liabilities	-	1,243,074	-	1,243,074
Total equity		4,287,215		4,287,215
Pension Alliance Limited				
Revenue	-	5,087,153	-	5,087,153
Profit for the year	-	1,492,119	-	1,492,119
Other comprehensive income	-		-	
Total comprehensive income for the year	-	1,492,119	-	1,492,119
Dividend received from the associate during the year	-	(175,445)	-	(175,445)
Share of profit for the year	-	731,138	-	731,138

	N' 000
Increase/ decrease in equity accounted investment in PAL Pension Limited	731,138
Share of profit for the year @ 49%	(175,445)
Less Dividend received from associate during the year	555,693

During the year, the company reacquired the investment in PAL Pension Limited from CONAU Trade and Investment Company Limited (a related party to the entity) sold in the prior year using a combination of the company's shares in Universal Insurance Plc with market value of N780m, property at 29a/b Akin Adeshola Street Victoria Island with market value of N1.22bn and balance in cash of N16.6bn. The decision to repurchase was taken by management and the board of directors due to suspension of the mandatory recapitalization plan by an order of law court in December 2020.

Being a related party and in line with the requirements of IAS 24 and IFRS 9, the transaction has been accounted in 2 folds:

- The purchase of the investment in PAL Pensions Limited at fair value
- Additional/writeback of reserve arising on the initial disposal of investment in PAL Pensions Limited

For the purpose of recognising the fair value at the purchase of investment in PAL Pensions Limited, the valuation of the investment done as at 31 December 2020 was utilized.

13 B. The purchase of Investment in PAL Pensions Limited at Fair value	N' 000
Fair value of investment in PAL Pensions Limited (N'000)	(12,500,000)
Writeback of reserve on the disposal of investment in PAL (N'000)	(4,100,000)
Additional reserve on re-acquisition of investment in PAL Pension Limited(N'000)	(2,000,000)
	(18,600,000)

13 C. Settlement of CONAU Investment Limited	N' 000
Bank for payment made to CONAU Trade and Investment Limited (N'000)	16,600,000
Investment in Universal Insurance (N'000)	780,000
Investment property (N'000)	1,220,000
	18,600,000

13 D Rationale for treatment of the Investment in PAL pension

In 2021, the entity reacquired its 49% holding in PAL pension which was priorly treated as investment in Associate up until December 2020 when it was disposed.

However subsequent to its reacquisition in 2021, the investment did not meet the criteria to enable its treatment as Associate in line with IAS 28 and management elect to classify as fair value through other comprehensive income.

Below is the evaluation of the criteria requirement as stipulated in IAS 28 based on the existence of significant influence by an entity is usually evidenced in one or more of the following ways: [IAS 28(2011).6]

i) representation on the board of directors or equivalent governing body of the investee; there are no representative of African Alliance Insurance Plc on the board of PAL Pension Limited in 2021

ii) participation in the policy-making process, including participation in decisions about dividends or other distributions; African Alliance Insurance did not participate in policy and decision-making process of PAL Pension in the year 2021

iii) interchange of managerial personnel; no interchange of managerial personnel between African Alliance Insurance and PAL Pension Limited in the year 2021.

iv) Provision of essential technical information; no provision of essential technical information between African Alliance Insurance and PAL Pension Limited in the year 2021.

14. Intangible Assets

2021	Group			Company	
	Software in Progress	Computer Software	Total	Computer Software	Total
	N'000	N'000	N'000	N'000	N'000
Cost	-	-	-	-	-
At 1 January 2021	30,028	138,081	168,109	122,488	122,488
Translation adjustment	(5,653)	(2,936)	(8,589)	-	-
Additions	-	11,819	11,819	11,819	11,819
At 31 December 2021	**24,375**	**146,964**	**171,339**	**134,307**	**134,307**
Amortisation					
At 1 January 2020	-	105,943	105,943	96,769	96,769
Translation adjustment	-	(2,021)	(2,021)	-	-
Charge for the year	-	10,936	10,936	8,111	8,111
At 31 December 2021	-	**114,858**	**114,858**	**104,880**	**104,880**
Net book amount					
At 31 December 2021	**24,375**	**32,106**	**56,481**	**29,428**	**29,427**

14.1 Intangible Asset

2020	Group			Company	
	Software in Progress	Computer Software	Total	Computer Software	Total
Cost	N'000	N'000	N'000	N'000	N'000
At 1 January 2020	29,288	124,705	153,993	109,496	109,496
Translation adjustment	740	384	1,124	-	-
Additions	-	12,992	12,992	12,992	12,992
At 31 December 2020	**30,028**	**138,081**	**168,109**	**122,488**	**122,488**
Amortisation					
At 1 January 2020	-	96,669	96,669	87,721	87,721
Translation adjustment	-	226	226	-	-
Charge for the year	-	9,048	9,048	9,048	9,048
At 31 December 2020	-	105,943	105,943	96,769	96,769
Net book amount					
At 31 December 2020	**30,028**	**32,138**	**62,165**	**25,720**	**25,720**

15 Property and Equipment

Group	Land	Building	Motor Vehicles	Furniture and fittings	Computer Equipments	Office Equipments	Plant & Machinery	Aircraft	Total
Cost	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2021	93,000	1,162,835	285,093	248,193	348,604	388,148	9,171	2,281,122	4,816,165
Translation adjustment	-	(224,899)	3,551	(2,429)	(8,884)	-	-	-	(232,661)
Transfer from investment property (note 11)	-	165,000	-	-	-	-	-	-	165,000
Additions	-	-	166,067	15,349	16,824	10,585	-	-	208,825
Disposal	-	-	(5,394)	(9,340)	(20,550)	(475)	-	-	(35,759)
Revaluation	5,000	81,508	-	-	-	-	-	-	86,508
At 31 December 2021	**98,000**	**1,184,444**	**449,317**	**251,773**	**335,996**	**398,257**	**9,171**	**2,281,122**	**5,008,078**
Depreciation and impairment									
At 1 January 2021	-	-	210,110	125,106	214,835	134,368	9,171	2,281,122	2,974,712
Translation adjustment	-	(1,155.00)	5,176	1,374	(6,862)	-	-	-	(1,467)
Charge for the year	-	12,061	76,291	18,615	42,337	37,419	-	-	186,723
Disposal	-	-	(2,697)	(6,511)	(18,955)	(475)	-	-	(28,638)
Elimination on revaluation	-	-	-	-	-	-	-	-	-
At 31 December 2021	-	**10,906**	**288,880**	**138,584**	**231,355**	**171,312**	**9,171**	**2,281,122**	**3,131,330**
At 31 December 2021	**98,000**	**1,173,538**	**160,437**	**113,189**	**104,641**	**226,946**	-	-	**1,876,748**

Group 2020	Land	Building	Motor Vehicle	Furniture and fittings	Computer Equipments	Office Equipments	Plant & Machinery	Aircraft	Total
Cost	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2020	85,000	1,015,828	294,448	240,316	294,173	318,096	9,171	2,281,122	4,538,154
Translation adjustment	-	26,078	(31,002)	(4,659)	1,366	-	-	-	(8,216)
Additions	-	7,623	46,872	13,118	53,397	73,491	-	-	194,502
Disposal	-	-	(25,226)	(582)	(332)	(3,440)	-	-	(29,580)
Elimination on revaluation	-	(10,933)	-	-	-	-	-	-	(10,933)
Revaluation	8,000	124,238	-	-	-	-	-	-	132,238
At 31 December 2020	**93,000**	**1,162,835**	**285,093**	**248,193**	**348,604**	**388,148**	**9,171**	**2,281,122**	**4,816,165**
Depreciation and impairment									
At 1 January 2020	-	-	231,061	111,995	171,722	103,459	9,171	2,281,122	2,908,530
Translation adjustment	-	-	(42,083)	(5,207)	990	-	-	-	(46,300)
Charge for the year	-	10,933	41,151	18,900	42,455	34,349	-	-	147,787
Disposal	-	-	(20,018)	(582)	(332)	(3,440)	-	-	(24,372)
Elimination on revaluation	-	(10,933)	-	-	-	-	-	-	(10,933)
	-	-							
At 31 December 2020			**210,110**	**125,106**	**214,835**	**134,368**	**9,171**	**2,281,122**	**2,974,712**
Net book amount									
At 31 December 2020	**93,000**	**1,162,835**	**74,982**	**123,087**	**133,770**	**253,780**	-	-	**1,841,453**

1. There was no capital commitment contracted or authorized at reporting date (2020: Nil)

2. There was no capitalized borrowing cost related to the acquisition of property, plant and equipment during the year (2020: Nil).

3. None of the assets are pledged during the year (2020: Nil).

4. Management reports its property, plant and equipment at fair value as permitted by IAS 16

5. The revaluation gain is on building transfer from investment property located at 1 plot land Ajah Epe, Lagos for African Alliance Insurance Plc and its subsidiary Ghana Life' s building located at 17 Aviation Road, Accra, Ghana. The Company reclassified its investment property at 1 plot Ajah Epe, Lagos to Property, Plant and Equipment because it occupies the whole building for its marketing and business generation purpose during the year.

6. The revaluation gain on Land is located at 34 Association Avenue Ilupeju, Lagos

15 .1 Property and Equipment

Company	Land	Building	Motor Vehicle	Furniture and fittings	Computer Equipments	Office Equipments	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2021	93,000	-	250,574	199,373	288,321	388,147	1,219,415
Additions	-	-	166,067	15,349	16,824	10,585	208,825
Transfer from investment property (note 11)	-	165,000	-	-	-	-	165,000
Revaluation surplus	5,000	5,000	-	-	-	-	10,000
Disposal	-	-	-	(328)	(3,334)	(475)	(4,137)
At 31 December 2021	**98,000**	**170,000**	**416,641**	**214,394**	**301,811**	**398,257**	**1,599,103**
Depreciation							
At 1 January 2021	-	-	192,851	98,724	171,805	134,367	597,747
Charge for the year	-	950	63,353	17,395	38,640	37,419	157,758
Disposal				(327)	(3,334)	(475)	(4,137)
At 31 December 2021	-	950	**256,204**	**115,792**	**207,111**	**171,311**	**751,368**
Net book amount							
At 31 December 2021	**98,000**	**169,050**	**160,436**	**98,603**	**94,700**	**226,946**	**847,735**

Property and eEuipment

				Furniture	Computer	Office	
Cost	**Land**	**Building**	**Motor Vehicle**	**and fittings**	**Equipments**	**Equipments**	**Total**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
At 1 January 2020	85,000	-	223,720	189,778	244,898	318,096	1,061,492
Additions	-	-	46,872	10,177	43,755	73,491	174,295
Revaluation surplus	8,000	-	-	-	-	-	8,000
Disposal	-	-	(20,018)	(582)	(332)	(3,440)	(24,372)
At 31 December 2020	**93,000**	-	**250,574**	**199,373**	**288,321**	**388,147**	**1,219,415**
Depreciation							
At 1 January 2020	-	-	188,765	82,873	135,362	103,459	510,459
Charge for the year	-	-	24,104	16,433	36,775	34,348	111,660
Disposal	-	-	(20,018)	(582)	(332)	(3,440)	(24,372)
At 31 December 2020	-	-	192,851	98,724	171,805	134,367	597,747
Net book amount							
At 31 December 2020	**93,000**	-	**57,723**	**100,649**	**116,516**	**253,780**	**621,668**

1. There was no capital commitment contracted or authorized at reporting date (2020: Nil)
2. There was no capitalized borrowing cost related to the acquisition of property, plant and equipment during the year (2020: Nil).
3. None of the assets are pledged during the year (2020: Nil).
4. Management reports its property, plant and equipment at fair value as permitted by IAS 16
5. The revaluation gain is on building transfer from investment property located at 1 plot land Ajah Road, Ajah, Lagos. The Company reclassified its investment property at 1 plot Ajah Road, Ajah, Lagos to Property Plant and Equipment because it now occupy the whole building for its marketing and business generation purpose during the year.
6. The revaluation gain of land located at 34 Associate Avenue, Ilupeju, Lagos.

15.2 Movement in revaluation of Property, plant and equipment

15.2a Group 2021	At			Disposal/	Fair	At 31
Description	1 January	Translation	Additions	reclassification	value	December
	N'000	N'000	N'000	N'000	N'000	N'000
1 plot land Ajah Epe, Lagos	-	-	-	165,000	5,000	170,000
34 Associate Avenue, Ilupeju, Lagos.	93,000	-	-	-	5,000	98,000
17 Aviation Road, Accra, Ghana	1,162,835	(224,899)	-	-	76,508	1,014,444
	1,255,835	(224,899)	-	165,000	86,508	1,282,444

15.2b Company 2021	At		Disposal/	Fair	At 31
Description	1 January	Additions	reclassification	value	December
	N'000	N'000	N'000	N'000	N'000
1 plot land Ajah Epe, Lagos	165,000	-	-	5,000	170,000
34 Associate Avenue, Ilupeju, Lagos.	93,000	-	-	5,000	98,000
		-	-		
	258,000			10,000	268,000
		-	-		

15.3 Measurement at historical cost basis

Had the Group's or Company's land and buildings been measured on a historical cost basis, their carrying amount would have been as follows:

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
Description	N'000	N'000	N'000	N'000
1 plot land Ajah Epe, Lagos	164,050	-	164,050	-
34 Associate Avenue, Ilupeju, Lagos.	93,000	85,000	93,000	85,000
17 Aviation Road, Accra, Ghana	1,151,724	792,390	-	-
	1,408,774	877,390	257,050	85,000

16 Right of Use Assets

	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
At 1 January	139,511	220,019	139,511	220,019
Additions	11,780	-33,138	11,780	33,138
Amortizations	(109,039)	(113,646)	(109,039)	(113,646)
31 December	**42,252**	**139,511**	**42,252**	**139,511**

ROU Assets	Location	Period	1-Jan	Additions	Charge for the current year	Prepaid amount
ONITSHA OFFICE	ONITSHA 2	1/11/2019-31/10/2021	1,875,000		1,875,000	-
BREADFRUIT OFFICE	13/17 BREADFRUIT STREET LAGOS	1/01/2016-30/4/2021	142,364		142,364	-
BREADFRUIT OFFICE	13/17 BREADFRUIT STREET LAGOS	13/01/2016-12/7/2023	1,338,101		535,240	802,860
BREADFRUIT OFFICE	13/17 BREADFRUIT STREET LAGOS	1/01/2017-31/12/2021	320,000		320,000	-
ILUPEJU CAR PARK	ASSOCIATION AVENUE ILUPEJU, LAGOS	1/05/18-30/04/2021	944,444		944,444	-
HEAD OFFICE IKOYI	54 AWOLOWO ROAD IKOYI	1/02/18-31/01/2023	50,220,000		24,105,600	26,114,400
ILUPEJU AGENCY OFFICE	13 TOWN PLANNING WAY ILUPEJU, LAGOS	1/12/19-30/11/2021	64,425,396		64,425,396	-
ABUJA OFFICE	79 ADETOKUNBO ADEMOLA CRESCENT ABUJA	1/12/2019-30/11/2021	8,110,348		8,110,348	-
ABUJA OFFICE	79 ADETOKUNBO ADEMOLA CRESCENT ABUJA	1/07/2020-30/06/2022	12,135,000		8,090,000	4,045,000
ABUJA OFFICE	79 ADETOKUNBO ADEMOLA CRESCENT ABUJA	1/12/2021-30/11/2023	-	**11,780,000**	490,833	11,289,167
			139,510,653	**11,780,000**	**109,039,226**	**42,251,427**

17 Statutory deposit

This represents 10% of the regulatory minimum share capital deposited with the Central Bank of Nigeria as at 31 December 2021 in accordance with the requirement of section a(I) and section 10(3) of Insurance Act. Interest Income earned on this deposit is included in investment income

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Statutory deposit	348,401	364,998	200,000	200,000
Non-current	348,401	364,998	200,000	200,000

18 Insurance Contract Liabilities

GROSS	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Outstanding claims (see note i)	1,047,860	343,872	968,921	343,872
Unearned premiums (see note ii)	687,666	550,960	686,724	550,960
Short term insurance contract - Claims incurred but				
not reported (IBNR) (see note iii)	915,330	1,084,818	915,330	1,084,818
Liability on annuity fund (see note iv)	29,210,367	41,286,681	29,210,367	41,286,681
Liability on long term insurance contract - Life fund	8,991,439	9,919,101	7,309,045	7,932,322
Total Insurance liabilities (Gross)	**40,852,662**	**53,185,432**	**39,090,388**	**51,198,654**
Current	9,196,352	11,664,330	8,799,646	11,525,340
Non-current	31,656,311	**41,521,102**	30,290,742	39,673,315
	40,852,662	**53,185,432**	**39,090,388**	**51,198,655**
Recoverable from reinsurers				
Claims reported and loss adjustment expenses	-	-	-	-
Unearned premiums	21,583	19,272	21,583	19,272
IBNR on Short term insurance contract	91,532	286,409	91,532	286,409
Total reinsurers' share of insurance liabilities	**113,115**	**305,680**	**113,115**	**305,680**
NET				
Claims reported and loss adjustment expenses	1,047,860	343,872	968,921	343,872
Unearned premiums	666,083	531,688	665,141	531,688
Claims incurred but not reported on short term				
insurance contract	823,798	798,410	823,798	798,410
Liability on annuity fund	29,210,367	41,286,681	29,210,367	41,286,681
Liability on long term insurance contract (Life fund)	8,991,439	9,919,101	7,309,045	7,932,322
Total Insurance liabilities (Net)	**40,739,547**	**52,879,752**	**38,977,273**	**50,892,973**

(I) The Movement in Outstanding Claims during the year was as follows:

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
At 1 January	343,871	196,752	343,871	196,752
Additions claims incurred during the year	9,591,577	7,378,294	8,311,703	7,378,294
Claims paid during the year (see note 33)	(8,887,588)	(7,231,175)	(7,686,652)	(7,231,175)
31 December	**1,047,860**	**343,871**	**968,921**	**343,871**
Age of outstanding claims				
0 - 90 days	594,912	-	515,973	-
91- 180 days	185,419	-	185,419	-
181-270 days	103,481	-	103,481	-
271 -365 days	164,048	343,871	164,048	343,871
366 days and above	-	-	-	-
	1,047,860	**343,871**	**968,921**	**343,871**

18 (i)a The Group		0 - 90 Days		91- 180 Days		181-270 Days		271 -365 Days		365 Days and Above		Total	
S/N	Reasons	Unit	₦	Unit	₦	Unit	₦	Unit	₦	Unit	₦	Unit	₦
1	Discharge Voucher Signed And Returned To Policy Holders	685	581,654	-	-	-	-	-	-	-	-	685	581,654
2	Discharge Voucher Not Yet Signed	-	-	34	46,080	6	88,514	-	-	-	-	40	134,594
3	Claims Reported But Incomplete Documentation	10	13,258	166	139,339	13	14,967	43	164,048	-	-	232	331,612
4	Claims Reported But Being Adjusted	-	-	-	-	-	-	-	-	-	-	-	-
5	Claims Repudiated	-	-	-	-	-	-	-	-	-	-	-	-
6	Awaiting Adjusters Final Report	-	-	-	-	-	-	-	-	-	-	-	-
7	Litigation Awarded	-	-	-	-	-	-	-	-	-	-	-	-
8	Awaiting Lead Insurers Instruction	-	-	-	-	-	-	-	-	-	-	-	-
9	Third Party Liability Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
10	Adjusters Fee Payable	-	-	-	-	-	-	-	-	-	-	-	-
11	Others	-	-	-	-	-	-	-	-	-	-	-	-
12	**Total**	695	594,912	200	185,419	19	103,481	43	164,048	-	-	957	1,047,860

18(i)b The Company		0 - 90 Days		91- 180 Days		181-270 Days		271 -365 Days		365 Days and Above		Total	
S/N	Reasons	Unit	₦	Unit	₦	Unit	₦	Unit	₦	Unit	₦	Unit	₦
1	Discharge Voucher Signed And Returned To Policy Holders	560	502,715	-	-	-	-	-	-	-	-	560	502,715
2	Discharge Voucher Not Yet Signed	-	-	34	46,080	6	88,514	-	-	-	-	40	134,594
3	Claims Reported But Incomplete Documentation	10	13,258	166	139,339	13	14,967	43	164,048	-	-	232	331,612
4	Claims Reported But Being Adjusted	-	-	-	-	-	-	-	-	-	-	-	-
5	Claims Repudiated	-	-	-	-	-	-	-	-	-	-	-	-
6	Awaiting Adjusters Final Report	-	-	-	-	-	-	-	-	-	-	-	-
7	Litigation Awarded	-	-	-	-	-	-	-	-	-	-	-	-
8	Awaiting Lead Insurers Instruction	-	-	-	-	-	-	-	-	-	-	-	-
9	Third Party Liability Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
10	Adjusters Fee Payable	-	-	-	-	-	-	-	-	-	-	-	-
11	Others	-	-	-	-	-	-	-	-	-	-	-	-
12	**Total**	570	515,973	200	185,419	19	103,481	43	164,048	-	-	832	968,921

	Group		Company	
(ii) The movement in unearned premium during the year was as follows:	**31-Dec-21**	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
	N'000	**N'000**	**N'000**	**N'000**
At 1 January	550,960	437,837	550,960	437,836
Change during the year	136,706	113,123	135,764	113,124
31 December	**687,666**	**550,960**	**686,724**	**550,960**

	Group		Company	
(iii) The movement in IBNR claims on Short term insurance during the year was as follows:	**31-Dec-21**	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
	N'000	**N'000**	**N'000**	**N'000**
At 1 January	1,084,818	1,349,998	1,084,818	1,349,998
Change during the year	(169,488)	(265,180)	(169,488)	(265,180)
31 December	**915,330**	**1,084,818**	**915,330**	**1,084,818**

	Group		Company	
(iv) The movement in annuity fund during the year was as follows:	**31-Dec-21**	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
	N'000	**N'000**	**N'000**	**N'000**
At 1 January	41,286,681	32,366,398	41,286,681	32,366,398
Change during the year	(12,076,314)	8,920,283	(12,076,314)	8,920,283
31 December	**29,210,367**	**41,286,681**	**29,210,367**	**41,286,681**

The Company had 7,160 PRA regulated annuity policies with a total reserve of N29,210,367 (2020: N41,286,681) with annual annuity payments of N4,198,808 (2020: NN4,259,846). Each annuity policy was valued using a monthly discounted cashflow method with the reserves set to equal the present value of future annuity payments and attending expenses. We have recognised the annuity guaranteed minimum payment period in our calculations.

Valuation interest rate used is based on current market risk-free yields with adjustments. This is in line with the requirements of IFRS 4 (Paragraph 24). The use of a risk-free rate implies that future investment margins (in excess of the risk-free return) will not be capitalised upon, which satisfies paragraph 27 of IFRS 4.

Illustrated below is the movement of the annuity portfolio for the group and company for the year 2021 and 2020

	31 December 2021		31 December 2020	
	Number of annuity policies	Annual Annuity premium	Number of annuity policies	Annual Annuity premium
	N'000	N'000	N'000	N'000
At 1 January	7,258	4,259,845	7,317	4,326,472
Additions	28	5,354	13	16,098
Deaths	(107)	(64,637)	(72)	(43,365)
Maturity	(3)	(351)	-	-
Forfeiture or lapse	(5)	(1,425)	-	-
Paid up	(11)	(14,905)	-	-
Adjustment on opening annual annuity	-	14,927	-	(39,359)
At 31 December	**7,160**	**4,198,808**	**7,258**	**4,259,846**

Mortality Assumptions

The following sample average expectation of life were assumed.

	31 December 2021		31 December 2020	
	Expectation of life (in years)		Expectation of life (in years)	
Age	Male	Female	Male	Female
50	27	33	30	35
60	19	24	21	26
70	12	16	15	18
80	7	9	9	11

	Group		Company	
(v) The movement in life fund contract (excluding	31-Dec-2021	31-Dec-2020	31-Dec-2021	31-Dec-2020
annuity) during the year was as follows:	N'000	N'000	N'000	N'000
At 1 January	9,919,101	7,170,117	7,932,322	5,322,327
Exchange difference from translation	(371,027)	46,044	-	-
Change during the year	(556,635)	2,702,940	(623,277)	2,609,995
31 December	**8,991,439**	**9,919,101**	**7,309,045**	**7,932,322**

	Group		Company	
(vi) Insurance contract liabilities at the end of	31-Dec-2021	31-Dec-2020	31-Dec-2021	31-Dec-2020
the year were as follows:	N'000	N'000	N'000	N'000
Outstanding claims	1,047,860	343,872	968,921	343,872
Unearned premiums	687,666	550,960	686,724	550,960
Short term insurance contract- IBNR	915,330	1,084,818	915,330	1,084,818
Liability on Annuity contract	29,210,367	41,286,681	29,210,367	41,286,681
Liability on long term insurance contract - Life fund	8,991,439	9,919,101	7,309,045	7,932,322
	40,852,662	**53,185,433**	**39,090,389**	**51,198,655**

Estimates of incurred but not reported (IBNR) claims liability for short term insurance contract, calculation of unearned premium, estimates on liability on annuity fund and long-term insurance contract for life business was developed by the management of the company with the use of a professional actuary (Ernst & Young), certified firm of actuaries. The valuation report was authorised by Mr. Wise Chigudu with FRC Registration Number: FRC/2022/PRO/NAS/00000024119

19 Investment Contract Liabilities

The investment contract liabilities comprise interest-linked guaranteed investment funds. The movement in the investment contract liabilities is shown below:

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
At 1 January	5,143,523	5,651,964	5,143,524	5,651,964
Deposits received during the year	319,735	22,354	319,735	22,354
Deposit Administration balance no longer required				
(note 19.3)	(675,095)	-	(675,095)	-
Withdrawals during the year	(1,401,160)	(592,783)	(1,401,160)	(592,783)
Guaranteed interest in the year	9,150	61,989	9,150	61,989
31 December	**3,396,153**	**5,143,523**	**3,396,154**	**5,143,524**
Non-current	**3,396,153**	**5,143,523**	**3,396,154**	**5,143,524**

Investment contract liabilities consist of group deposit administered funds and account balance of policy holders under investment linked insurance funds. Movement in the relevant funds are detailed below

19.1 Liabilities on Administered Deposits

	Group		Company	
19.1 Liabilities On Administered Deposits	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
At 1 January	2,141,319	2,147,061	2,141,319	2,147,061
Deposits received during the year	355	753	355	753
Deposit Administration balance no longer required				
(note 19.3)	(675,095)	-	(675,095)	-
Withdrawals during the year	(1,355,632)	(52,431)	(1,355,632)	(52,431)
Guaranteed interest in the year	3,244	45,937	3,244	45,937
	114,191	**2,141,320**	**114,191**	**2,141,319**

19.2 Investment Linked Fund

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
At 1 January	3,002,206	3,504,905	3,002,206	3,504,905
Deposits received during the year	319,380	21,601	319,380	21,601
Withdrawals during the year	(45,528)	(540,352)	(45,528)	(540,352)
Guaranteed interest in the year	5,906	16,052	5,906	16,052
31 December	3,281,964	3,002,206	3,281,964	3,002,206
	3,396,155	5,143,525	3,396,155	5,143,525

19.3 In 2015, the Pension Transitional Arrangement Directorate (PTAD) transferred Legacy Funds and Assets for certain schemes to the Entity under the deposit Administration. A reconciliation was done by both parties to agree the total liability of N2,476,599,743.16 on 10 May 2021 and the total outstanding balance was paid into the Directorate's E- Recovery Account on 30th June 2021.

The excess of the amount carried in the books and the reconciled outstanding balance resulted in the recognition of the balance no longer required upon the certificate of non-Indebtedness issued by PTAD on the 30th of July 2021.

20 Trade Payable

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Unallocated premium deposits (Note 20i)	709,893	487,796	709,892	487,796
Due to Reinsurance	236,396	151,178	236,396	151,178
Trade creditors (note 20iii)	238,586	238,586	336	336
	1,184,874	877,560	946,624	639,310
Current	**1,184,874**	**877,560**	**946,624**	**639,310**

20i. Unallocated Premium Deposits

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
At 1 January	487,796	618,797	487,796	618,797
Movement during the year	222,097	(131,001)	222,096	(131,001)
At 31 December	**709,893**	**487,796**	**709,892**	**487,796**

20ii. The amount represent premium deposits for which policy holders are yet to be identified due to inadequate information. The Company has already set up a committee to review it and make recommendations to management. Please see below the age analysis of the payables.

		Group		Company	
S/N	Age of Premium Deposit	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
		N'000	N'000	N'000	N'000
1	0 - 90 days	-	-	-	-
2	91- 180 days	-	-	-	-
3	181-270 days	-	-	-	-
4	271 -365 days	709,893	487,796	709,892	487,796
5	366 days and above	-	-	-	-
		709,893	**487,796**	**709,892**	**487,796**

20iii Trade Creditors	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Joramco	40,162	40,162	-	-
Jordan Airmotive	198,088	198,088	-	-
Due to Frenchies suppliers	336	336	336	336
	238,586	**238,586**	**336**	**336**

	Group		Company	
21. Other Payables and Accruals	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Agent savings (note 21i)	162,135	157,687	162,135	157,687
PAYE and other withholding taxes payable	82,248	147,210	80,419	108,152
Rent received in Advance	76,234	18,926	76,234	18,926
Other creditors (note 21ii)	470,545	228,158	418,093	190,572
National fiscal stabilization levy	12,601	15,523	-	-
Refund Liability	-	10,638	-	-
Consent Judgement on Project SBBL (note 21iii)	-	43,000	-	43,000
Current (Payable within the period)	**803,762**	**621,142**	**736,881**	**518,338**

21(I) Agent savings relates to the contributions or savings deducted from the entity's agent earnings which serves as security deposit against any loan granted to the agent.

21(ii) Other Creditors	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Director fee	29,350	-	29,350	-
Commission payable	19,964	-	19,964	-
Insurance supervision levy	64,781	55,392	64,781	55,392
VAT Payable-Axiom Air	35,577	-	-	-
Industrial training fund	6,908	5,989	6,908	5,989
Staff welfare	93,811	-	93,811	-
Advert and Publicity	14,302	-	14,302	-
Maintenance and utility	10,477	-	10,477	-
Training	480	-	480	-
Information Technology	35,836	-	35,836	-
Police Trust Fund Levy	141	-	141	-
Sundry creditor	156,730	163,586	139,855	126,000
NHF- H/office	1,648	2,724	1,648	2,724
Staff premium on policy	541	468	541	468
	470,545	**228,158**	**418,093**	**190,572**

21(iii) Consent Judgement of Project SBBL

Balance represents judgement sum with respect to suit filed at Lagos State High Court in 2016 against Frenchies Limited and African Alliance Insurance Plc for the tenancy agreement between the parties. The judgement was delivered 18 March 2021 and both parties have signed terms of settlement on 19 March 2021. The liability has been extinguished.

21a Provisions and Accruals	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Audit fee payable	22,500	22,500	22,500	22,500
Subscription payable	5,782	-	5,782	-
Professional fee payable	33,363	-	33,363	-
Staff Medica payable	55	-	55	-
Accrued charges	70,952	50,805	-	-
	132,652	**73,305**	**61,700**	**22,500**

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
22 Retirement Benefit Asset	'	-	-	-
22i Retirement benefit liabilities				
Staff pension scheme	35,652	49,732	35,652	49,732
Staff defined benefit plan (note 22ii)	-	-	-	-
	35,652	**49,732**	**35,652**	**49,732**

22ii Staff defined benefit plan

The Company has a gratuity scheme for employees who have spent 5 years and above in its employment. The staff gratuity benefit plan was terminated by the management of African Alliance Insurance Plc at the end of the financial year ended 31st December 2020. The amounts recognized in the statement of financial position are as follows

	Company	
	31-Dec-21	31-Dec-20
	N'000	N'000
Defined benefit obligation	-	-
Fair value of plan assets	-	-
Net (asset)/liability	-	-
Reconciliation of Obligation		
At 1 January	-	430,492
Current service cost	-	40,027
Interest cost	-	57,812
Curtailment losses	-	7,936
Benefit paid from the funds	-	(459,958)
Benefits paid	-	(76,309)
At 31 December	-	-
Reconciliation of Plan Assets		
At 1 January	-	353,959
Contributions from the employer	-	17,902
Contributions from plan participants	-	11,945
Interest income on Planned Assets	-	47,480
Re-measurement (gains)/losses	-	28,670
Benefits paid from the fund	-	(459,956)
At 31 December	-	-
Income Statement		
Current service cost	-	40,027
Past Service Credit due to Curtailment	-	7,936
Interest cost	-	57,812
Interest income on planned Assets	-	(47,480)
		58,295
Amount recognised in other comprehensive income are as follows:	--	
Re-measurement (gains)/losses arising on planned asset		
Re-measurement (gains)/losses arising on defined benefit obligations	-	(28,670)
Remeasurement of the net defined benefit liability (asset)		(28,670)
The assets of the African Alliance Insurance Gratuity Scheme	-	
were invested as follows:		
Fixed Deposit	0%	57%
Treasury Bills	0%	43%
	0%	**100%**

Valuation Methodology

Accrued Liability

IAS19R requires that entities should have provided for their post-employment liabilities by the time that the employee and/or their dependents become entitled to receive the post-employment benefits, which is usually the date of withdrawal, retirement or death-in- service.

Under the Projected Unit Credit method, the liability accrues uniformly whilst the member is in service. In this way, the liability may be divided into two parts for each current in-service member:

- the accrued (past service) liability, based on service to date relative to total potential service, and
- the future service liability, which relates to service not yet completed.

Net Annual Cost

The accrued liability in excess of any plan assets is expected to change each year, as a result of:

- The liability accrual in respect of an additional year of service for in-service members (resulting in the current service cost);
- The unwinding of the discount rate as the discounting period reduces (resulting in the interest cost);
- The interest income on any plan assets (offsetting the interest cost); and
- The employer benefit payments during the year that serve to reduce the liability (since the liability is a provision for future benefit payments).

As the current service cost is calculated at the beginning of the year, one should allow for one year's interest using the discount rate at the start of the year.

The interest cost on the liabilities and interest income on plan assets are based on the discount rate at the start of the year and are calculated allowing for expected benefit payments during the year.

A gain or loss arises in a particular year as a result of a change in actuarial assumptions and/or a difference between expected experience and actual experience.

Ignoring any gains or losses, the employer's net annual cost is the current service cost plus the interest cost on the liabilities minus the interest income on any plan assets. From the equation above, one can see that this corresponds to the change in the accrued liability in excess of plan assets plus the employer benefit payments.

Assumptions Used:

IAS19 requires that assumptions be based on market data as at the valuation date. The economic assumptions used in this valuation are therefore based on market information as at 31 December 2021.

	Group	Company
	31-Dec-21	31-Dec-20
	N'000	N'000
Rate of return on assets	0%	14%
Rate of increase in remuneration	0%	13%
Discount Rate	0.0%	11.0%

Defined Contribution Scheme

The company and its employees make a joint contribution of 10% and 8% respectively of the basic salary, housing and transport allowance to each employee's retirement savings account maintained with their nominated pension fund administrators.

Gratuity Scheme

The Company has a gratuity scheme for employees who have spent 5 years and above in its employment. The staff gratuity benefit plan was terminated by the management of African Alliance Insurance Plc at the end of the financial year ended 31st December 2020. The planned asset was utilised in the settlement of the defined benefit liabilities.

	Group		Company	
23 Borrowings (Overdraft)	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Overdraft Facility (note I & ii)	23,921	364,553	-	252,759
Term loan (note iii)	142,280	88,246	54,034	-
	166,202	**452,799**	**54,034**	**252,759**

Overdraft facility represents a cash backed overdraft facility of N250 Million granted by Sterling Bank Plc to augment working capital requirements. The facility has a tenor of 12 months with a nominal interest rate of 18%. This was fully repaid during the year 2021.

The Group through its subsidiary- Ghana life Assurance Limited has an overdraft facility of GH¢700,000 with Zenith bank to finance early redemption of maturing obligations and other operating expenses. Interest rate is at 21% per annum. The facility expired on 26 December 2021. The overdraft is secured with lien over an amount of GH¢800,000 deposit account with Zenith Bank.

The Term loan represent a cash backed term loan of N80million granted by First Bank with interest rate of 5% per annum plus deposit rate floating and tenor for 24 month starting from the date of draw down on facility

(iv) Movement in overdraft facilities	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
At 1 January	364,553	111,794	252,759	-
Additions	-	940,159	-	940,159
Interest expense	8,352	107,633	8,352	107,633
Repayment	(348,984)	(795,033)	(261,111)	(795,033)
At 31 December	**23,921**	**364,553**	**-**	**252,759**

(v) Movement in Term loan	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
At 1 January	88,246	88,246	-	-
Additions	80,000	510,753	80,000	-
Interest expense	2,117	-	2,117	-
Repayment	(28,083)	(510,753)	(28,083)	-
At 31 December	**142,280**	**88,246**	**54,034**	-

24 Tax Payable	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
Company Income Tax Payable	N'000	N'000	N'000	N'000
At 1 January	632,980	786,761	600,123	753,905
Charge to profit and loss	35,265	46,219	35,265	46,218
Foreign exchange difference arising from translation	2	-	-	-
Tax paid in the year	(52,506)	(200,000)	(52,506)	(200,000)
	615,741	**632,980**	**582,882**	**600,123**
Current	**615,741**	**632,980**	**582,882**	**600,123**

25 Deferred Tax Asset

25a	Group		Company	
The movement on the deferred tax	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
asset account is as follows:	N'000	N'000	N'000	N'000
At 1 January	384,482	377,272	92,107	92,107
Tax charge recognised in other comprehensive income	-	-	-	-
Foreign exchange difference arising from translation	86,212	7,210	-	-
Income statement charge	(266,689)	-	-	-
At 31 December	**204,005**	**384,482**	**92,107**	**92,107**
Non- current	**204,005**	**384,482**	**92,107**	**92,107**

25b Deferred Tax Asset

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
The movement on the deferred tax asset account	-	-	-	-
is as follows:				
At 1 January	147,972	47,935	146,476	146,476
Additions		-	-	-
Foreign exchange difference arising from translation	(282)	37	-	-
At 31 December	**47,690**	**147,972**	**146,476**	**146,476**
Non- current	**147,690**	**147,972**	**146,476**	**146,476**

26 Share capital

Ordinary Shares

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
26a Authorised share capital ('000)	30,000,000	30,000,000	30,000,000	30,000,000
26b Paid up share capital of 20.585 billion units				
of ordinary shares of 50 kobo each	10,292,500	10,292,500	10,292,500	10,292,500
At 31 December	**10,292,500**	**10,292,500**	**10,292,500**	**10,292,500**
Number of shares				
Shares at the beginning of the year('000)	20,585,000	20,585,000	20,585,000	20,585,000
At 31 December	**20,585,000**	**20,585,000**	**20,585,000**	**20,585,000**
26c Share premium				
At 31 December	**14,365,133**	**14,365,133**	**14,365,133**	**14,365,133**
27 Contingency reserves				
At 1 January	1,684,639	1,061,976	1,570,986	964,214
Transfer from retained earnings	218,542	622,663	283,559	**606,772**
At 31 December	**1,903,181**	**1,684,639**	**1,854,545**	**1,570,986**

In accordance with the insurance act, a contingency reserve is credited with the greater of 1% of total premiums or 10% of net profit. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium

28 Retained Earnings

The retained earning represents the amount available for dividend distribution to the equity shareholders of the company. See statement of changes in equity for the movement in retained earnings.

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
At 1 January	(36,431,260)	(37,346,004)	(34,938,149)	(36,299,095)
Transfer to contingency reserves	(218,542)	(622,817)	(283,559)	(606,772)
Profit for the year	2,416,845	1,568,937	2,800,322	1,967,718
Non-controlling interest	(43,966)	(31,378)	-	-
At 31 December	**(34,276,924)**	**(36,431,260)**	**(32,421,385)**	**(34,938,149)**

29 Fair Value Reserves	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
At 1 January	5,218,054	965,911	4,214,472	84,939
Gain on revaluation on land less of NCI Portion	84,978	130,610	10,000	8,000
Additional reserve on sales and reacquisition of PAL				
Pensions Limited	(6,100,000)	4,100,000	(6,100,000)	4,100,000
Change in value of FVOCI financial assets (net of taxes)	3,492,050	799	3,492,050	799
Transfer to Non-Controlling interest (Note 46)	(69,841)	-	-	-
Remeasurement of the net defined benefit liability				
(note 22(I))	-	20,734	-	20,734
At 31 December	**2,625,241**	**5,218,054**	**1,616,522**	**4,214,472**

30 Gross premium income	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Individual life	3,667,537	3,703,322	2,698,433	2,644,997
Group life	2,602,916	2,655,081	2,593,090	2,583,709
Annuity	38,331	32,598	38,331	32,598
Takaful	793,597	630,537	793,597	630,537
Esusu	34,889	71,790	34,889	71,790
Group Credit	29,500	28,438	-	-
Gross premium written	**7,166,770**	**7,121,766**	**6,158,340**	**5,963,632**
Unearned premium				
Group life	(136,706)	(113,124)	(135,764)	(113,124)
	7,030,064	**7,008,642**	**6,022,576**	**5,850,508**

31 Insurance Premium Ceded to Reinsurers

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Gross reinsurance expense	436,114	402,953	435,980	400,951
Changes in prepaid reinsurance	(2,311)	45,980	(2,311)	45,980
	433,803	**448,933**	**433,669**	**446,931**

32 Fees and Commission Income

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Group Life	149,316	88,614	149,316	88,614
Individual Life	-	5,230	-	5,230
	149,316	**93,844**	**149,316**	**93,844**

Fee income represents commission received in direct business and transactions ceded to reinsurance companies during the year under review

33 Insurance Claims and Loss Adjustment Expenses

A. Group	31 December 21		
	Gross	Reinsurance	Net
	N'000	N'000	N'000
Individual life	2,414,844	-	2,414,844
Group life	1,422,746	-	1,422,746
Annuity	4,352,252	-	4,352,252
Takaful	669,354	-	669,354
Esusu	28,391	-	28,391
	8,887,587	(26,729)	8,887,587
Change in outstanding claims	703,988	-	703,988
Changes in Incurred But Not Reported claims	(169,488)	194,875	25,387
Claims incurred during the year	9,422,087	168,146	9,590,233
Recoverable from reinsurance (outstanding claims)	180,516		180,516
	9,602,603	**168,146**	**9,770,749**

A (i)	31 December 21		
	Gross	Reinsurance	Net
	N'000	N'000	N'000
Claims paid during the year	8,887,587	(26,729)	8,860,858
Changes in Outstanding claims	703,988	-	703,988
Changes in Incurred but Not Reported claims	(169,488)	194,875	25,387
Claims incurred during the year	9,422,087	168,146	9,590,233
Recoverable from reinsurance (outstanding claims)	180,516		180,516
	9,602,603	**168,146**	**9,770,749**

b. Company	31 December 21		
	Gross	Reinsurance	Net
	N'000	N'000	N'000
Individual life	1,254,942	-	1,254,942
Group life	1,381,712	-	1,381,712
Annuity	4,352,252	-	4,352,252
Takaful	669,354	-	669,354
Esusu	28,391	-	28,391
	7,686,652	-	7,686,652
Change in outstanding claims	625,049		625,049
Changes in Incurred But Not Reported claims	(169,488)	-	(169,488)
Claims incurred during the year	8,142,213	(26,729)	8,115,483
Recoverable from reinsurance (outstanding claims)	180,516	194,875	375,391
	8,322,729	**168,146**	**8,490,874**

B(I)	31 December 21		
	Gross	Reinsurance	Net
	N'000	N'000	N'000
Claims paid during the year	7,686,652	(26,729)	7,659,923
Change in outstanding claims	625,049	-	625,049
Changes in Outstanding claims	(169,488)	-	(169,488)
Claims incurred during the year	8,142,213	(26,729)	8,115,483
Recoverable from reinsurance (outstanding claims)	180,516	194,875	375,391
	8,322,729	**168,146**	**8,490,874**

C	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Gross claims paid during the year	8,887,588	8,277,210	7,686,652	7,231,175
Changes in Outstanding claims	703,989	147,119	625,051	147,119
Changes in Incurred But Not Reported claims	(169,488)	(265,180)	(169,488)	(265,180)
Gross claims incurred during the year	9,422,089	8,159,149	8,142,214	7,113,114
Claims recovered (D(I))	(26,729)	(209,392)	(26,729)	(209,392)
Recoverable from reinsurance (outstanding claims)	180,516	-	180,516	-
Recoverable from reinsurance (IBNR)	194,875	(40,607)	194,875	(40,607)
Net Claims expenses	9,770,751	7,909,151	8,490,876	6,863,115
Claims paid	**8,887,588**	**8,277,210**	**7,686,652**	**7,231,175**
D. Claims Recovered	**168,146**	**(249,998)**	**168,146**	**(249,998)**

D(i) Reinsurance Recoveries

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Claims recovered	(26,729)	(209,392)	(26,729)	(209,392)
Recoverable from reinsurance	180,516	-	180,516	-
Recoverable from reinsurance (IBNR)	194,875	(40,607)	194,875	(40,607)
	348,662	**(249,998)**	348,662	**(249,998)**

34 Underwriting expenses

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Acquisition cost	849,480	661,199	849,480	661,199
Maintenance cost	623,428	822,611	561,055	662,515
	1,472,908	**1,483,811**	**1,410,535**	**1,323,715**

35 Changes in long term insurance contracts

	Group		Company	
	Restated		Restated	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Changes in annuity fund(note 18iv)	12,076,314	(8,920,283)	12,076,314	(8,920,283)
Changes in individual life fund excluding annuity				
(note 18v)	556,635	(2,702,940)	623,277	(2,609,995)
	12,632,949	**(11,623,223)**	**12,699,591**	**(11,530,278)**

36 Other income

	Group		Company	
	Restated		Restated	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Rental income	29,717	9,382	29,717	9,382
Gain on disposal of Property, plant and equipment	910	3,432	910	1,837
Gain on disposal of investment in FGN Bonds (note 36a)	681,717	740,393	681,717	740,393
Gain on disposal of equities (note 36b)	1,767	-	1,767	-
Gain on disposal of investment property (note 11.2)	360,000	-	360,000	-
Exchange gain	13,155	17,238	-	16,811
Policy service gains	-	17	-	-
Sundry income	5,458	3,195	3,673	3,195
Sundry income on policy	9,175	12,878	9,174	12,878
	1,**101,899**	**786,534**	**1,086,958**	**784,495**

36a Realised gain on disposal of Investment in FGN bonds

	Group		Company	
	Restated		Restated	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Proceeds on disposal of FGN bond	6,445,800	2,294,887	6,445,800	2,294,887
Bond (FVPL) disposed	(5,764,083)	(1,554,494)	(5,764,083)	(1,554,494)
	681,717	**740,393**	**681,717**	**740,393**

36b Realised gain on disposal of equity instrument

	Group		Company	
	Restated		Restated	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Proceeds on disposal of quoted equities investment	7,569	-	7,569	-
Net carrying amount as disposal	(5,802)	-	(5,802)	-
	1,767	-	1,767	-
37 Gain on disposal of investment in associate company	-	**10,399,265**	-	**10,399,265**

In 2020, the company disposed its 49% interest in PAL Pensions Limited. The decision was approved by the board of directors through letter dated 15 August 2019 and ratified by the shareholders at the annual general meeting dated 27 October 2020. The sale was made to CONAU Trade and Investment Limited (a related party to the company) for N16.6billion. For the purpose of determining sales proceeds at disposal, the investment in PAL Pension was fair valued at N12.5 billion.

Being a related party and in line with the requirements of IAS 24 and IFRS 9, the transaction was accounted as follows:

- The sale of the investment at fair value
- Additional reserve arising on disposal of investment in Associate

		N'000
A	The sale of Investment in PAL Pensions Limited at Fair value	
	Net assets of the associate (N'000) (see note 13)	4,287,215
	Proportion of the Group's ownership interest in Pensions Alliance Limited	49%
	Carrying amount of the net assets	2,100,735
	Fair value at disposal of Associate (N'000)	12,500,000
	Cost of Investment in Associate(N'000)	(2,100,735)
	Profit on disposal (N'000)	10,399,265
B	BAdditional reserve on disposal of investment in Associate	
	Cash received on Sales of Investment in Associate (N'000)	16,600,000
	Fair value at disposal of Associate (N'000)	(12,500,000)
		4,100,000

38 Fair value (loss)/gain on financial asset

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Bonds	(6,729,396)	4,916,991	(6,729,396)	4,916,991
Quoted Equities	(87,592)	23,709	(87,592)	23,709
	(6,816,988)	**4,940,700**	**(6,816,988)**	**4,940,700**

39 Investment income

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Interest income on cash and cash equivalents	103,673	83,967	75,481	83,959
Interest income on bonds (note 7.2)	1,324,777	2,267,418	1,324,777	2,232,376
Investment income on planned assets	-	47,480	-	47,480
Interest income on statutory deposit	5,083	26,094	5,083	26,094
Interest income on staff and mortgage loans	10,105	23,752	4,536	13,454
Total interest income	1,443,638	2,448,711		
Dividend Income:				
Pension Alliance Limited	490,000	-		
Others - Quoted & Unquoted	11,818	8,256		
Total Dividend Income	501,818	8,256		
	1,945,456	**2,456,968**	**1,911,695**	**2,411,620**

39a Profit/ (loss) from investment contract:

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Investment income from investment contract liabilities	148	341	148	341
Guaranteed interest	(9,150)	(61,989)	(9,150)	(61,989)
Deposit Administration (note 19.3)	675,095	-	675,095	-
	666,093	**(61,648)**	**666,093**	**(61,648)**

40 ECL Impairment on assets

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Other receivables (note 10.1e)	(131,976)	(15,363)	(131,903)	(15,437)
Investment securities (note 7.4ii)	(89)	2,021	(89)	2,021
Cash and cash equivalents (note 6.1)	32,813	(13,138)	8,289	(12,881)
	(99,251)	**(26,479)**	**(123,702)**	**(26,298)**

40A ECL Allowance on cash and cash equivalents and Financial Assets -Group

	At 1 January	Movement during the year	At 31 December
	N'000	N'000	N'000
Cash & Cash Equivalents	464	32,814	33,278
Amortized Cost-bonds	2,021	(89)	1,932
Agency Loans	8,927	17,519	26,446
Mortgage loans	4,015	1,899	5,914
Policy Loans	113,202	(94,793)	18,409
Staff Account Receivable	10,953	(3,952)	7,001
Short term Loan	52,648	(52,648)	-
Other debit balances	16,729	-	16,729
	208,960	**(99,250)**	**109,710**

40B ECL Allowance on cash and cash equivalents and Financial Assets-Company

	At 1 January	Movement during the year	At 31 December
	N'000	N'000	N'000
Cash & Cash Equivalents	56	8,289	8,345
Amortized Cost-bonds	2,021	(89)	1,932
Agency Loans	8,927	17,519	26,446
Mortgage loans	3,987	1,927	5,914
Policy Loans	113,155	(94,748)	18,407
Staff Account Receivable	10,953	(3,951)	7,002
Short term Loan	52,648	(52,648)	-
Other debit balances	16,729	-	16,729
	208,477	**(123,701)**	**84,776**

41 Employee benefit expenses

The number of persons employed excluding directors in the Group and in the Company during the year and at the end of the year ended 31 December 2021 were 171 and 113 respectively (2020: 145 and 87).

The staff cost for the above persons was:

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Wages and salaries	806,842	787,214	659,336	595,393
Other Staff Cost	379,388	167,051	304,869	128,423
Defined contribution pension costs	65,287	57,589	59,712	35,741
Defined benefit pension cost	-	97,839	-	97,839
	1,251,517	**1,109,693**	**1,023,917**	**857,396**

42 Finance Cost

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Interest expense	10,469	107,633	10,469	107,633

42a

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Interest expenses on term loan	2,117	-	2,117	-
Interest expenses on overdraft	8,352	107,633	8,352	107,633
	10,469	**107,633**	**10,469**	**107,633**

43 Other Operating Expenses

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Directors' fee and allowances	76,312	191,107	60,850	187,000
Bank Charges	55,154	41,920	28,896	16,786
Professional fee	43,384	3,856	-	-
Motor vehicle running cost	11,499	20,156	-	-
Auditors' remuneration (note 43a)	26,596	22,500	22,500	22,500
Depreciation	186,721	147,647	157,755	111,660
Amortization on Right of use assets	109,039	113,646	109,039	113,646
Amortisation on intangible asset	10,936	9,048	8,111	9,048
Consultancy expenses	209,133	191,258	209,133	191,258
Security	22,216	33,854	14,294	27,332
Rent and rates	57,144	51,398	46,887	30,963
General maintenance and running costs	129,558	134,771	118,968	112,524
Advert and Publicity	180,181	310,275	179,373	307,914
Telecommunications	21,099	22,732	12,746	14,053
Dues and Subscription	17,467	14,756	17,129	14,423
Travels and accommodation	294,082	252,247	270,290	240,957
Insurance supervision fees	64,781	147,098	64,781	147,098
Insurance expenses	19,643	27,694	18,229	24,983
Printing and stationeries	15,563	11,968	11,041	7,069
Industrial training fund	9,135	13,569	9,135	13,569
Entertainment	10,017	12,950	9,601	12,502
VAT expenses	41,742	42,249	41,742	39,322
Nigeria Social Insurance Trust Fund (NSITF)	3,179	-	3,179	2,927
Amortisation of leasehold premises	47,490	51,450	47,490	51,450
Office ICT expenses	86,329	152,547	86,113	152,547
Donation	19,300	400	19,300	400
Office cleaning expenses	19,702	41,236	19,702	41,236
Medical expenses	2,843	16,008	1,546	1,806
Contribution to NIC, WAII, WAICA & GIA	-	10,517	-	-
Electricity and water	11,541	7,535	-	-
Foreign exchange loss	10,327	126	10,327	-
Legal fees	-	120	-	-
Other regulatory fees and fines	48,942	-	48,942	8,743
Loss on disposal of PPE	7,121	-	-	-
Stamp duties	349	4,087	349	4,087
Newspapers and periodicals	-	225	-	225
Business registration cost	2,545	2,271	-	-

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
Other Administrative Expenses	61,865	37,922	47,157	37,922
Information Technology levy	28,644	60,962	28,644	60,962
Nigeria Police Force levy	141	264	141	264
Consent Judgement on Project SBBL	-	43,000	-	43,000
	1,961,720	**2,245,371**	**1,723,391**	**2,050,178**

43a Auditor's remuneration

The audit remuneration represents audit fee for the statutory audit ended 31 December 2021. The external auditor did not provide any non-audit service to the company during the year

43b Contraventions

	Group	Company
	31-Dec-21	31-Dec-20
Nature of Penalties	N'000	N'000
Outstanding penalty for late submission to NAICOM	1,500	500
Penalty for late submission to Securities and Exchange Commission	40,700	3,400
	42,200	**3,900**

44 Income tax expense

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	N'000	N'000	N'000	N'000
44 Income tax expense	**(231,424)**	**46,219**	**35,265**	**46,218**
Current tax on profits for the year				
Capital gains tax	13,231	46,219	13,231	46,218
	22,034	-	22,034	-
Charged to profit or loss (note 24)				
Deferred tax charge for the year (note 25)	35,265	46,219	35,265	46,218
	(266,689)	-	-	-
	(231,424)	46,219	35,265	46,218

45 Translation Reserve

	Group	
	31-Dec-21	31-Dec-20
	N'000	N'000
The movement in translation reserve during the year is shown below:		-
At 1 January	(282,862)	(686,898)
Exchange difference arising on translating the foreign operations	(585,811)	409,399
Non-controlling interest portion of the exchange difference (note 46)	11,716	(5,363)
At 31 December	**(856,957)**	**(282,862)**

46 Non-controlling interest

	Group	
	31-Dec-21	31-Dec-20
	N'000	N'000
At 1 January	39,929	1,407
Share of profit/loss for the year	48,337	31,378
Changes in fair value of FVOCI Investments	69,841	-
Share of contingency reserve	(4,371)	154
Share of foreign exchange translation difference	(11,716)	5,363
Share of gain on revaluation of land and building	1,530	1,628
At 31 December	**143,550**	**39,929**

47 Restatement on FY 2020

In line with the requirements of IAS 8 (paragraph 49, disclosure of prior period errors covers the following:

(a) the nature of the prior period error.
(b) for each prior period presented, to the extent practicable, the amount of the correction:
    (I) for each financial statement line item affected; and
    (ii) if IAS 33 applies to the entity, for basic and diluted earnings per share.
(c) the amount of the correction at the beginning of the earliest prior period presented; and
(d) if retrospective restatement is impracticable [Refer: paragraphs 5 (definition of impracticable) and 50–53] for a particular prior period, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.

Based on the nature of the transaction around the disposal and reacquisition of investment in PAL Pension Limited, the restatement was made at the instance of Financial Reporting Council of Nigeria (FRCN)

Prior Year Restatement

In December 2020, African Alliance Insurance Plc, to meet the NAICOM capital requirements for insurance companies in Nigeria, disposed its 49% interest in Pensions Alliance Limited to Conau Trade and Investment Limited, a related party and owner of 57% shareholding in the shares of African Alliance Insurance Plc.

The fair value of the investment was determined to be N12.5 billion while the investment was disposed for N16.6 billion.

In January 2021, the investment was reacquired for the sum of N18.6 billion, sequel to the suspension of the NAICOM rule on capital requirements. The N18.6 billion settlement for the reacquisition was a combination of cash, shares and investment properties.

This is deemed a related party transaction. The difference between the fair value of the asset and disposal and re-acquired amounts of the asset have been transferred to shareholders fund, as shown below.

Both decisions to dispose and reacquire the asset were approved and ratified by the shareholders at its Annual General Meeting (AGM) held on 27 October 2020.

Being a related party material transaction and in line with the requirements of IFRS 9 and IAS 24, the transaction has been treated in 2 folds:

- The sale of the investment at fair value.
- Transfer of the difference between the fair value of the asset and the sales and reacquired amount to shareholder's fund.

The treatment of the disposal of the company's 49% interest in Pensions Alliance Limited to a related party has been corrected in both the consolidated financial statement and separate financial statement of the company for the prior year previously reported in line with the requirement of IAS 8 and IAS 24

The nature of errors corrected are detailed below in the notes to restatement.

A Disposal of Investment in PAL Pensions Limited at Fair value:

		N'000
	Net assets of the associate (N'000)	4,287,215
	Proportion of the Group's ownership interest in Pensions Alliance Limited	49%
	Carrying amount of the net assets	2,100,735
	Fair value at disposal of Associate (N'000)	12,500,000
	Cost of Investment in Associate(N'000)	(2,100,735)
	Profit on disposal (N'000)	10,399,265
B	**Additional reserve on disposal of investment in Associate**	
	Cash received on Sales of Investment in Associate (N'000)	16,600,000
	Fair value at disposal of Associate (N'000)	(12,500,000)
		4,100,000

C Statement of financial position as at 31 December 2020

Group			31 Dec. 2020
	Previously Reported	Effect of restatement	Restated
	N'000	N'000	N'000
Cash and cash equivalents	17,799,223	-	17,799,223
Financial assets:			
'-fair value through profit or loss-equities	1,020,938	-	1,020,938
'-fair value through profit or loss-bonds	22,884,140	-	22,884,140
'- fair value through Other Comprehensive income	97,146	-	97,146
'- Amortized cost	80,240	-	80,240
Trade receivables	11,603	-	11,603
Reinsurance assets	486,196	-	486,196
Other receivables and prepayments	596,544	-	596,544
Investment properties	10,774,958	-	10,774,958
Deferred Tax Asset	147,972	-	147,972
Intangible assets	62,165	-	62,165
Property plant and equipment	1,841,453	-	1,841,453
Right of Use Assets	139,511	-	139,511
Statutory deposit	364,998	-	364,998
		-	
Total Assets	**56,307,086**		56,307,086

Group			31 Dec. 2020
	Previously Reported	Effect of restatement	Restated
LIABILITIES	N'000	N'000	N'000
Insurance contract liabilities	53,185,432	-	53,185,432
Investment contract liabilities	5,143,523		5,143,523
Trade payable	877,560	-	877,560
Other payables and accruals	694,447	-	694,447
Retirement benefit liabilities	49,732	-	49,732
Borrowings	452,799	-	452,799
Tax payable	632,980	-	632,980
Deferred tax liability	384,482	-	384,482
		-	
Total liabilities	**61,420,955**	-	**61,420,955**

Group			31 Dec. 2020
	Previously Reported	Effect of restatement	Restated
EQUITY	N'000	N'000	N'000
Share capital	10,292,500	-	10,292,500
Share premium	14,365,133	-	14,365,133
Contingency reserves	1,684,639	-	1,684,639
Retained earnings	(32,294,654)	**(4,100,000)**	(36,394,654)
Translation reserve	(282,862)	-	(282,862)
Non-controlling interest	3,322	-	3,322
Fair value reserves	1,118,054	-	1,118,054
Additional reserve from the sale of investment in PAL	-	**4,100,000**	4,100,000
Total equity	**(5,113,869)**	-	**(5,113,869)**
Total equities and liabilities	**56,307,086**	-	**56,307,086**

D Statement of financial position as at 31 December 2020

Company			31 Dec. 2020
	Previously Reported	Effect of restatement	Restated
	N'000	N'000	N'000
	Company	Company	Company
Cash and cash equivalents	17,659,067	-	17,659,067
Financial assets:			
'-fair value through profit or loss-equities	1,020,938	-	1,020,938
'-fair value through profit or loss-bonds	22,884,140	-	22,884,140
'- fair value through Other Comprehensive income	92,839	-	92,839
'- Amortized cost	80,240	-	80,240
Reinsurance assets	486,196	-	486,196
Other receivables and prepayments	1,152,966	-	1,152,966
Investment properties	8,969,500	-	8,969,500
Investment in Subsidiary	542,728	-	542,728
Deferred Tax Asset	146,476	-	146,476
Intangible assets	25,719	-	25,719
Property plant and equipment	621,668	-	621,668
Right of Use Assets	139,511	-	139,511
Statutory deposit	200,000	-	200,000
		-	
Total Assets	**54,021,988**	-	**54,021,988**

Company			31 Dec. 2020
	Previously Reported	Effect of restatement	Restated
	N'000	N'000	N'000
Liabilities	Company	Company -	Company
Insurance contract liabilities	51,198,654		51,198,654
Investment contract liabilities	5,143,523	-	5,143,523
Trade payable	639,310	-	639,310
Other payables and accruals	540,838	-	540,838
Retirement benefit liabilities	49,732	-	49,732
Borrowings	252,759	-	252,759
Tax payable	600,123	-	600,123
Deferred tax liability	92,107	-	92,107
Total Liabilities	**58,517,047**		**58,517,047**

Company			31 Dec. 2020
	Previously Reported	Effect of restatement	Restated
	N'000	N'000	N'000
EQUITY	Company	Company	Company
Share capital	10,292,500	-	10,292,500
Share premium	14,365,133	-	14,365,133
Contingency reserves	1,570,986	-	1,570,986
Retained earnings	(30,838,149)	(4,100,000)	(34,938,149)
Fair value reserves	114,472	-	114,472
Additional reserve from the sale of investment in PAL	-	4,100,000	4,100,000
Total equity	(4,495,059)	-	(4,495,059)
Total equities and liabilities	**54,021,988**		**54,021,988**

E Statement of Profit or Loss and Other Comprehensive Income

	Group			Company		
	Previously Reported	Effect of Restatements	Restated	Previously Reported	Effect of Restatements	Effect of Restatements
	N'000	N'000	N'000	N'000	N'000	N'000
Gross premium written	7,121,766	-	7,121,766	5,963,632	-	5,963,632
Unearned premium	(113,124)	-	(113,124)	(113,124)	-	(113,124)
		-			-	
Gross premium income	7,008,642	-	7,008,642	5,850,508	-	5,850,508
Insurance premium ceded to reinsurers	(448,933)	-	(448,933)	(446,931)	-	(446,931)
		-			-	
Net premium income	**6,559,709**	-	**6,559,709**	**5,403,577**	-	**5,403,577**
		-			-	
Fees and commission income	93,844	-	93,844	93,844	-	93,844
		-			-	
Net underwriting income	6,653,553		6,653,553	5,497,421		5,497,421
		-			-	
Insurance claims incurred and loss adjustments expenses	8,159,149	-	8,159,149	7,113,114	-	7,113,114
		-			-	
Insurance claims incurred recovered from reinsurers	(249,998)	-	(249,998)	(249,998)	-	(249,998)
Underwriting expenses	1,483,811	-	1,483,811	1,323,715	-	1,323,715
Changes in long term insurance contracts	11,623,223	-	11,623,223	11,530,278	-	11,530,278
		-			-	
Net underwriting expenses	**21,016,185**	-	**21,016,185**	**19,717,109**	-	**19,717,109**
		-			-	
Net underwriting loss	**(14,362,632)**	-	**(14,362,632**	**(14,219,688)**	-	**(14,219,688)**

	Group			Company		
	Previously Reported	Effect of Restatements	Restated	Previously Reported	Effect of Restatements	Effect of Restatements
	N'000	N'000	N'000	N'000	N'000	N'000
Other income	786,534	-	786,534	784,495	-	784,495
Gain on disposal of Associate	14,499,265	(4,100,000)	10,399,265	14,499,265	(4,100,000)	10,399,265
Fair value gains on investment properties	161,051	-	161,051	16,962	-	16,962
Fair value gains on financial asset	4,940,700	-	4,940,700	4,940,700	-	4,940,700
Investment income	2,456,968	-	2,456,968	2,411,620	-	2,411,620
Loss from investment contracts	(61,648)	-	(61,648)	(61,648)	-	(61,648)
Share of profit of equity accounted investee	731,138	-	731,138	731,138	-	731,138
Employee benefit expenses	(1,109,693)	-	(1,109,693)	(857,396)	-	(857,396)
Other operating and administrative expenses	(2,245,371)	-	(2,245,371)	(2,050,178)	-	(2,050,178)
ECL Impairment	26,479	-	26,479	26,297	-	26,297
Finance cost	(107,633)	-	(107,633)	(107,633)	-	(107,633)
Profit before tax	5,715,158	(4,100,000)	1,615,158	6,113,934	(4,100,000)	2,013,934
Income tax expense	(46,219)	-	(46,219)	(46,218)	-	(46,218)
Profit for the year	**5,668,939**	**(4,100,000)**	**1,568,939**	**6,067,716**	**(4,100,000)**	**1,967,716**
Other comprehensive income:						
Items that may be subsequently reclassified to profit or loss						
Exchange difference	409,399	-	409,399	-	-	-
	409,399	-	409,399	-	-	-
Items that will not be subsequently reclassified to profit or loss						
Gain on revaluation of property, plant, and equipment (net of taxes)	132,238	-	132,238	8,000	-	8,000
						-
Remeasurement of the net defined benefit liability (asset	20,734	-	20,734	20,734	-	20,734
Change in value of unquoted equities FVOCI (net of taxes)	799	-	799	799	-	799
Additional reserve from sale of investment in Associate		4,100,000	4,100,000		4,100,000	4,100,000
	6,232,109	-	6,232,109	6,097,249	-	6,097,249
Earnings per Share (kobo)	0.28		0.076	0.29		0.095
F. STATEMENT OF CASH FLOW STATEMENT - RESTATEMENT						
Cash flow from investing activities:						
Purchase of /Proceeds from disposal of investment						
in associate company	16,600,000	(4,100,000)	12,500,000	16,600,000	(4,100,000)	12,500,000
Cash flow from financing activities:						
Purchase/Proceeds from disposal of associate*	-	4,100,000	4,100,000	-	4,100,000	4,100,000

*Proceed and cash outflow on disposal and reacquisition of PAL split between investing and financing activities. In the prior year the entire proceed was recognised as investing cash inflow.

E Statement of Profit or Loss and other Comprehensive Income

	Group			Company		
	Previously Reported	Effect of Restatements	Restated	Previously Reported	Effect of Restatements	Effect of Restatements
	N'000	N'000	N'000	N'000	N'000	N'000
Gross premium written	7,121,766	-	7,121,766	5,963,632	-	5,963,632
Unearned premium	(113,124)	-	(113,124)	(113,124)	-	(113,124)
Gross premium income	**7,008,642**		**7,008,642**	**5,850,508**		**5,850,508**
Insurance premium ceded to reinsurers	(448,933)	-	(448,933)	(446,931)	-	(446,931)
Net premium income	6,559,709		6,559,709	5,403,577		5,403,577
Fees and commission income	93,844	-	93,844	93,844	-	93,844
Net underwriting income	6,653,553		6,653,553	5,497,421		5,497,421
Insurance claims incurred and loss adjustments expenses	8,159,149		8,159,149	7,113,114		7,113,114
Insurance claims incurred recovered from reinsurers	(249,998)	-	(249,998)	(249,998)	-	(249,998)
Underwriting expenses	1,483,811	-	1,483,811	1,323,715	-	1,323,715
Changes in long term insurance contracts	11,623,223	-	11,623,223	11,530,278	-	11,530,278
Net underwriting expenses	**21,016,185**		**21,016,185**	**19,717,109**		**19,717,109**
Net underwriting loss	**(14,362,632)**		**(14,362,632)**	**(14,219,688)**		(14,219,688)
Other income	786,534	-	786,534	784,495	-	784,495
Gain on disposal of Associate	10,399,265	(4,100,000)	10,399,265	14,499,265	(4,100,000)	10,399,265
Fair value gains on investment properties	161,051	-	161,051	16,962	-	16,962
Fair value gains on financial asset	4,940,700	-	4,940,700	4,940,700	-	4,940,700
Investment income	2,456,968	-	2,456,968	2,411,620	-	2,411,620
Loss from investment contracts	(61,648)	-	(61,648)	(61,648)	-	(61,648)
Share of profit of equity accounted investee	731,138	-	731,138	731,138	-	731,138
Employee benefit expenses	(1,109,693)	-	(1,109,693)	(857,396)	-	(857,396)
Other operating and administrative expenses	(2,245,371)	-	(2,245,371)	(2,050,178)	-	(2,050,178)
ECL Impairment	26,479	-	26,479	26,297	-	26,297
Finance cost	(107,633)	-	(107,633)	(107,633)	-	(107,633)
Profit before tax	1,615,158	(4,100,000)	1,615,158	6,113,934	(4,100,000)	2,013,934
Income tax expense	(46,219)	-	(46,219)	(46,218)	-	(46,218)
Profit for the year	**1,568,939**	**(4,100,000)**	**1,568,939**	**6,067,716**	**(4,100,000)**	**1,967,716**
Other comprehensive income:						
Items that may be subsequently reclassified to profit or loss						
Exchange difference	409,399	-	409,399	-	-	-
	409,399	-	409,399	-	-	-
Items that will not be subsequently reclassified to profit or loss						
Gain on revaluation of property, plant, and equipment (net of taxes)	132,238	-	132,238	8,000	-	8,000

	Group			Company		
	Previously Reported	Effect of Restatements	Restated	Previously Reported	Effect of Restatements	Effect of Restatements
	N'000	N'000	N'000	N'000	N'000	N'000
Remeasurement of the net defined benefit liability (asset	20,734	-	20,734	20,734	-	20,734
Change in value of unquoted equities FVOCI (net of taxes)	799	-	799	799	-	799
Additional reserve from sale of investment in Associate	-	4,100,000	4,100,000		4,100,000	4,100,000
	6,232,109	-	6,232,109	6,097,249	-	6,097,249
Earnings per Share (kobo)	**0.28**		**0.076**	**0.29**		**0.095**

F Statement of Cash flow statement - Restatement

	Group			Company		
	Previously Reported	Effect of Restatements	Restated	Previously Reported	Effect of Restatements	Effect of Restatements
Cash flow from investing activities:	N'000	N'000	N'000	N'000	N'000	N'000
Purchase of /Proceeds from disposal of investment in	-	-	-	-	-	-
associate company	16,600,000	(4,100,000)	12,500,000	16,600,000	(4,100,000)	12,500,000
Cash flow from financing activities:						
Purchase/Proceeds from disposal of associate*	-	4,100,000	4,100,000	-	4,100,000	4,100,000

*Proceed and cash outflow on disposal and reacquisition of PAL split between investing and financing activities. In the prior year the entire proceed was recognised as investing cash inflow.

48 Other income statement information: Staff and directors cost

	Group		Company	
Employee costs during the year amounted to:	31 Dec 21	31 Dec 20	31 Dec 21	31 Dec 20
	N'000	N'000	N'000	N'000
Wages & salaries	806,842	787,214	659,336	595,393
Pension cost	379,388	167,051	59,712	35,741
Other staff cost	65,287	57,589	304,869	128,423
Staff defined benefit	-	97,839	-	97,839
	1,251,517	**1,109,693**	**1,023,917**	**857,396**

The number of employees of the company, other than directors, who received emoluments in the following ranges was:

	Group		Company	
	31 Dec 21	31 Dec 20	31 Dec 21	31 Dec 20
	N'000	N'000	N'000	N'000
N1,000,001 - N1,500,000	58	58	-	-
N1,500,001 - N2,000,000	3	3	3	3
N2,000,001 - N2,500,000	7	7	7	7
N2,500,001 - N3,000,000	1	1	1	1
N3,000,001 - N3,500,000	42	27	42	27
N3,500,001 - N4,000,000	33	23	33	23
Above N4,000,000	27	26	27	26
	171	145	113	87

Directors' remuneration:

Remuneration paid to the directors of the Company were as follows:

	Group		Company	
	31 Dec 21	31 Dec 20	31 Dec 21	31 Dec 20
	N'000	N'000	N'000	N'000
Short term benefits:	23,500	38,000	23,500	38,000
- Directors fees	11,600	8,000	11,600	8,000
- Directors sitting allowances	27,058	27,058	27,058	27,058
- Executive compensation	-	-	-	-
- Other director's costs and expenses				
	62,158	73,058	62,158	73,058
Fees and other emoluments disclosed above include				
amounts paid to :				
The Chairman	10,000	10,000	10,000	10,000
The highest paid director	**14,400**	**14,400**	**14,400**	**14,400**

The number of directors who received fees and other emoluments (excluding pension contributions) in the following ranges was:

	Group		Company	
	31 Dec 21	31 Dec 20	31 Dec 21	31 Dec 20
	Number	Number	Number	Number
Below N5,000,000	-	-	-	-
N5,000,000- N10,000,000	-	-	-	-
N10,000,000 and above	5	5	5	5
	5	3	5	3

49 Related Parties

Shareholders	31-Dec-21 N'000	31-Dec-20 N'000
Conau Limited	57.50%	57.50%
Universal Insurance Plc	5.83%	5.83%

Nature of the balance & transactions	Related Party	31-Dec-21 N'000	31-Dec-20 N'000
Intercompany receivables	Axiom Air Ltd	-	-
Intercompany receivable	African Alliance Holding Limited	-	-
Intercompany receivables	Universal Insurance Company Plc	1,600,267	1,600,267
Deposit for shares	Ghana Life Insurance	1,628,616	628,616
Conau Trade and Investment Limited	Sale and repurchase of PAL	18,600,000	16,600,000

50 Contingent liabilities and commitments

(a) Legal proceedings

The Group is presently in thirteen (13) legal proceedings (2020 ten (10)), the cases arose in the normal course of business. However the outcome of the cases will not give rise to any significant loss from the review of thirteen (13) case files and confirmation from the company's solicitor indicates that were no material contingent liabilities in respect of pending litigations against the Group.

The Directors are of the opinion that all known commitments and liabilities which are relevant in assessing the situation of the company have been taken into consideration in the preparation of these financial statements.

The Company operates in the insurance industry and is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigations) will have a material effect on its results and financial position.

However due to the material amount and the relationship that exist between the parties, this pending litigation is disclosed between the entity and the management of its former associate company PAL Pension Limited now investment measured at Fair Value through other comprehensive income:

African Alliance Insurance Plc Vs Pension Alliance Limited- FHC/L/CS/193/2021.

The Petitioner is minority shareholder and holds 49 percent of the total share of the 1st Respondent. The outstanding 51 percent shares is held by First Securities Discount House (FSDH Merchant Bank Limited), the majority shareholder. The Board of Director consisted of 12 members, in which the Petitioner retained a board seat, which was occupied by its erstwhile Managing Director, Mrs. Funmi Omo. Following the resignation and exit from the Petitioner and the 1st Respondent in 2020, the Petitioner lost its only board seat. The Petitioner has proposed nominee to fill the causal vacancy created by the exit of its former Managing Director, its board nominee to ensure and protect its right of participation on the board of the company.

By Article 27 and 28 of the Article of Association of the 1st Respondent, the directors of the company are authorized to appoint new directors and an additional director to fill a causal vacancy, while the appointment is to be approved by members at the general meeting.

Since the Petitioner has no Director on the Board of the 1st Respondent, the majority shareholders have refused to appoint any director nominated by the Petitioner. The Petitioner is thus unable to participate in the management of the 1st Respondent despite being the only one shareholder aside the Majority shareholder.

The Majority shareholder acting through its nominated board of directors, has advantage of the Petitioner's lack of board participation to propose resolutions that are detrimental to the interest of the Petitioner.

In 2020, the Respondent in collaboration with the Majority shareholder proposed written resolution of the Board of Director for increase of the 1st Respondent's share capital from N1,100,000,000 to N2,300,000,000 and authorizing the 1st respondent directors to raise up to N10,000,000,000 from local or foreign investors.

The Petitioner opposed this on the basis that share capital can be increased by special resolution passed at general meetings and the proposed capital dilutes the Petitioner's equity and violates the Petitioner's preemptive rights including the reelection of exiting directors and appointment of a non-executive director.

The petitioner thus filed this action for minority protection. It also filed a motion for interim and interlocutory injunctions asking for restraining orders. The Honourable court granted the application for interim injunction and the matter has been adjourned to 17th January 2022. The 1st, 2nd, 3rd and 4th Respondent entered their appearance in the suit and filed an application before the court.

Financial implications

In granting the interim order, the Honourable court ordered the AAI file a written undertaking to compensate the Respondent in damage if the interim order of the court ought not to have been made in the first instance. In the unlikely event that the Honourable Court holds that the order ought not to have been granted, the financial implications of the suit will be limited to the reasonable damages that the court will order to be paid to the Respondents. There are also the ancillary expenses for prosecuting the suit.

(b) Capital Commitments

At 31 December 2021, the Group has no capital commitments in respect of buildings and equipment purchases.

51 Profit per Share

Basic earnings per share is calculated by dividing the profit per share attributable to equity holders of the company by the weighted average number of ordinary shares in issues.

	31 Dec 21	31 Dec 20	31 Dec 21	31 Dec 20
	N'000	N'000	N'000	N'000
Profit for the year N'000	2,416,845	1,568,937	2,800,322	1,967,718
Weighted number of shares at the end of the year ('000)	20,585,000	20,585,000	20,585,000	20,585,000
Basic Earnings per share (basic) - in Kobo	0.12	0.08	0.14	0.10

52 Proposed dividend

There was no propose dividend during the year (2020: N0.0000)

53 Reconciliation of liabilities arising from financing activities

Group	31 Dec 20	Cash flows	Non-cash changes		31 Dec 21
			Amortization & Transfers	Accrued Interest	
	N'000	N'000	N'000	N'000	N'000
Short-term borrowings (See Note 23)	452,799	297,067	-	10,469	166,202
Lease liabilities (See Note 16)	139,511	11,780	(109,039)	-	42,252
Investment in Associate - PAL (See Note 13)	-	4,100,000	(4,100,000)	-	-
	592,310	4,408,847	(4,209,039)	10,469	208,454

Company	31 Dec 20	Cash flows	Non-cash changes		31 Dec 21
			Amortization & Transfers	Accrued Interest	
	N'000	N'000	N'000	N'000	N'000
Short-term borrowings (See Note 23)	252,759	209,194	-	10,469	54,034
Lease liabilities (See Note 16)	139,511	11,780	(109,039)	-	42,252
Investment in Associate - PAL (See Note 13)	-	4,100,000	(4,100,000)	-	-
	392,270	4,320,974	(4,209,039)	10,469	96,286

Other National Disclosures

(a) Value Added Statement

	Group				Company			
	31-Dec-21	%	31-Dec-20	%	31-Dec-21	%	31-Dec-20	%
	N'000		N'000		N'000		N'000	
Gross Premium Income	6,596,261		6,559,709		5,588,907		5,403,577	
Fee and Commission Income	149,316		93,844		149,316		93,844	
Net Investment Income	2,611,549		12,794,585		2,577,788		12,749,237	
Other income	1,101,899		1,517,672		1,086,958		1,515,633	
Claims Incurred, commission paid and other	10,459,025		20,965,809		9,402,970		19,762,291	
operating expenses	(275,522)		(23,078,382)		1,364,357		(21,620,282)	
Value Added	**10,183,502**	**100**	**(2,112,574)**	**100**	**10,767,327**	**100**	**(1,857,991)**	**100**
Applied as follows:								
In payment of employees:								
- Salaries, wages and other benefits	1,251,517	12%	1,109,693	-53%	1,023,917	10%	857,396	-46%
In payment to providers of capital:								
- Interest on loan	10,469	0%	107,633	-5%	10,469	0%	107,633	-6%
In payment to Government:								
- Taxation	(231,424)	-2%	46,219	-2%	35,265	0%	46,218	-2%
For future replacement of assets, expansion of								
business and payment of dividend to shareholders:								
- Depreciation & Amortisation	197,657	2%	156,695	-7%	165,866	2%	120,708	-6%
- Fair value reserve	6,538,438	64%	(5,101,751)	241%	6,731,488	63%	(4,957,662)	267%
- Profit/Loss for the year	2,416,845	24%	1,568,937	-74%	2,800,322	26%	1,967,718	-106%
	10,183,502	**100**	**(2,112,574)**	**100**	**10,767,327**	**100**	**(1,857,991)**	**100**

Financial Summary

(bi) Group	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Cash and Cash equivalents	1,389,861	17,799,223	2,076,831	3,680,801	6,006,807
Financial Assets	26,737,469	24,082,463	22,440,098	21,109,127	22,753,040
Trade Receivables	88,884	11,603	125,469	135,927	41,918
Reinsurance Assets	113,116	486,196	311,054	144,052	53,717
Loans and receivables	-	-	-	52,948	
Other Receivables and Prepayments	1,117,988	596,544	667,926	1,612,595	341,178
Investment Properties	9,668,536	10,774,958	10,432,005	10,258,313	10,794,603
Investment in Subsidiary	-	-	-	-	-
Investment in Associate	-	-	1,545,042	1,804,083	1,605,405
Retirement benefit asset	-	-	-	-	7,063
Deferred Tax Asset	147,690	147,972	147,935	148,195	147,881
Intangible Assets	56,481	62,165	57,323	57,343	63,959
Property and Equipment	1,876,748	1,841,453	1,629,625	2,008,241	1,666,110
Right of Use Assets	42,252	139,511	220,019	-	-
Statutory Deposit	348,401	364,998	353,534	358,182	348,965
Total Assets	**41,587,426**	**56,307,087**	**40,006,862**	**41,369,807**	**43,830,646**

Group					
	31-Dec-21	**31-Dec-20**	**31-Dec-19**	**31-Dec-18**	**31-Dec-17**
LIABILITIES	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Insurance Contract Liabilities	40,852,662	53,185,432	41,521,103	35,110,631	36,378,453
Investment Contract Liabilities	3,396,153	5,143,523	5,651,964	5,841,758	4,927,104
Trade payables	1,184,874	877,560	1,027,469	1,106,999	1,177,117
Other payables and Accruals	803,762	621,143	344,386	666,373	483,214
Provision and accruals	132,652	73,305	68,937	13,219	80,051
Employee benefit liabilities	35,652	49,732	114,363	42,690	29,335
Borrowings	166,202	452,799	1,460,582	507,077	287,652
Tax payable	615,741	632,980	786,761	826,742	594,024
Deferred tax Liabilities	204,005	384,482	377,272	428,182	384,874
Total Liabilities	**47,391,703**	**61,420,956**	**51,352,837**	**44,543,671**	**44,341,824**

EQUITY	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-19 N'000	31-Dec-18 N'000	31-Dec-17 N'000
Share Capital	10,292,500	10,292,500	10,292,500	10,292,500	10,292,500
Share Premium	14,365,133	14,365,133	14,365,133	14,365,133	14,365,133
Contingency Reserve	1,903,181	1,684,639	1,061,976	975,947	908,259
Retained Earnings	(34,276,925)	(36,431,262)	(37,346,004)	(30,218,534)	(27,275,850)
Translation Reserve	(856,957)	(282,862)	(686,898)	237,295	186,441
Non-Controlling Interest	143,550	39,929	1,407	8,353	7,816
Fair Value Reserve	2,625,241	5,218,054	965,911	1,165,442	1,004,523
Total Equity	**(5,804,277)**	**(5,113,869)**	**(11,345,975)**	**(3,173,864)**	**(511,178)**
Total Liabilities & Equity	**41,587,426**	**56,307,087**	**40,006,862**	**41,369,807**	**43,830,646**

Income Statements	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-19 N'000	31-Dec-18 N'000	31-Dec-17 N'000
Gross Premium written	7,166,770	7,121,766	8,744,391	6,795,777	7,626,710
Gross Premium income	7,030,064	7,008,642	8,487,440	6,858,262	7,586,932
Profit/loss before tax	2,185,421	1,615,155	(7,019,288)	(2,422,953)	(6,726,979)
Income tax expense	231,424	(46,219)	(18,737)	(273,662)	475,924
Profit/Loss after tax	2,416,845	1,568,936	(7,038,025)	(2,696,615)	(6,251,055)
Other Comprehensive income	(3,107,253)	4,663,170	96,398	213,815	(57,696)
Total comprehensive Income/Loss	**(690,408)**	**6,232,107**	**(6,941,627)**	**(2,482,800)**	**(6,308,751)**

PROXY FORM
AFRICAN ALLIANCE INSURANCE PLC

AFRICAN ALLIANCE INSURANCE PLC

PROXY CARD

The 53rd & 54th Annual General Meeting (AGM) of African Alliance Insurance Plc will be held on Friday, 15 December 2023, at YMCA HALL 77, Awolowo Road, Ikoyi, Lagos (Behind Spar) at 11.00 a.m..

I/We ______________________________

Name of Shareholder in Block Letters

OF ______________________________

being a member of **AFRICAN ALLIANCE INSURANCE PLC** hereby appoint ______________________________

or failing him/her ______________________________

____

as my/our Proxy to act and vote for me/us on my/our behalf at the 53rd & 54th Annual General Meeting of the Company to be held on **Friday, 15 December 2023, at YMCA HALL 77, Awolowo Road, Ikoyi Lagos at 11.00 a.m** and at any adjournment thereof.

Shareholder's Signature(s) ______________________ Date: ______________

I/We desire this proxy to be used in favour of/or against the resolution as indicated alongside:

The manner in which the Proxy is to vote should be indicated by inserting 'X" in the appropriate space				
SN	**ORDINARY BUSINESS**	**FOR**	**AGAINST**	**ABSTAIN**
1.	To lay the Audited Financial Statements for the Year Ended 31 December 2021 & 2022 together with the Reports of the Directors, Auditors and the Audit Committee thereon.			
2.	To re-elect Alhaji Abatcha Bulama who was appointed as a Non-Executive Director in accordance with Article 125 of the Articles of Association of the Company which provides for retirement by rotation;			
3.	To disclose the remuneration of managers of the Company;			
4.	To authorise the Directors to fix the remuneration of the Auditors.			
5.	To elect shareholders' representatives of the Statutory Audit Committee			
	SPECIAL BUSINESS	**FOR**	**AGAINST**	**ABSTAIN**
6.	To approve the remuneration of Directors			

Please indicate with an "X" in the appropriate column, how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the Proxy will vote or abstain from voting at his/her discretion.

NOTES

A. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her stead. All proxy forms should be deposited at the registered office of the Registrar, Carnation Registrars Limited, No. 2A, Gbagada, Anthony Expressway, Lagos State or via email at info@carnationregistrars.com, not less than 48 hours before the time fixed for the meeting.

B. In the case of joint shareholders, any of them may complete the form, but the names of all joint shareholders must be stated.

C. If the shareholder is a corporation, this form must be executed under its Common Seal or under the hand of a duly authorised officer or attorney.

D. The proxy must produce the admission slip along with the notice of the meeting to gain entrance to the meeting.

E. At its cost, the Company has made arrangements for stamping the duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated time.

Before posting this form, please tear off this part and retain it for admission to the meeting.

ADMISSION CARD

53rd & 54th Annual General Meeting of the Company to be held on Friday, 15 December 2023, at YMCA HALL 77, Awolowo Road, Ikoyi Lagos at 11.00 a.m

Please admit the Shareholder named on this Slip or his/her duly appointed proxy

Shareholder's name: ______________________________

Shareholder's address: ______________________________

Number of shares held: ______________________________

The name of the Shareholder must be written in BLOCK CAPITALS on the Proxy Form where marked. This Admission form must be produced by the Shareholder or his Proxy who need not be a member of the Company, in order to obtain entrance to the Annual General Meeting

MANDATE FORM

AFRICAN ALLIANCE
INSURANCE PLC

8th of July, 2023

The Registrars
Carnation Registrars Limited
2A Gbagada Expressway
Anthony Village, Lagos

Dear Sir/Madam,

MANDATE FORM FOR E-BONUS AND E-DIVIDEND

We hereby mandate you to include my/our shareholding in The African Alliance Insurance PLC. among the e-bonus beneficiaries or future bonus issues. My/our Shareholding particulars are:

Surname: ____________________

Other Name: ____________________

Address: ____________________

____

____

Signature: ____________________

Telephone: ____________________

CSCS Clearing House No.: ____________________

Account Number: ____________________

Note: please ensure that names are identical with those on your Share Certificates.

I/We will also like to receive my/our future dividends directly into my/our bank account electronically through e-dividend. My/Our bank account details are as stated below;

Bank: ____________________

Branch: ____________________

Account Number: ____________________

Bank Sort Code: ____________________

Yours Faithfully,

CSCS ACCOUNT NOTIFICATION

AFRICAN ALLIANCE INSURANCE PLC

The Registrars
Carnation Registrars Limited
2 Gbagada Expressway
Anthony Village
Lagos

Please credit my account at Central Securities Clearing Systems Limited (CSCS) with all subsequent allotments and bonuses due to me from holdings in the companies as indicated in the right-hand column

Personal Data: ____________________
Surname: ____________________
Other Names: ____________________
Address: ____________________
Mobile Phone: ____________________
Email: ____________________
Shareholder's Signature: ____________________

1. ____________________
2. ____________________

____
Corporate Seal/Stamp (for Corporate Shareholders)

CSCS Details
Stockbroker

Clearing House Number: ____________________

____
Authorised Signature & Stamp of Stockbroker

Name of Company	Account Number

Please attach a copy of your CSCS statement to this form as evidence that a CSCS account has been opened for you

AFRICAN ALLIANCE
INSURANCE PLC
With you for life

54 Awolowo Road, Ikoyi, Lagos
+234 806 630 9476. Call 0700afrialliance
customer@africanallianceplc.com
www.africanallianceplc.com

Risk Protection | Savings | Investments

NIA
NIGERIA INSURERS
ASSOCIATION