

**2ND QUARTER MANAGEMENT ACCOUNT**

**For The Period Ended 30 JUNE 2020**

**Universal Insurance Plc**

RC 2460


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

We the undersigned, hereby certify the following with regards to our un-audited financial statements for the quarter ended June 30, 2020 that:

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

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.

  
BENEDICT UJOATUONU  
CHIEF EXECUTIVE OFFICER  
FRC/2013/CIIN/0000003282

  
SAMUEL U. NDUBUISI  
CHIEF FINANCE OFFICER  
FRC/2013/ICAN/0000003290

# Universal Insurance Plc

## Shareholding Structure/Free Float Status

for the period ended 30 June 2020

Description	30-Jun-20		30-Jun-19	
	Unit	percentage	Unit	percentage
Issued Share Capital	16,000,000,000	100%	16,000,000,000	100%
Substantial Shareholding (5% and above)				
African Alliance Plc	4,155,106,088	25.97%	4,155,106,088	25.97%
Stanbic Nominees Nigeria Limited	1,488,738,210	9.33%	1,488,738,210	9.33%
<b>Total Substantial Shareholdings</b>	<b>5,643,844,298</b>	<b>35%</b>	<b>5,643,844,298</b>	<b>35%</b>
<b>Director's Shareholdings (direct and indirect), excluding directors with substantial interest</b>				
Lt. Gen. J.N. Dogonyaro (Retd), CFR, Mni	Nil	Nil	Nil	Nil
Mr. Benedict Ujoatuonu	Nil	Nil	Nil	Nil
Mr. Reginald Anyanwu	150,000	Nil	150,000	Nil
Dr. Anthony Okocha	503,434	Nil	503,434	Nil
Mr. Paulinus Offorzor	Nil	Nil	Nil	Nil
Mr. Jasper Nduagwuike	Nil	Nil	Nil	Nil
<b>Total Director's Shareholdings</b>	<b>653,434</b>	<b>-</b>	<b>653,434</b>	<b>-</b>
Other Shareholdings	10,355,502,268	65%	10,355,502,268	65%
<b>Total Other Shareholdings</b>	<b>10,355,502,268</b>	<b>65%</b>	<b>Nil</b>	<b>Nil</b>
Free Float in Units and Percentage	-	-	-	-
Free Float in Value	-	-	-	-
<b>Declaration:</b>				
A	Universal Insurance Plc with a free float percentage of ...Nil...as at 30th June 2020, is compliant with the Exchange's free float requirement for companies listed on the Univesa Insurance Plc.			
B	Universal Insurance Plc with a free float Value of...Nil...as at 30th June, 2020, is compliant with the Exchange's free float requirement for companies listed on Universal			

**UNIVERSAL INSURANCE PLC**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
As at 30 JUNE 2020

	NOTES	COMPANY		
		30/06/2020	30/06/2019	31/12/2019
Assets		N'000	N'000	N'000
Cash and Cash Equivalents	6	268,770	131,442	111,730
Financial Assets	7	1,329,993	2,858,153	1,329,992
Trade Receivable	8	309,405	77,294	8,735
Reinsurance Assets	9	576,490	293,534	453,343
Deferred Acquisition cost	10	231,818	122,185	89,168
Deferred tax assets	23.a	403,685	-	403,685
Other Receivable	11	346,602	1,990,900	174,747
Investment in Subsidiaries	12	2,449,516	2,451,741	2,449,516
Investment Properties	13	1,886,000	1,875,000	1,886,000
Intangible Asset	14	60,193	54,961	55,242
Property, Plant and Equipment	15	2,687,266	2,806,157	2,730,026
Statutory Deposits	16	335,000	335,000	335,000
<b>Total Assets</b>		<b>10,884,740</b>	<b>12,996,367</b>	<b>10,027,184</b>
<b>Liabilities</b>				
Insurance Contract Liabilities	17	1,819,797	1,237,522	1,161,345
Borrowings	18	-	-	-
Trade payable	19	80,118	65,398	93,459
Other payable	20	102,087	1,698,756	104,003
Employee benefit liability	21	-	2,106	-
Income Tax liabilities	22	24,489	14,657	18,903
Deferred tax liabilities	23	296,875	700,560	296,875
<b>Total Liabilities</b>		<b>2,323,365</b>	<b>3,718,999</b>	<b>1,674,585</b>
<b>Equity</b>				
Issued and paid Share capital	24. 1	8,000,000	8,000,000	8,000,000
Share Premium	24. 2	825,018	825,018	825,018
Contingency Reserves	24. 3	550,850	465,159	484,775
Fair value reserve	24. 4	6,460	1,583,838	6,459
Non Current assets revaluation reserve	24. 5	768,329	757,329	768,329
Retained earnings	24. 6	(1,589,282)	(2,353,977)	(1,731,982)
<b>Shareholders funds</b>		<b>8,561,374</b>	<b>9,277,367</b>	<b>8,352,599</b>
Other equity instruments		-	-	-
Non - controlling interests				
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>10,884,740</b>	<b>12,996,366</b>	<b>10,027,184</b>

Signed on behalf of the Board of Directors on 28 July, 2020



**BENEDICT UJOATUONU**  
**CHIEF EXECUTIVE OFFICER**  
**FRC/2013/CIIN/0000003282**



**SAMUEL U. NDUBUISI**  
**CHIEF FINANCE OFFICER**  
**FRC/2013/ICAN/0000003290**

## Universal Insurance Plc

### Statements of Comprehensive Income

For the PERIOD ENDED 30 JUNE 2020

Notes	COMPANY			
	1-Apr-20	30-Jun-20	1-Apr-19	30-Jun-19
	30-Jun-20	30-Jun-20	30-Jun-19	30-Jun-19
	N'000	N'000	N'000	N'000
	Gross Premium written	2,202,496	492,467	1,216,402
	Decrease/(increase) in unearned premium	(144,249)	(718,323)	(128,086)
	Gross Premium Earned	1,397,125	1,484,173	1,088,316
	Reinsurance Premium Expense	(302,061)	(254,620)	(7,817)
	Net Insurance Premium Income	1,095,064	1,229,553	960,917
	Fees and Commission income	41,107	51,000	16,728
	Total Underwriting Income	1,136,171	1,280,553	985,370
	<i>Insurance benefits</i>			
	Claims expenses	(208,294)	(190,458)	(53,228)
	Claims Expense Recovery from reinsurance	39,215	120	2,785
	Change in contract liabilities	-	-	-
	Net insurance benefit and claims	(169,079)	(190,338)	(246,439)
	<i>Underwriting Expenses</i>			
	Acquisition expenses	(93,531)	(230,926)	(103,458)
	Maintenance expenses	(246,975)	(278,954)	(100,378)
	Total Underwriting Expenses	(340,506)	(509,881)	(203,836)
	Underwriting Profit/(Loss)	626,586	580,334	247,099
	Investment income	106,668	146,975	1,885
	Other operating income	-	-	-
	Total investment income	106,668	146,975	1,885
	Net Income	733,254	727,309	248,984
	Unrealised fair value loss	-	-	-
	Net realised gains/(loss) on financial assets	-	-	-
	Deferred tax derecognised on reclassification of financial assets	-	-	-
	Net fair value gain/(loss) on investment properties	-	-	-
	Other operating and administrative expenses	(633,019)	(511,633)	(205,823)
	Total Expenses	(633,019)	(511,633)	(420,556)
	Result of operating activities	100,235	215,677	43,161
	Interest expense	-	-	-
	Profit or (Loss) before Taxation	100,235	215,677	43,161
	Income Tax Expense/ (Credit)	(9,522)	(6,902)	(1,618)
	Profit or Loss after Taxation	90,713	208,775	41,541
	Profit or Loss for the period	90,713	208,775	41,541
	Other comprehensive income /(loss)	-	-	-
	Revaluation surplus on PPE	-	-	-
	Total other comprehensive income	-	-	-
	Total comprehensive income / (loss) for the year	90,713	208,775	41,541
	Profit attributable to:			
	Equity holders of the Company	90,713	208,775	41,541
	Non-controlling interest	-	-	-
	Profit/(loss) for the period	90,713	208,775	41,541
	Other Comprehensive income			
	<i>Items within OCI that may be reclassified to the profit or loss;</i>			
	Fair value changes in AFS financial assets	-	-	-
	Deferred tax impact of changes in AFS financial assets	-	-	-
	<i>Items within OCI that will not be reclassified to the profit or loss;</i>			
	2020 impairment gain/loss on Financial Assets	-	(2,480)	-
	PPE revaluation gains	-	-	-
	Deferred tax impact of revaluation gains	-	-	-
	Other comprehensive income for the period	-	(2,480)	-
	Total comprehensive income	90,713	206,295	41,541
	Total comprehensive income attributable to:			
	Equity holders of the company	90,713	206,295	41,541
	Non-controlling interests	-	-	-
	Total comprehensive income for the period	90,713	206,295	41,541
	Earnings per share-(basic and diluted)(Kobo)	0.57	1.30	0.26



**THE UNIVERSAL INSURANCE PLC**
**UNDERWRITING REVENUE ACCOUNT  
 FOR THE PERIOD ENDED 30 JUNE 2020**

	GENERAL								1/4/2020-	1/4/2019-		
	MOTOR N'000	FIRE N'000	ACCIDENT N'000	BOND N'000	ENGINEERING N'000	OIL & GAS N'000	AVIATION N'000	MARINE N'000	30/6/2020 N'000	30/6/2019 N'000		
Direct Premium Written	170,332	808,078	188,185	28,838	30,559	372,821	47,811	88,410	1,342,803	1,735,033	480,494	1,093,468
Reinsurance Accepted	23,930	220,260	12,936	180	14,348	165,474	11,448	18,887	198,571	467,463	11,973	122,934
Gross Premium Written	194,262	1,028,337	201,121	29,018	44,907	538,295	59,259	107,298	1,541,374	2,202,496	492,467	1,216,402
Changes in Reserve for Unexpired Risk (*)	(3,133)	(623,725)	(28,737)	17,472	20,529	(155,883)	53,518	1,636	(144,249)	(718,323)	-	(128,086)
Gross Premium Earned	191,129	404,612	172,384	46,489	65,436	382,411	112,777	108,934	1,397,125	1,484,173	492,467	1,088,316
Net Reinsurance Recovery (UPR) per actuarial valuation												-
Reinsurance cost	(6,167)	(190,106)	(17,282)	-	-	(33,994)	-	(7,070)	(302,061)	(254,620)	(7,817)	(127,399)
Net Premium Written	184,962	214,507	155,102	46,489	65,436	348,417	112,777	101,863	1,095,064	1,229,553	484,650	960,917
Commission Received	1,315	46,706	1,389	-	-	-	-	1,591	41,107	51,000	16,728	24,453
Net Income	186,277	261,212	156,490	46,489	65,436	348,417	112,777	103,454	1,136,171	1,280,553	501,378	985,370
Claims Incurred:												
Direct Claims Paid	51,710	62,863	50,211	76,400	5,075	1,119	-	2,951	211,100	250,329	53,228	161,330
Provision for Outstanding claims (IBNR)	(47,404)	(6,389)	(39,048)	2,731	(7,413)	(74,566)	(10,723)	(11,562)	(78,923)	(194,375)	-	(43,072)
<b>Additional charge to claims reserve per</b>											-	-
Changes in Provision for Outstanding Claims (**)	9,803	7,162	74,373	(3,458)	1,501	27,578	4,848	12,697	76,117	134,503	-	134,330
Gross Claims Incurred	14,109	63,636	85,536	75,673	(837)	(45,869)	(5,875)	4,085	208,294	190,458	53,228	252,588
Reinsurance Claims Recovery per actuarial	-	-	-	-	-	-	-	-	-	-	-	-
Reinsurance Recovery (IBNR) per actuarial	-	-	-	(120)	-	-	-	-	(16,715)	(120)	(2,785)	(6,149)
Reinsurance Claims Recovery	-	-	-	(120)	-	-	-	-	(16,715)	(120)	(2,785)	(6,149)
Net Claims Incurred	14,109	63,636	85,536	75,553	(837)	(45,869)	(5,875)	4,085	191,579	190,338	50,443	246,439
Underwriting Expenses:	-	-	-	-	-	-	-	-	-	-	-	-
Commission Paid	19,627	215,013	41,119	5,746	2,497	55,620	-	33,956	279,663	373,576	103,458	197,504
Changes in deferred commission	(4,894)	(125,729)	(10,144)	6,713	9,027	(18,515)	6,858	(5,967)	(186,132)	(142,650)	-	(25,593)
<b>Additional (DCA) per actuarial valuation report</b>												-
Maintenance expenses	34,898	34,755	34,755	34,578	34,755	34,578	34,578	36,056	246,957	278,954	100,378	366,911
Total Underwriting Expenses	49,631	124,039	65,730	47,037	46,279	71,684	41,436	64,044	340,506	509,881	203,836	538,822
Total Expenses	63,740	187,675	151,266	122,590	45,442	25,815	35,561	68,130	532,085	700,219	254,279	785,261
Underwriting Result	122,537	73,538	5,224	(76,101)	19,993	322,602	77,216	35,324	604,086	580,334	247,099	200,109
Provision for Unexpired Risk- 1 JANUARY 2020	117,865	61,612	85,257	37,048	41,410	137,846	77,741	54,372	532,451	613,151	532,451	532,451
Provision for Unexpired Risk- 30 June 2020	120,998	685,337	113,994	19,577	20,881	293,729	24,222	52,736	676,700	1,331,474	532,451	660,537
Additional charge (UPR) per actuarial valuation												-
Provision for Unexpired Risk- 30 June 2020	120,998	685,337	113,994	19,577	20,881	293,729	24,222	52,736		1,331,474	-	-
* Changes in reserve for unexpired Risk	(3,133)	(623,725)	(28,737)	17,472	20,529	(155,883)	53,518	1,636	(144,249)	(718,323)		(128,086)
Gross Claims Outstanding												
Provision for Outstanding Claims- 1 JANUARY 2020	21,453	13,468	87,118	135,471	1,136	21,126	2,669	26,986	390,202	309,427	390,202	390,202
Provision for Outstanding Claims- 30 June 2020	31,256	20,630	161,491	132,013	2,637	48,704	7,517	39,683	466,319	443,930	390,202	524,532
** Changes in provision for outstanding claims	9,803	7,162	74,373	(3,458)	1,501	27,578	4,848	12,697	76,117	134,503		134,330

**Universal Insurance Plc**  
**Statements of Changes in Equity (COMPANY)**  
for the period ended 30 June 2020

In thousands of Nigerian naira

	Share Capital	Share Premium	Revaluation reserve	Contingency reserve	Fair value reserves	Retained earnings	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance at 1 January 2020	8,000,000	825,018	768,329	484,775	6,460	(1,731,982)	8,352,599
							-
	8,000,000	825,018	768,329	484,775	6,460	(1,731,982)	8,352,599
Total comprehensive income							
Profit and loss	-	-	-	-	-	208,775	208,775
Other comprehensive income							-
Gain on the revaluation of land and buildings							-
Foreign currency translation difference							-
Fair value reserve (available-for-sale) financial assets							-
Net change in fair value							-
Net amount transferred to profit or loss							-
Gain on the revaluation of land and buildings							-
Net Fair value changes in AFS financial assets							-
Net gain/loss on previous AFS reclassified to FVTPL							-
Fair value reserve derecognised on disposal						-	-
Transfer to contingency reserve				66,075		(66,075)	-
Other comprehensive income	-	-	-	66,075	-	(66,075)	-
Total comprehensive income for the period	-	-	-	66,075	-	142,700	208,775
Transfer during the year	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-
Total contribution and distributions to owners	-	-	-	-	-	-	-
Balance at 30 June 2020	8,000,000	825,018	768,329	550,850	6,460	(1,589,282)	8,561,374
Balance at 1 January 2019	8,000,000	825,018	757,329	428,667	1,583,838	(2,144,427)	9,450,425
IFRS 9 Transition						(173,058)	(173,058)
Total comprehensive income for the period							-
Profit or loss							-
Other comprehensive income							-
Gain on the revaluation of land and buildings	-	-	-	-	-	-	-
Net Fair value changes in AFS financial assets	-	-	-	-	-	-	-
Fair value reserve derecognised on disposal							-
Transfer to contingency reserve	-	-	-	36,492	-	36,492	-
	-	-	-	36,492	-	36,492	-
Other comprehensive income for the period	-	-	-				-
Total comprehensive income for the period	-	-	-	36,492	-	(209,550)	(173,058)
Balance at 30 June 2019	8,000,000	825,018	757,329	465,159	1,583,838	(2,353,977)	9,277,367

Universal Insurance Plc  
Statement Of Cash Flows

For the year ended 30 JUNE 2020	COMPANY	
	30-Jun-20	30-Jun-19
	N'000	N'000
Cash flows from operating activities		
Insurance premium received from policy holders, Brokers & Agents, Cedants	1,904,021	1,026,287
Commission received	51,000	24,453
Reinsurance receipts in respect of claims	-	6,149
Reinsurance premium paid	(254,620)	(127,399)
Prepaid Minimum and Deposit on Oil & Gas	(135,613)	-
Other operating cash payments	(637,481)	(156,172)
Insurance benefits and Claims paid	(250,329)	(246,439)
Payments to intermediaries to acquire insurance contracts	(373,576)	(197,504)
Maintenance expenses	(278,954)	(366,911)
Interest Received	146,975	18,056
Dividend Income Received	-	34,109
Cash generated from operations	171,422	14,629
Company Income Tax paid	(1,315)	(24,132)
<b>Net cash provided by operating activities</b>	<b>170,107</b>	<b>(9,504)</b>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(21,305)	(32,707)
Purchase of Intangible Assets	(11,474)	(16,377)
Purchase of Listed Equities	-	-
Investment income and other receipts	0	1,479
Unlisted AFS Disposed	-	-
<b>Net Cash provided by investing activities</b>	<b>(32,779)</b>	<b>(47,605)</b>
Cash Flows from Financing Activities		
Proceeds from borrowings	-	-
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>-</b>
Net Increase/(decrease) in cash and cash equiv.		
Cash and Cash equivalent at the beginning	131,442	188,551
Net increase/decrease in cash and cash equivalents	137,328	(57,109)
<b>Cash and Cash equivalent at the end of period</b>	<b>268,770</b>	<b>131,442</b>



UNIVERSAL INSURANCE PLC  
COMPUTATION OF SOLVENCY MARGIN

AS AT 30 June 2020

	TOTAL	Inadmissible	Admissible
	N'000	N'000	N'000
<b>1 ASSETS</b>			
Cash and bank balances	268,770		268,770
Financial Assets - Quoted	1,329,993		1,329,993
Financial Assets - Unquoted	-	-	-
Trade Receivable	309,405		309,405
Reinsurance Assets	576,490		576,490
Deferred Acquisition cost	231,818		231,818
Deferred tax assets	403,685	403,685	0
Other Receivable	346,602	162,091	184,511
Investment in Subsidiaries	2,449,516	778,937	1,670,579
Investment Properties	1,886,000	816,000	1,070,000
Intangible Asset	60,193	55,242	4,950
Property, Plant and Equipment	2,687,266	2,587,216	100,050
Statutory Deposits	335,000		335,000
<b>A</b>	<b>10,884,740</b>	<b>4,399,486</b>	<b>6,081,568</b>
<b>LIABILITIES</b>			
Insurance Contract Liabilities	1,819,797		1,819,797
Trade payable	80,118		80,118
Other payable	102,087		102,087
Employee benefit liability	-		-
Income Tax liabilities	24,489		24,489
Deferred tax liabilities	296,875	296,875	0
<b>B</b>	<b>2,323,365</b>	<b>296,875</b>	<b>2,026,490</b>
<b>Excess of total admissible assets over admissible liabilities (A - B)</b>			<b>4,055,078</b>
Higher of:			
Gross premium written			1,484,173
Less: Reinsurance expenses			(254,620)
<b>Net Premium</b>			<b>1,229,553</b>
<b>15% of Net Premium</b>	<b>C</b>		<b>184,433</b>
<b>Solvency Margin</b>	<b>D</b>		<b>4,055,078</b>
<b>Minimum Paid up Capital</b>	<b>E</b>		<b>3,000,000</b>
<b>Excess of solvency margin over minimum capital base</b>			<b>1,055,078</b>

Universal Insurance Plc  
Notes to the financial statements  
For the PERIOD ended 30 June 2020

1 **General Information:**

The financial statements of the Company for the period ended 30 June 2020 were authorised for issue in accordance with a resolution of the Directors.

The Company is a public limited company incorporated and domiciled in Nigeria. The corporate head office is located at 8, Gbagada Expressway, Anthony, Lagos.

The Company is principally engaged in the business of providing risk underwriting, related financial services 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.

3 **Critical accounting estimates and judgements:**

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the period.

Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3. (i) **Fair value of financial assets:**

Financial assets are deemed to be impaired when there has been a significant or prolonged decline in the fair value below its cost.

This determination of what is significant or prolonged requires judgement. In making this judgement, group evaluates the normal volatility

in share price, the financial health of the investee industry and sector performance, technological changes and cash flow among other factors

*Valuation techniques.*

The fair value of financial instruments where no active market exists or where quoted prices are not available are determined by using

In these cases, the fair values are estimated from observable data derived for that instrument and valued in the case of the group, by applying the ruling exchange rate at close of business.

3. (ii) **Liabilities arising from insurance contract:**

Liabilities for unpaid claims are estimated on case by case basis. The reserves made for claims fluctuate based on the nature and severity of the claim reported.

Claims incurred but not reported (IBNR) are determined using statistical analyses. The group believes that the reserves are adequate for the period.

4 **Insurance and Financial risks management**

The Company issues contracts that transfer insurance risk or financial risk or both.

4.1 **Insurance Risks management**

The Company accepts insurance risk through its insurance contracts and certain investments contracts where it assumes the risk of loss from persons or organisations to the underlying loss. The Company is exposed to the uncertainty surrounding the timing.

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

The Company writes general insurance businesses. The most significant risks arise from persistency, longevity, morbidity, expense variations and investment returns. Concentration of risk may arise from geographic regions, epidemics, accumulation of risks and market risk.

4.2 **Financial Risk Management**

The company monitors and manages the financial risks relating to the operations of the company through internal risk reports magnitude of risks.

These risks include:

- Market risk
- Credit risk
- Liquidity risk

4.2.1 **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 risks.

**Interest rate risk management**

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate 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 company 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.

4.2.2 **Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to honour its obligations and cause the Company to incur a financial loss.

The Company has adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Credit exposure is controlled by counterparty limits that are reviewed and approved by the Risk Management Committee annually.



4.2.3 Liquidity risk

Liquidity risk is the risk that the Company cannot meet its obligations associated with financial liabilities as they fall due. The Company has adopted an appropriate liquidity risk management framework for the management of the Company's liquidity requirements. The Company manages liquidity risk by maintaining banking

and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of assets and liabilities.

The Company is exposed to liquidity risk arising from clients on its insurance contracts.

In respect of catastrophic events, there is liquidity risk from a difference in timing between claim payments and recoveries thereon from reinsurers.

Liquidity management ensures that the Company has sufficient access to funds necessary to cover insurance claims, and maturing liabilities. The Company's marketable securities which could be converted into cash when required.

4.3 Impairment assessment (Policy applicable from 1 January 2019)

The Company's ECL assessment and measurement method is set out below.

Significant increase in credit risk, default and cure

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers that there has been a significant increase in credit risk when any contractual payments are more than 30 days past due. In addition, the Company also considers a variety of instances that may indicate unlikelihood to pay by assessing whether there has been a significant increase in credit risk. Such events include:

The Company's process to assess changes in credit risk is multi-factor and has three main elements (or 'pillars'):

Quantitative elements

The quantitative element is the primary indicator of significant increases in credit risk, with the qualitative element playing a secondary role. The quantitative element is calculated based on the change in lifetime PDs by comparing:

- the remaining lifetime PD as at the reporting date; with

- the remaining lifetime PD for this point in time that was estimated based on facts and circumstances at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations)

Qualitative elements

In general, qualitative factors that are indicative of an increase in credit risk are reflected in PD models on a timely basis and thus are included in the quantitative assessment and not in a separate qualitative assessment. However, if it is not possible to include all current information about such qualitative factors in the quantitative assessment, they are considered separately in a qualitative assessment as to whether there has been a significant increase in credit risk. If there are qualitative factors that indicate an increase in credit risk that have not been included in the calculation of PDs used in the quantitative assessment, the Company recalibrates the PD or otherwise adjusts its estimate when calculating ECLs.

Backstop indicators

Instruments which are more than 30 days past due or have been granted forbearance are generally regarded as having significantly increased in credit risk and may be credit-impaired. There is a rebuttable presumption that the credit risk has increased significantly if contractual payments are more than 30 days past due; this presumption is applied unless the Company has reasonable and supportable information demonstrating that the credit risk has not increased significantly since initial recognition.

During the year, there has been no significant increase in credit risk on the financial asset of the company. However, a Corporate bond held by the company defaulted during the year and was considered credit impaired individually using lifetime PD.

Expected credit losses

The Company assesses the possible default events within 12 months for the calculation of the 12mECL and lifetime for the calculation of LTECL. Given the investment policy, the probability of default for new instruments acquired is generally determined to be minimal and the expected loss given default ratio varies for different instruments. In cases where a lifetime ECL is required to be calculated, the probability of default is estimated based on economic scenarios.

4.4 Impairment assessment (Policy applicable from 1 January 2020)

Amounts arising from ECL

Inputs, assumptions and techniques used for estimating impairment.

Where external credit ratings are not available, the Company allocates each exposure to a credit risk grade based on data that is

determined to be predictive of the risk of default (including but not limited to the audited financial statement, management accounts and cashflow projections, available regulatory and press information about the borrowers and apply experiences credit judgement.

Credit risk grades are defined by using qualitative and quantitative factors that are indicative of the risk of default and are aligned with the external credit rating definition from Moody's and standards and Poor.

The Company has assumed that the credit risk of a financial asset has not increased significantly since the initial recognition if the financial asset has low credit risk at reporting date.

The company considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade".

As a back stop, the Company considers that a significant increase in credit risk occurs no later than when the asset is more than 30 days past due.

- The criteria do not align with the point in time when the asset becomes 30 days past due;
- The average time between the identification of a significant increase in credit risk and default appears reasonable
- Exposures are not generally transferred from 12-month ECL measurement to credit impaired and
- There is no unwarranted volatility in loss allowance from transfers between 12-month ECL and Lifetime ECL measurement.

Days past due are determined by counting the numbers of days since the earliest elapsed due date in respect of which full payments has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

The Company monitors the effectiveness of the criteria used to identify significant increase in credit risk by regular reviews to confirm that:

- The criteria are capable of identifying significant increase in credit risk before an exposure is in default;

Modified financial assets

The contractual terms of a financial asset may be modified for a number of reasons, including changing market conditions and other factors not related to a current or potential credit deterioration of the borrower. An existing financial asset whose terms have been modified may be derecognized and the renegotiated asset recognized as a new financial asset at fair value in accordance with the accounting policies. When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects a comparison of:

- Its risk of default occurring at the reporting date based on the modified term; with

The risk of default occurring estimated based on data on initial recognition and The original contractual terms.

Definition of default

A default is considered to have occurred with regard to a particular obligor when either or both of the two following events have taken place.

- The Company considers that the obligor is unlikely to pay its credit obligations to the Company in full, without recourse by the insurer to actions such as realising security (if held).
- The obligor is past due more than 90 days on any material credit obligation to the Company.

The elements to be taken as indications of unlikelihood to pay include:

- The insurer puts the credit obligation on non-accrued status.
- The insurer makes a charge-off or account-specific provision resulting from a significant perceived decline in credit quality subsequent to the bank taking on the exposure.
- The insurer sells The credit obligation at a material credit-related economic loss.
- The insurer consents to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness, or postponement, of principal, interest or (where relevant) fees

4.4.1 Analysis of inputs to the ECL model under multiple economic scenarios

An overview of the approach to estimating ECLs is set out in Note 2.11.4 Summary of significant accounting policies and in Note 2.5 Significant accounting judgements, estimates and assumptions.

To ensure completeness and accuracy, the company obtains the data used from third party sources (Central Bank of Nigeria, Trading Economics e.t.c.). The following tables set out the key drivers of expected loss and the assumptions used for the company's base case estimate, ECLs based on the base case, plus the effect of the use of multiple economic scenarios as at 30 June 2019 and 30 June 2020.

4.4.2 Analysis of inputs to the ECL model under multiple economic scenarios-continued

The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations. The figures for "Subsequent years" represent a long-term average and so are the same for each scenario.

Key drivers	ECL scenario	Assigned probability	2020	2021	2022	2023	2024
30-Jun-20 Inflation Rate	Upturn	10%	15.0	14.1	14.1	14.1	14.0
	Base-case	79%	15.8	14.9	14.9	14.9	14.8
	Downturn	11%	16.8	15.9	15.9	15.9	15.8
Unemployment Rate	Upturn	10%	13.1	13.1	13.1	13.1	15.4
	Base-case	79%	15.6	15.0	15.0	15.0	17.3
	Downturn	11%	16.9	16.9	16.9	16.9	19.2
Crude oil Price (USD per barrel)	Upturn	10%	56.1	56.9	56.9	56.9	54.5
	Base-case	79%	53.1	54.3	54.3	54.3	51.9
	Downturn	11%	51.2	52.0	52.0	52.0	49.6
1-Jan-20 Inflation Rate	ECL scenario	Assigned probability	2019	2020	2021	2022	2023
	Upturn	10%	14.0	15.0	14.1	14.1	13.2
	Base-case	78%	14.8	15.6	14.9	14.9	14.0
Unemployment Rate	Upturn	10%	15.4	13.1	13.1	13.1	16.9
	Base-case	78%	17.3	15.6	15.0	15.0	18.8
	Downturn	12%	19.2	16.9	16.9	16.9	20.7
Crude oil Price (USD per barrel)	Upturn	10%	54.5	56.1	56.9	56.9	52.7
	Base-case	78%	51.9	53.1	54.3	54.3	50.1
	Downturn	12%	49.6	51.2	52.0	52.0	47.8

The following tables outline the impact of multiple scenarios on the allowance:

30 June 2020 In thousand of Nigerian Naira	Other receivables from related parties	Placements	Statutory deposit	Staff loans	Current account balances	Other receivables (For Subsidiary)	Bank balances (for subsidiary)
Upside	1,220,725	-	14,276	9,327	43,618	1,220,726	-
Base	9,867,533	-	115,396	75,389	35,736	9,867,533	-
Downside	1,322,452	-	15,466	10,104	30,761	1,322,452	-
<b>Total</b>	<b>12,410,710</b>	<b>-</b>	<b>145,137</b>	<b>94,820</b>	<b>110,115</b>	<b>12,410,711</b>	<b>-</b>

1 January 2020 In thousand of Nigerian Naira	Other receivables from related parties	Placements	Statutory deposit	Staff loans	Current account balances	Other receivables (For Subsidiary)	Bank balances (for subsidiary)
Upside	271,958	56,080	18,051	169,967	56,666	7,181,776	236
Base	2,198,328	453,315	145,915	1,373,897	458,052	58,052,686	1,909
Downside	294,621	60,754	19,556	184,131	61,388	7,780,257	256
<b>Total</b>	<b>2,764,907</b>	<b>570,149</b>	<b>183,522</b>	<b>1,727,995</b>	<b>576,106</b>	<b>73,014,719</b>	<b>2,401</b>

4.4.3 Exposure to credit risk

The tables below show the maximum exposure to credit risk by class of financial asset.

In thousand of Nigerian Naira For the year ended 30 June 2020	Note	Maximum Exposure N'000	Associated ECL(2020)
Current account balances		-	110
Placements with Banks		-	-
Staff loans		-	95
Statutory deposit		-	145
Other receivables (For Subsidiary)		225,746	12,411
Bank balances (for subsidiary)		1,637	-
Other receivables from related parties		-	12,411
<b>Total financial asset at amortized cost</b>		<b>227,383</b>	<b>25,172</b>

In thousand of Nigerian Naira For the year ended 30 June 2020	Note	Maximum Exposure N'000	Associated ECL(2019)
Current account balances		392,827	576
Placements with Banks		26,795	570
Staff loans		7,592	1,728
Statutory deposit		335,000	184
Other receivables (For Subsidiary)		235,531	73,015
Bank balances (for subsidiary)		1,649	2
Other receivables from related parties		35,960	2,765
Other receivables (rent receivables)		-	-
<b>Total loans and receivables</b>		<b>1,035,354</b>	<b>78,840</b>

The amount reported above is the gross exposure on cash and cash equivalent, staff loans and other receivables.

In measuring credit risk of other receivables to various counterparties, the Company considers the character and capacity of the obligor to pay or meet contractual obligations, current exposures to the counter party/obligor and its likely future developments, credit history of the counterparty/obligor; and the likely recovery ratio in case of default obligations.

4.4.4 Analysis of risk Concentration

The company's concentrations of risk are managed by client/counterparty, and industry sector. The maximum credit exposure to any client or counterparty as of 30 June 2020 was N710686 million (2018: N1.035 billion).



4.4.5 Analysis of risk Concentration

The following table shows the risk concentration by industry for the components of the statement of financial position.

Industry analysis					
30 June 2020					
<i>In thousands of Nigerian Naira</i>					
	Individuals	Financial services	Government	Others	Total
Cash and Cash Equivalent	-	1,637	-	-	1,637
Other Receivables	-	-	-	-	-
Trade receivable- Receivable from sub	-	-	-	225,746	225,746
	-	1,637	-	225,746	227,383
30 June 2019					
<i>In thousands of Nigerian Naira</i>					
	Individuals	Financial services	Government	Others	Total
Cash and Cash Equivalent	-	756,271	-	-	756,271
Other Receivables	7,592	-	-	35,960	43,552
Trade receivable- Receivable from sub	-	-	-	235,531	235,531
	7,592	756,271	-	271,491	1,035,354

5 Capital Management

The Company manages its capital to ensure that the Company will be able to continue as a going concern and comply with the regulators' capital requirements of the markets in which the Company operates while maximising the return to stakeholders through the optimisation 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. Reinsurance is also used as part of capital management.

6 Cash and Cash Equivalent

This comprises of:

Cash In Hand  
Current Account Balances  
Placement with banks

Allowance for Impairment Losses

COMPANY		
	30-06-2020	30-06-2019
	N'000	N'000
Cash In Hand	123,751	56,431
Current Account Balances	105,076	50,561
Placement with banks	40,199	25,780
	269,025	132,772
Allowance for Impairment Losses	(255)	(1,330)
	268,770	131,442

6.2 Impairment Allowance For Current Account (COMPANY)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to current account balances is as follows:

<i>In thousands of Nigerian Naira</i>	Stage 1 individual	individual	Stage 3	N'000
Gross carrying amount as at 1 January 2020		391,209	-	391,209
New assets originated or purchased		105,076	-	105,076
Payments and assets derecognized or repaid (excluding write	(391,209)	-	-	(391,209)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to modifications not	-	-	-	-
Accrued interest	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 30 June 2020	105,076	-	-	105,076

6.2.1 Impairment allowance for current account balances - continued

<i>In thousands of Nigerian Naira</i>	Stage 1 individual	individual	Stage 3	N'000
ECL allowance as at 1 January 2020 under IFRS 9	760	-	-	760
New assets originated or purchased	110	-	-	110
Payment and assets derecognized or repaid (excluding write offs)	(615)	-	-	(615)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to modifications not	-	-	-	-
Impact on year end ECL of exposures transferred between	-	-	-	-
Changes to models used for ECL calculations	-	-	-	-
Changes to estimates and assumptions used for ECL	-	-	-	-
Unwind of discount	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 30 June 2020	255	-	-	255

6.2.2 Analysis of changes in the gross carrying of Placements with bank during the year

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to placements with banks is as follows:

<i>In thousands of Nigerian Naira</i>	Stage 1 individual	individual	Stage 3	N'000
Gross carrying amount as at 1 January 2020	26,796	-	-	26,796
New assets originated or purchased	40,199	-	-	40,199
Payments and assets derecognized or repaid (excluding write	(26,796)	-	-	(26,796)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to modifications not	-	-	-	-
Accrued interest	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 30 June 2020	40,199	-	-	40,199

6.2.3 Impairment allowance for placements with bank

<i>In thousands of Nigerian Naira</i>	Stage 1 individual	individual	Stage 3	N'000
ECL allowance as at 1 January 2020 under IFRS 9	570	-	-	570
New assets originated or purchased	-	-	-	-
Payment and assets derecognized or repaid (excluding write offs)	(570)	-	-	(570)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to contractual cash flows due to modifications not	-	-	-	-
Impact on year end ECL of exposures transferred between	-	-	-	-
Changes to models used for ECL calculations	-	-	-	-
Changes to estimates and assumptions used for ECL	-	-	-	-
Unwind of discount	-	-	-	-
Transfers to Stage 3	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 30 June 2020	-	-	-	-

6.3 Reconciliation of ECL Impairment allowance

	COMPANY	
	30-06-2020	30-06-2019
	N'000	N'000
Opening balance as at January 1	1,330	-
Increase/(decrease) during the year ( Note 31 (ii))	(1,075)	1,330
Closing balance as at June 31	<u>255</u>	<u>1,330</u>

7 Financial asset

	COMPANY	
	30-06-2020	30-06-2019
	N'000	N'000
<u>Equity instrument at fair value through profit or loss</u>		
-Mandatorily measured at FVPL	1,329,993	612,182
<u>Equity instrument at fair value through OCI</u>	-	2,245,971
Total Equity instruments	<u>1,329,993</u>	<u>2,858,153</u>
Current	612,182	612,182
Non-current	717,811	2,245,971

(a) Financial assets at fair value through profit or loss

	COMPANY	
	30-06-2020	30-06-2019
	N'000	N'000
<i>Listed Equity securities</i>		
Balance as at January 1	1,329,993	617,215
Addition during the year	-	-
Reclassification from FVOCI ( MTN shares- Note 7(b))	-	-
Disposal during the year	-	-
Fair value gain/(loss)	-	(5,033)
Foreign Exchange gain/(loss)	-	-
Net impairment gain/(loss)	-	-
Balance as at 31 December	<u>1,329,993</u>	<u>612,182</u>

Previous fair value gain reserve of N418.156m related to the sum of N1,086,750 reclassified to FVTPL. This amount has been subsequently reclassified to profit or loss.

(b) Financial Assets

	COMPANY	
	30-06-2020	30-06-2019
	N'000	N'000
<i>Unlisted Equity securities</i>		
Balance as at January 1	-	2,238,842
Addition during the year	-	-
Reclassification to FVTPL ( MTN shares- Note 7(a))	-	-
Disposal during the year	-	-
Fair value gain/(loss)	-	7,128
Foreign Exchange gain/(loss)	-	-
Net impairment gain/(loss)	-	-
Balance as at 30 June	<u>-</u>	<u>2,245,970</u>

Investment in MTN was converted to Quoted Investment in the year. Fair value gain/(loss) is posted to the Account

(b.1) Returns on MTN shares

	=N=
2020	-
2019	16,740
2018	20,890

8 Trade Receivables

	30-06-2020	30-06-2019
	N'000	N'000
Insurance receivables	309,405	10,931
Other receivables (From subsidiary)	-	-
Impairment on Subsidiary	-	-
	<u>309,405</u>	<u>10,931</u>

8.1 Age Analysis of Trade receivables

	30-06-2020	30-06-2019
Within 30 days	309,405	10,931
Above 30 days	-	-
	<u>309,405</u>	<u>10,931</u>

8.2 Premium receivable from agents, brokers and intermediaries

	30-06-2020	30-06-2019
Due from agents	-	-
Due from brokers	12,589	5,130
Due from insurance companies	296,816	72,164
Due from insurance companies	-	-
	<u>309,405</u>	<u>77,294</u>

8.3 Movements on the allowance for impairment of receivables arising out of direct insurance arrangements are as follows:

At beginning of year JANUARY 1	-	-
Provision for impairment	-	-
Amount written off during the year as uncollectible	-	-
At end of year (30 June 2020)	<u>-</u>	<u>-</u>

9 Reinsurance Assets

	30-06-2020	30-06-2019
	N'000	N'000
Reinsurance Share of UPR	182,586	65,561
Reinsurance Share of Outstanding Claims	258,292	131,624
Reinsurance Share of IBNR	-	20,117
Total Reinsurance Assets	<u>440,878</u>	<u>217,302</u>
Prepaid Minimum and Deposit (M&D) on Oil & Gas	135,613	76,233
	<u>576,490</u>	<u>293,535</u>

9.1	Movements in Reinsurance share of UPB		
	At the beginning of the year	65,560	46,165
	Increase/(Decrease) during the year	109,890	19,395
	Balance at the end of the year	<u>175,450</u>	<u>65,560</u>
9.2	Movement in Reinsurance Share of outstanding Claims		
	Balance at the beginning of the year	131,624	232,030
	Increase/(Decrease) during the year	2,254	(100,406)
	Balance at the end of the year	<u>133,878</u>	<u>131,624</u>
9.3	Movement in Reinsurance Share of IBNR		
	Balance at the beginning of the year	20,117	75,408
	Increase/(Decrease) during the year	104,297	(55,291)
	Allowance for impairment	-	-
	Balance at the end of the year	<u>124,414</u>	<u>20,117</u>
9.4	Movement in Reinsurance Share of Prepaid (M&D)		
	Balance at the beginning of the year	19,764	21,900
	Increase/(Decrease) during the year	(7,299)	(2,136)
	Balance at the end of the year	<u>12,465</u>	<u>19,764</u>

There were no indicators of impairments for re-insurance assets as balance are set-off against payable from retrocession at the end of every quarter  
Reinsurance receivables are to be settled on demand and the carrying amount is not significantly different from the fair value

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

	30-06-2020	30-06-2019
	N'000	N'000
Motor	14,917	10,602
Fire	136,320	28,501
General accident	25,901	19,185
Bond	(1,201)	4,557
Engineering	(2,043)	4,297
Oil & Gas	34,068	41,315
Aviation	6,327	5,972
Marine	17,530	7,758
Additional (DCA) per actuarial Valuation Report	-	-
	<u>231,818</u>	<u>122,187</u>

10.1 Movement in deferred acquisition cost

At beginning of year	122,185	65,067
Changes during the year	109,633	57,118
At end of year	<u>231,818</u>	<u>122,185</u>
Due within 12 months	231,818	122,185
Due after more than 12 months	-	-

11 Other Receivables, Prepayments

The balance is analysed as follow:

Prepayments	307,528	370,595
Due from Related Parties	48,120	35,660
Staff Debtors	8,404	5,668
Staff Share Loan	-	1,598,942
Deposit for properties (reclassified from inv.	720,000	720,000
Other receivables	3,725	3,223
	<u>1,087,777</u>	<u>2,734,088</u>
Impairment of due from related parties	(1,950)	(2,765)
Impairment Charges on Staff loan	(530)	(1,728)
Impairment of other loans and receivables	<u>(738,695)</u>	<u>(738,695)</u>
	346,602	1,990,900

Current	346,602	391,958
Non-current	-	1,598,942

Movement in staff share loan

	COMPANY	
	30-06-2020	30-06-2019
	N'000	N'000
Balance as at January 1	1,598,942	-
Addition during the year	-	-
Prepayment during the year	-	-
Reclassified due to African	-	-
Alliance Insurance Plc (Note 20.1(a))	(1,598,942)	-
Accrued Interest on staff share loan	-	-
Impairment loss	-	-
Balance as at 30 June	<u>-</u>	<u>-</u>

11.1 Inventories

Stock of raw materials

	-	-
	<u>-</u>	<u>-</u>
	<u>346,602</u>	<u>1,990,900</u>



11.2	Prepayments		
	Other Receivable	87,752	30,597
	Prepaid Rent	89,948	252,775
	Recapitalization Expenses	97,000	51,000
	Interest Payables(Lease)	32,387	32,380
	FIRS WTH A/C	441	3,843
		<u>307,528</u>	<u>370,595</u>
11.3	Staff Debtors		
	Prepaid Staff Peronal Loan	4,148	7,592
11.3.1	Movement in staff Debtors	30-06-2020	30-06-2019
		N'000	N'000
	Balance as at January 1		
	Addition in the year	7,592	5,511
	Interest earned during the year	7,321	7,036
	Repayments during the year	204	255
	Balance as at 30 June	<u>(10,969)</u>	<u>(5,210)</u>
		4,148	7,592

In June 2008, Universal Insurance Plc paid for 20 units of Houses to be developed by Minaj Holdings Limited in the Vine Garden Estate Abuja. Commencement of this project is doubtful. Effort is being made to recover the fund as development of the property is no longer feasible. Minaj Holdings Limited, (the developer) have confirmed that the project was stalled and Union Bank of Nigeria eventually sold the debt to the Asset Management Corporation of Nigeria (AMCON). Universal Insurance Plc have registered their interest with AMCON and is waiting response while still in discussion with Minaj Holdings Limited. This amount has been fully provided for in the financial statement.

12	Investment in subsidiaries	30-06-2020	30-06-2019
	This comprises of investment in:	N'000	N'000
	Universal Hotels Limited (Note 12(i))	2,449,516	2,451,741
	Impairment charge on Universal Hotel	-	-
	Investment in subsidiaries	<u>2,449,516</u>	<u>2,451,741</u>

12 (i) Universal Hotels Limited

The company was established to carry on the business of providing hotel, accommodation, tourist and hospitality activities. Universal Insurance Plc has 100% investments in the company.

		30-06-2020	30-06-2019
		N'000	N'000
13	Investment properties		
	Oyigbo Garden Avenue estate	530,000	524,000
	Rumudumu For Model Estate	816,000	816,000
	UHE Complex	-	-
	Others ( Nigeria Cement company; Progress Bank Ltd; Nigeria Tobacco Ltd; Ferdinand Oil Ltd)	-	-
	Molit Mall	540,000	535,000
		<u>1,886,000</u>	<u>1,875,000</u>
	Impairment loss on investment properties	-	-
		<u>1,886,000</u>	<u>1,875,000</u>

The properties of the Company at Oyigbo Garden Estate and Rumudumu For Model Estate were revalued on December 31,2019 by A.C.Otegbulu & Partners, Estate Surveyors & Valuers (FRC/2013/NIESV/00000001582) to ascertain the open market value of the Investment Properties. The fair value gain/(loss) on the investment properties wer recognised in the Statement of Comprehensive Income for the period. Investment properties represent buildings and un-developed landed properties acquired for subsequent disposal in the near future and not occupied substantially by the company or members of the group of the holding company. They are not subjected to periodic charges for depreciation. Valuation was carried out at point of purchase and this value has been carried at transition as fair value of the investment with provision made for impairment on Vine Estate investment as project development is yet to commence. Other investments have been fully provided for under NGAAP.

	Balance as at Jan 1	Addition	Disposal	Reclassi fication	Transfer	Revalua tion Gain	Balance as December	Status in Title
13.a	Movement of Assets							
	1 Oyigbo Garden Avenue Estate	524,000	-	-	-	16,000	540,000	Yes
	2 Rumudumu For Model Estate	816,000	-	-	-	-	816,000	NO
	3 Molit Mall	535,000	-	-	-	5,000	540,000	Yes
	Total	<u>1,875,000</u>	-	-	-	<u>21,000</u>	<u>1,896,000</u>	

13.b Assets In The Name of Conau Limited:

	30-06-2020	30-06-2019
	N'000	N'000
	Amount	Amount
Rumudumu Model Estate Portharcourt	816,000	816,000

These assets were introduced by Conau Limited in 2007 during the recapitalisation exercise, with deeds assigning the properties to Universal Insurance Plc

Status of Perfection of Title:

The firm of IBOM Partners, a firm of attorneys, solicitors, fraud examiners & legal consultants have been appointed to commence the process of perfecting the title to the properties in the name of Universal Insurance Plc.

14 INTANGIBLE ASSETS(2020)

14.a Intangible Assets(2020)

	COMPANY	
	30-06-2020	30-06-2019
	N'000	N'000
Cost		
Balance, beginning of period	92,259	66,883
Additions	11,474	16,377
Transferred from PPE (Computer)	-	-
Balance, end of period	<u>103,733</u>	<u>83,260</u>
Accumulated amortisation		
Balance, beginning of period	37,016	23,969
Amortisation expense/impairment charge	6,524	4,330
Transferred from PPE (computer)	-	-
Balance, end of period	<u>43,540</u>	<u>28,299</u>
Net book amount		
End of period	<u>60,193</u>	<u>54,961</u>



The intangible assets of the company comprised of computer software. The computer softwares are accounted for using the cost model of IAS 38 i.e. cost less accumulated amortization and less accumulated impairment. The amortization is charged to the income statement in line with the Company's policy.

14.b INTANGIBLE ASSETS(2020)

	COMPANY	
	30-06-2020 N'000	30-06-2019 N'000
Cost		
Balance, beginning of period	36,989	28,259
Additions	29,894	8,730
Transferred from PPE (Computer)	-	-
Balance, end of period	66,883	36,989
Accumulated amortisation		
Balance, beginning of period	16,439	10,891
Amortisation expense/impairment charge	7,530	5,548
Transferred from PPE (computer)	-	-
Balance, end of period	23,969	16,439
Net book amount		
End of period	42,914	20,550

PROPERTY PLANTS AND EQUIPMENTS

15.c(i) COMPANY (2020)

	Land	Building	Plant & Machinery	Furniture and Fittings	Motor Vehicles	Computer Hardware	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost/Revalued amount							
Balance, beginning of period	257,500	3,103,175	33,987	129,679	343,251	28,501	3,896,092
Additions during the year	-	-	7,120	1,567	12,400	218	21,305
Disposals	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Balance, end of period	257,500	3,103,175	41,107	131,246	355,651	28,719	3,917,397
Accumulated depreciation							
Balance, beginning of period	-	773,459	13,972	80,553	287,968	10,116	1,166,066
Charge for the year	-	31,032	1,521	2,706	27,402	1,403	64,064
On Disposal	-	-	-	-	-	-	-
Balance, end of period	-	804,491	15,493	83,258	315,370	11,519	1,230,131
Netbook value as at 30 June 2020	257,500	2,298,684	25,614	47,988	40,281	17,200	2,687,266
Netbook value as at 1 JANUARY 2020	257,500	2,329,716	20,015	49,127	55,283	18,385	2,730,026

15.c(ii) Movement in Land & Building (Company)

	Balance as at Jan 1	Addition	Disposal	Reclassification	Transfer	Revaluation Gain	Depreciation	Balance as at 30 June
Property at Ridgeway Station Road Enugu	390,920	-	-	-	-	-	10,114	380,806
Property at New Owerri Road Behind CBN, Owerri	1,016,712	-	-	-	-	-	25,956	990,756
Property at no 2 Emole Street Enugu	77,285	-	-	-	-	-	2,010	75,275
49A,50A,51A,52A and 53A city Layout Enugu	623,505	-	-	-	-	-	16,100	607,405
Eliowahani Shell estate, Obior Akpor LGA, Portharcourt	283,358	-	-	-	-	-	7,114	276,244
Land at Awka ,Anambra State	257,500	-	-	-	-	-	-	257,500
Total	2,649,280	-	-	-	-	-	61,294	2,587,986

15.d(i) COMPANY(2019)

	Land	Building	Plant & Machinery	Furniture and Fittings	Motor Vehicles	Computer Hardware	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost/Revalued amount							
Balance, beginning of period	257,000	3,103,175	25,888	115,586	336,151	22,260	3,860,060
Additions during the year	-	-	11,168	16,970	2,000	2,569	32,707
Disposals	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Balance, end of period	257,000	3,103,175	37,056	132,556	338,151	24,829	3,892,767
Accumulated depreciation							
Balance, beginning of period	-	711,395	10,929	75,141	233,163	7,309	1,037,937
Accumulated depreciation: Land	-	(15,476)	-	-	-	-	(15,476)
Charge for the year	-	41,508	1,263	2,540	16,993	2,344	64,648
On Disposal	-	-	-	-	-	-	-
Balance, end of period	-	737,427	12,192	77,681	250,156	9,653	1,087,109
Netbook value as at 30 June 2019	257,000	2,365,747	24,864	54,875	87,995	15,176	2,805,658
Netbook value as at 1 JANUARY 2019	257,000	2,391,779	14,959	40,445	102,988	14,951	2,822,123

15.d(ii) Movement in Land & Building (Company)

	Balance as at Jan 1	Addition	Disposal	Reclassification	Transfer	Revaluation Gain	Depreciation	Balance as at 30 June
Property at Ridgeway Station Road Enugu	401,034	-	-	-	-	-	10,114	390,920
Property at New Owerri Road Behind CBN, Owerri	1,043,438	-	-	-	-	-	26,726	1,016,712
Property at no 2 Emole Street Enugu	79,295	-	-	-	-	-	2,010	77,285
49A,50A,51A,52A and 53A city Layout Enugu	639,608	-	-	-	-	-	16,100	623,508
Eliowahani Shell estate, Obior Akpor LGA, Portharcourt	290,472	-	-	-	-	-	7,114	283,358
Land at Awka ,Anambra State	257,500	-	-	-	-	-	-	257,500
Total	2,711,347	-	-	-	-	-	62,064	2,649,283

16 STATUTORY DEPOSIT

	30-06-2020 N'000	30-06-2019 N'000
Statutory deposit	335,000	335,000
Total	<u>335,000</u>	<u>335,000</u>
Non-current		

Statutory deposit represents the amount deposited with the Central Bank of Nigeria in accordance with Section 10 (3) of the Insurance Act 2003.

17 Insurance Contract Liabilities

	30-06-2020 N'000	30-06-2019 N'000
Aggregate Insurance Contract Liabilities		
Unearned Premium	1,331,474	660,537
Outstanding Claims	443,930	524,532
IBNR	44,393	52,453
Total	<u>1,819,797</u>	<u>1,237,522</u>

17.(i) Insurance Contract Liabilities

	30-06-2020 N'000	30-06-2019 N'000
Movement in Unearned Premium (UPR)		
Balance as at January 1	532,451	223,384
Increase/(Decrease) during the year	15,403	309,067
Balance as at 30 June	<u>547,854</u>	<u>532,451</u>
Movement in Outstanding Claims		
Balance as at January 1	390,202	500,924
Increase/(Decrease) during the year	(80,775)	(110,722)
Balance as at 30 June	<u>309,427</u>	<u>390,202</u>
Movement in IBNR		
Balance as at January 1	95,526	62,967
Increase/(Decrease) during the year	143,242	32,559
Balance as at 30 June	<u>238,768</u>	<u>95,526</u>

17.a(i) Age Analysis of Outstanding Claims:

	0-90	91-180	181-270	271-360	Above 360	Total
Number of Claimants	38	57	76	95	114	380
	N'000	N'000	N'000	N'000	N'000	N'000
Awaiting Support Documents	9,355	9,353	11,281	17,558	51,686	99,233
Awaiting Settlement decision from Lead Assurers	9,546	11,598	5,568	2,897	14,258	43,867
Claims awaiting Payment	4,215	245	-	-	-	4,460
Total	<u>23,116</u>	<u>21,196</u>	<u>16,849</u>	<u>20,455</u>	<u>65,944</u>	<u>147,560</u>

The latest valuation of the fund was as at 30 June 2020 by Ernest & Young. At that date, the gross book value of the fund was stated above for each of the years. Provision for claims was determined using the inflation adjusted chain ladder method and claims development from 2010 to 2019.

17.a(ii) Cumulative Claims Development table as at June 2020 (stated in N'000)

In addition to the testing, the development of insurance liabilities provided a measure of the claims. The tables below illustrate how the group's estimates

Motor Accident Year	Incremental Chain Ladder--Yearly Projections (N'000)								
	1	2	3	4	5	6	7	8	9
2010	4,014	4,046	3,861	170	-	-	-	-	-
2011	5,422	3,444	938	128	-	42	-	90	56
2012	3,376	5,308	725	-	-	1,500	-	214	-
2013	4,861	3,581	3,220	-	-	-	-	-	-
2014	3,999	8,207	12	-	-	-	-	-	-
2015	9,740	7,273	903	-	591	-	-	-	-
2016	15,504	8,922	711	-	-	-	-	-	-
2017	15,374	11,333	236	-	-	-	-	-	-
2018	24,039	10,082	-	-	-	-	-	-	-
2019	37,497	-	-	-	-	-	-	-	-

Fire Accident Year	Incremental Chain Ladder--Yearly Projections (N'000)								
	1	2	3	4	5	6	7	8	9
2010	1,449	272	99	635	3,500	-	-	-	-
2011	-	70	5,875	-	694	-	-	-	39
2012	237	655	1,913	308	-	-	-	3,678	-
2013	139	2,135	2,496	-	-	-	-	-	-
2014	936	771	91	943	-	-	-	-	-
2015	1,489	457	108	28	-	-	-	-	-
2016	1,575	5,393	1,559	778	-	-	-	-	-
2017	2,430	20,886	10	-	-	-	-	-	-
2018	15,094	1,963	-	-	-	-	-	-	-
2019	11,279	-	-	-	-	-	-	-	-

Marine Accident Year	Incremental Chain Ladder--Yearly Projections (N'000)								
	1	2	3	4	5	6	7	8	9
2010	-	1,731	19	-	-	-	-	-	-
2011	487	3,785	-	-	438	-	-	-	-
2012	1,153	1,640	-	-	-	-	-	-	-
2013	624	255	-	-	-	-	-	-	-
2014	-	3,816	-	-	-	-	-	-	-
2015	1,113	14,681	2,132	-	-	-	-	-	-
2016	622	554	-	-	-	-	-	-	-
2017	4,340	140	-	-	-	-	-	-	-
2018	5,544	12,358	-	-	-	-	-	-	-
2019	2,879	-	-	-	-	-	-	-	-



General Accident		Incremental Chain Ladder--Yearly Projections (N'000)							
Accident Year	1	2	3	4	5	6	7	8	9
2010	1,824	2,115	50	784	68	-	-	-	-
2011	408	6,677	82	-	501	23	-	-	3,187
2012	634	4,574	-	68	12	87	9,013	-	-
2013	7,012	5,580	258	-	-	-	-	-	-
2014	1,893	33,472	438	84	-	-	-	-	-
2015	18,121	6,551	592	112	123	-	-	-	-
2016	18,957	99,572	10,795	144	-	-	-	-	-
2017	12,246	13,470	1,094	-	-	-	-	-	-
2018	35,317	22,542	-	-	-	-	-	-	-
2019	14,310	-	-	-	-	-	-	-	-

Motor		1	2	3	4	5	6	7	8	9
2009	21,221	9,851	270	6	-	-	-	-	-	-
2010	4,014	4,046	3,861	170	-	-	-	-	-	-
2011	5,422	3,444	938	128	-	42	-	90	-	-
2012	3,376	5,308	725	-	-	1,500	-	-	-	-
2013	4,861	3,581	3,220	-	-	-	-	-	-	-
2014	3,999	8,207	12	-	-	-	-	-	-	-
2015	9,740	7,273	903	-	-	-	-	-	-	-
2016	15,504	8,922	711	-	-	-	-	-	-	-
2017	15,374	11,333	-	-	-	-	-	-	-	-
2018	24,039	-	-	-	-	-	-	-	-	-

Fire		1	2	3	4	5	6	7	8	9
2009	12	-	-	-	-	-	-	-	-	-
2010	1,449	272	99	635	-	-	-	-	-	-
2011	-	70	5,875	-	694	-	-	-	-	-
2012	237	655	1,913	308	-	-	-	-	-	-
2013	139	2,135	2,496	-	-	-	-	-	-	-
2014	936	771	91	943	-	-	-	-	-	-
2015	1,489	457	108	28	-	-	-	-	-	-
2016	1,575	5,393	1,559	-	-	-	-	-	-	-
2017	2,430	20,886	-	-	-	-	-	-	-	-
2018	15,094	-	-	-	-	-	-	-	-	-

Marine		1	2	3	4	5	6	7	8	9
2009	1,434	1,565	460	500	4,966	-	2,585	-	-	-
2010	-	1,731	19	-	-	-	-	-	-	-
2011	487	3,785	-	-	438	-	-	-	-	-
2012	1,153	1,640	-	-	-	-	-	-	-	-
2013	624	255	-	-	-	-	-	-	-	-
2014	-	3,816	-	-	-	-	-	-	-	-
2015	1,113	14,681	2,132	-	-	-	-	-	-	-
2016	622	554	-	-	-	-	-	-	-	-
2017	4,340	140	-	-	-	-	-	-	-	-
2018	5,544	-	-	-	-	-	-	-	-	-

General Accident		1	2	3	4	5	6	7	8	9
2009	2,581	3,275	1,316	276	4,462	62	-	-	-	-
2010	1,824	2,115	50	784	68	-	-	-	-	-
2011	408	6,677	82	-	501	23	-	-	-	-
2012	634	4,574	-	68	12	87	9,013	-	-	-
2013	7,012	5,580	258	-	-	-	-	-	-	-
2014	1,893	33,472	438	84	-	-	-	-	-	-
2015	18,121	6,551	592	112	-	-	-	-	-	-
2016	18,957	99,572	10,795	-	-	-	-	-	-	-
2017	12,246	13,470	-	-	-	-	-	-	-	-
2018	35,317	-	-	-	-	-	-	-	-	-

17 b. Hypothecation of investment/assets	30-06-2020	30-06-2020	30-06-2020	30-06-2019	30-06-2019	30-06-2019
	Total Funds N'000	Policy Funds N'000	Shareholder's Funds N'000	Total Funds N'000	Policy Funds N'000	Shareholder's Funds N'000
Cash and Cash Equivalents	268,770	95,000	173,770	419,290	293,227	126,063
Financial Assets: Quoted	1,329,993	833,354	496,639	612,182	591,214	20,968
Financial Assets: UnQuoted	-	-	-	2,245,971	100,000	2,145,971
Trade Receivable	309,405	-	309,405	10,931	-	10,931
Reinsurance Assets	576,490	617,431	(40,941)	237,065	-	237,065
Deferred Acquisition cost	231,818	-	231,818	96,592	-	96,592
Other Receivable	346,602	-	346,602	1,744,652	-	1,744,652
Investment in Subsidiaries	2,449,516	-	2,449,516	2,449,516	-	2,449,516
Investment Properties	1,886,000	274,012	1,611,988	1,875,000	253,081	1,621,919
Intangible Asset	60,193	-	60,193	42,914	-	42,914
Property, Plant and Equipment	2,687,266	-	2,687,266	2,822,622	-	2,822,622
Statutory Deposits	335,000	-	335,000	335,000	-	335,000
Total Assets	10,481,054	1,819,797	8,661,257	12,891,735	1,237,522	11,654,213
Insurance Contract Liabilities	-	1,819,797	-	-	1,237,522	-

18 BORROWINGS

19 Trade payables

Trade payables represent liabilities to agents, brokers and re-insurers on insurance contracts during the year

	COMPANY	
	30-06-2020	30-06-2019
Reinsurance payable	80,118	65,398
Insurance payable	-	-
Other trade creditors	-	-
Balance at year end	80,118	65,398
Current	80,118	65,398

19.(i) Other trade creditors			
Due to Suppliers			
20 Other payables			
This is analysed as follow:	30-06-2020	30-06-2019	
	N'000	N'000	
Due to related parties	14,328	1,613,995	
Provisions and accruals	81,553	81,613	
Rent Received in Advance	6,206	3,149	
	<u>102,087</u>	<u>1,698,757</u>	
Current	102,087	99,089	
Non-current	-	1,599,667	
20.1 Due to related companies			
Conau Limited	-	-	
African Alliance Insurance Plc	-	1,599,667	
Due to other related parties	14,328	14,328	
	<u>14,328</u>	<u>1,613,995</u>	
20.1(a) Due to related parties--African Alliance Insurance Plc			
	COMPANY		
	30-06-2020	30-06-2019	
	N'000	N'000	
Balance as at January 1	1,599,667	-	
Addition during the year	-	-	
Prepayment during the year	-	-	
Reclassification from Staff Share Loan (note 11(b))	(1,598,942)	-	
Gain on cancellation of payables	(725)	-	
Balance as at June 30	<u>-</u>	<u>-</u>	
20.1(b) African Alliance Insurance Plc:			
This is a sister company having common directorship with Universal Insurance Plc. Universal Insurance Plc is not indebted to African Alliance Plc in any form.			
The amount of =N=1,598,942,000 (one billion five hundred and ninety eight million nine hundred and forty two thousand naira only) represents African Alliance Insurance Plc shares warehoused for Universal Insurance Plc staff. However Universal Insurance Plc Staff did not take up the shares. Universal Insurance Plc has written African Alliance to cancel the shares, which African Alliance Plc has accepted. Securities and Exchange Commission (SEC) has approved cancellation based on their letter of "NO OBJECTION" to Vetiva Capital Management Ltd on African Alliance Plc Corporate restructuring of November 18, 2019			
	COMPANY		
	30-06-2020	30-06-2019	
	N'000	N'000	
20.1c Provisions and accruals			
Lease Rentals	-	21,813	
Accrued Expenses	78,900	17,285	
Payable to Associate	4,569	11,517	
	<u>83,469</u>	<u>50,615</u>	
20.1d Rent Received in Advance			
Rent from Molit Mall in Advance	6,206	1,969	
	<u>6,206</u>	<u>1,969</u>	
21 Employee benefit liabilities			
Defined contributory scheme			
The Company runs a defined contributory plan in accordance with the Pensions Reform Act where contributions are made to an approved pension fund administrator. The amount recognised as an expense for defined contribution plan in the income statement is NIL(2019) and N2,178(2018).			
	COMPANY		
	30-06-2020	30-06-2019	
	N'000	N'000	
Staff pension scheme	-	2,178	
Current	-	2,178	
Balance as per January 1	2,178	2,178	
Current Service Cost	-	-	
Payment during the year	(2,178)	-	
Interest Expense	-	-	
Actuarial Re-Measurement	-	-	
Balance as per 30 June	<u>-</u>	<u>2,178</u>	
22 Income tax payable			
	30-06-2020	30-06-2019	
	N'000	N'000	
22.1 Per Profit and Loss Account			
Income Tax	5,392	4,170	
Education Tax	1,078	1,668	
Provision for NITDA Tax	431	417	
	<u>6,902</u>	<u>6,255</u>	
Deferred Taxation	-	-	
Profit and Loss Account	<u>6,902</u>	<u>6,255</u>	
22.2 Per Balance Scheet			
Taxation			
At beginning of year	18,902	32,534	
Charge for the Year	6,902	6,255	
Payment during the Year	(1,315)	(24,132)	
At year end	<u>24,489</u>	<u>14,657</u>	
23 Deferred Tax Liability			
At beginning of year	296,875	700,560	
Derecognised on Reclassification of AFS FA	-	-	
Charged to profit and loss	-	-	
At year end	<u>296,875</u>	<u>700,560</u>	
To be recovered after more than 12 months	296,875	700,560	
To be recovered in 12 months	-	-	



23.a	Deferred Tax Assets		
	Deferred Tax derecognized from the conversion of MTN from unquoted to quoted	403,685	-
		<u>403,685</u>	<u>-</u>
24	EQUITY		
24.1.	Share capital		
	The share capital comprises:	30-06-2020	30-06-2019
		N'000	N'000
	Authorised -		
	30,000,000,000 Ordinary shares of 50k each	<u>15,000,000</u>	<u>8,000,000</u>
	Issued and fully paid -		
	16,000,000,000 Ordinary shares of N0.50k each	8,000,000	8,000,000
24.2.	Share premium		
	Share premium is made up of payments in excess of par value of paid-in capital. This reserve is not ordinarily available for distribution.		
24.3.	Contingency Reserve		
	Balance, beginning of period	484,775	428,667
	Transfer from profit and loss	<u>66,075</u>	<u>36,492</u>
	Balance, end of period	<u>550,850</u>	<u>465,159</u>
	Gross Written Premium	2,202,496	1,216,402
	Percentage Rate for transfer	3%	3%
	Increase in Contingency	66,075	36,492
	In accordance with the Insurance act, a contingency reserve is credited with the greater of 3% of total premiums or 20% of total profits after tax. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium.		
24.4.	Fair Value Reserve		
	This is the net accumulated change in the fair value of available for sale asset until the investment is derecognised or impaired.		
	Balance, beginning of period	6,460	1,583,838
	unquoted equity		-
	Net Fair Value derecognised at reclassification		-
	Balance as at period end	<u>6,460</u>	<u>1,583,838</u>
	Previous fair value gain reserve of N418.156m related to the sum of N1,086,750 reclassified to FVTPL. This amount has been subsequently reclassified to profit or loss.		
24.5.	Revaluation Reserve	30-06-2020	30-06-2019
		N'000	N'000
	Balance, beginning of period	768,329	757,329
	Revaluation Surplus	-	-
	Balance as at period end	<u>768,329</u>	<u>757,329</u>
24.6.	Retained earnings		
	The retained earnings represents the amount available for dividend distribution to the equity holders of the company. See statement of changes in equities for movement in retained earnings.		
24.7	Contingencies and Commitments		
	The Company operates in the Insurance industry and is subject to legal proceedings in the normal course of business. There were 12 (2018 (11)) outstanding legal proceedings against the Company as at 30 June 2020 with claims totalling N718,910,000 ( 2018 N42,325,304.12). While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, professional legal advice showed that there will be no contingent liabilities resulting from the various litigations involving the Company.		
	The Company is also subject to insurance solvency regulations and has complied with all the solvency regulations. There are no contingencies associated with the Company's compliance or lack of compliance with such regulations.		
25	Gross Premium Income	30-06-2020	30-06-2019
		N'000	N'000
	Gross premium written		
	Direct Premium:		
	Motor	170,332	120,771
	Fire	808,078	232,570
	General Accident	188,185	156,264
	Bond	28,838	51,970
	Engineering	30,559	24,057
	Oil & Gas	372,821	401,526
	Aviation	47,811	18,690
	Marine	88,410	87,621
		<u>1,735,033</u>	<u>1,093,469</u>
	Inward Reinsurance Premium:		
	Motor	23,930	15,052
	Fire	220,260	32,191
	General Accident	12,936	16,729
	Bond	180	1,282
	Engineering	14,348	18,712
	Oil & Gas	165,474	21,233
	Aviation	11,448	1,203
	Marine	18,887	16,532
		<u>467,463</u>	<u>122,934</u>
	Gross premium written	<u>2,202,496</u>	<u>1,216,403</u>
	Changes in unearned premium		
	Motor	(3,133)	(39,030)
	Fire	(623,725)	60,907
	General Accident	(28,737)	(35,809)
	Bond	17,472	10,604
	Engineering	20,529	9,506
	Oil & Gas	(155,883)	(100,533)
	Aviation	53,518	(35,969)
	Marine	1,636	2,241
	Net change in unearned premium	<u>(718,323)</u>	<u>(128,083)</u>

	<i>Change in UPR per Actuarial Valuation</i>	-	-
	<i>Net change in unearned premium</i>	<u>(718,323)</u>	<u>(128,083)</u>
	Gross premium earned	<u>1,484,173</u>	<u>1,088,320</u>
	Reinsurance expenses	<u>(254,620)</u>	<u>(127,399)</u>
	Net insurance premium income	<u>1,229,553</u>	<u>960,921</u>
25(1)	Net Premium Income		
		COMPANY	
		30-06-2020	30-06-2019
		N'000	N'000
	Gross Premium Written	2,202,496	1,216,403
	Changes in Unearned Premium	<u>(718,323)</u>	<u>(128,083)</u>
	Gross Premium Earned	<u>1,484,173</u>	<u>1,088,320</u>
	Reinsurance expenses	<u>(254,620)</u>	<u>(127,399)</u>
	Net Insurance Premium Income	<u>1,229,553</u>	<u>960,921</u>
26	Reinsurance expenses		
	Reinsurance costs		
	Motor	6,167	1,825
	Fire	190,106	22,002
	General Accident	17,282	32,805
	Bond	-	10,692
	Engineering	-	5,506
	Oil & Gas	33,994	40,901
	Aviation	-	-
	Marine	7,070	13,668
	Movement in Reinsurance Share of UPR	-	-
	Movement in Prepaid M & D	-	-
		<u>254,620</u>	<u>127,399</u>
		<u>254,620</u>	<u>127,399</u>
27	Fees and Commission Income	30-06-2020	30-06-2019
		N'000	N'000
	Motor	1,315	17,520
	Fire	46,706	833
	General Accident	1,389	5,968
	Bond	-	112
	Engineering	-	-
	OIL & GAS	-	-
	Marine	1,591	20
		<u>51,000</u>	<u>24,453</u>
	Fee income represents commission received on direct business and transactions ceded to re-insurance during the year under review.		
28	Claims expenses	COMPANY	
		30-06-2020	30-06-2019
		N'000	N'000
	Direct claims paid during the year	250,329	161,330
	Changes in outstanding claims	134,503	134,330
	Additional charge to claims reserve per actuarial valuation (IBNR)	-	-
	Changes in Outstanding claims (IBNR)	<u>(194,375)</u>	<u>(43,072)</u>
	Gross claims incurred	<u>190,458</u>	<u>252,588</u>
	Reinsurance claims recoverable(Note 28(a))	<u>(120)</u>	<u>(6,149)</u>
	Reinsurance recovery per Actuarial Valuation	-	-
		<u>190,338</u>	<u>246,439</u>
28.a	REINSURANCE CLAIMS RECOVERY		
	Claims paid recovered from Reinsurance		(198,005)
	Changes in Outstanding claims and IBNR		<u>45,115</u>
			<u>(152,890)</u>
29	Underwriting expenses		
	Underwriting expenses are those expenses incurred in obtaining and renewing insurance contracts. They include commissions or brokerage paid to agents or brokers and those incurred in servicing existing policies/contracts. These include processing cost, preparation of statistics and reports, and other attributable incidental costs.		
		30-06-2020	30-06-2019
		N'000	N'000
	Gross commission paid		
	Motor	19,627	15,549
	Fire	215,013	53,155
	General Accident	41,119	34,818
	Bond	5,746	7,737
	Engineering	2,497	6,545
	Oil & Gas	55,620	60,044
	Aviation	-	1,355
	Marine	33,956	18,301
	Total Commission paid	<u>373,576</u>	<u>197,504</u>

Changes in deferred commission		
Motor		
Fire	(4,894)	(4,131)
General Accident	(125,729)	11,563
Bond	(10,144)	(6,435)
Engineering	6,713	1,567
Oil & Gas	9,027	3,319
Aviation	(18,515)	(25,966)
Marine	6,858	(5,891)
Additional (DCA) per actuarial Report	(5,967)	380
Changes in deferred commission	-	-
Acquisition expenses	(142,650)	(25,694)
Maintenance expenses	230,926	171,911
Underwriting expenses	278,964	366,911
	<u>509,881</u>	<u>538,822</u>
30 INVESTMENT INCOME		
	COMPANY	
	30-06-2020	30-06-2019
	N'000	N'000
Dividend - Quoted and unquoted investments	-	16,740
Interest on call deposits	-	-
Profit/(loss) on disposal of non-current assets	146,975	-
Rental Income	-	59,075
Other income	-	2,451
	<u>0</u>	<u>4,407</u>
	<u>146,975</u>	<u>82,673</u>
30.a INVESTMENT INCOME		
Investment income attributable to policyholders	-	-
Investment income attributable to shareholders	146,975	53,644
	<u>146,975</u>	<u>53,644</u>
30.b Investment income attributable to shareholders		
Dividend - Quoted and unquoted investments	-	34,109
Interest on call deposits	-	18,056
Profit/(loss) on disposal of non-current assets	146,975	-
Rental Income	-	100
Other Income	-	-
	<u>0</u>	<u>1,379</u>
	<u>146,975</u>	<u>53,644</u>
30.c Other Operating Income		
Rental Income	-	-
Interest on call deposits	-	-
	<u>146,975</u>	<u>18,056</u>
	<u>146,975</u>	<u>18,056</u>
30.d Sundry Income		
Profit/(loss) on disposal of non-current assets	-	-
Other Income	-	-
	<u>0</u>	<u>-</u>
	<u>0</u>	<u>-</u>
	COMPANY	
	30-06-2020	30-06-2019
	N'000	N'000
32 Other operating and administrative expenses		
(i) <i>Employee benefits expense</i>		
Staff cost	122,209	114,579
Contributions to defined pension scheme	-	-
Other staff costs (Notes 32.(i.a))	152,011	84,127
	<u>274,220</u>	<u>198,706</u>
(i.a) Other staff costs		
Temporary Staff Salaries	17,618	4,292
Staff Training & Entertainment	1,840	6,426
Staff other benefits	91,230	48,246
Leave Allowance	30,755	24,248
Staff Gratuity	6,194	915
Nigeria Social Ins Trust Fund	-	-
Staff GPA Insurance	4,375	-
	<u>152,011</u>	<u>84,127</u>
(ii) Management expenses comprise;		
Bank charges	3,098	4,251
Other charges and expenses (Notes 32.(iia))	75,172	54,767
General maintenance and running costs	30,051	54,557
Legal and professional fees	30,337	35,863
Audit fees	-	5,000
Insurance supervision fees	28,167	13,910
Depreciation	64,064	49,171
Amortisation of Intangible Assets	6,524	4,330
Impairment gain/(loss)	-	-
Interest on overdrafts	-	-
Cost of sales - Hotels	-	-
Other operating expenses	237,413	221,849
Other operating and administrative expenses	<u>511,633</u>	<u>420,555</u>



	COMPANY	
	30-06-2020 N'000	30-06-2019 N'000
(ii.a) Other charges and expenses		
OTHER PROFESSIONAL CHARGES	-	-
TRANSPORT ALLOWANCE	-	-
TERMINAL PAY	30	123
HOTEL ACCOMMODATION	-	-
SECURITY EXPENSES	274	1,638
ENTERTAINMENT	222	275
BUSINESS PROMOTION	2,750	1,850
ADVERTISEMENT	-	-
NEWSPAPERS & PERIODICALS	2,810	4,742
TELEPHONE BILLS	8	8
INTERNET CONNECTIVITY	1,144	1,491
PRINTING COST	3,831	3,927
STATIONERY COST	7,789	8,343
LOCAL GOVT. LEVIES	365	1,777
VALUE ADDED TAX/STAMP DUTIES	362	235
LEVY/FEE/PENALTY	610	228
DIRECTORS EXPENSES	-	-
DIRECTORS SITTING ALLOWANCES	2,570	-
ASSETS INSURANCE EXPENSES	6,940	4,540
FILING FEE	-	-
DIRECTORS FEES	250	500
GIFTS	18,000	6,000
OFFICE CLEANING EXPENSES	4,986	1,659
CHRISTMAS GIFT/SUNDRY	154	53
SUBSCRIPTIONS TO PROFESSIONAL BODIES/CLUBS	1,058	570
MEDICAL EXPENSES	2,968	1,335
WATER BILL	8,025	2,613
ENTERTAINMENT ALLOWANCE	-	-
EXCHANGE VARIANCE A/C	-	-
POSTAGES & COURIER	-	-
INTEREST ON LOANS	626	931
OVERSEAS TRAVEL EXPENSES	-	-
SERVICE CHARGE - ABUJA	-	-
RENT & RATES	-	-
NIA LEVIES	-	-
INDUSTRIAL TRAINING FUND LEVY	-	5,961
ANNUAL GENERAL MEETING	3,820	5,896
TRAINING	5,350	-
REPAIRS & MAINTENANCE OTHER FITTINGS	-	-
REPAIRS AND MAINTENANCE TV SET + RADIO	231	207
SEVERANCE PACKAGE	-	10
REPAIRS AND MAINTENANCE TV SET + RADIO	-	180,000
RENT & RATES - ABAKALIKI	-	-
FUEL SUBSIDY	-	-
	<u>75,172</u>	<u>234,912</u>
33 Interest expense		
Interest expense represents finance cost recognized on the bank loan during the year under review.		
Earnings per share		
	30-06-2020	30-06-2019
	N'000	N'000
Profit attributable to equity holders	<u>208,775</u>	<u>(173,058)</u>
Weighted average number of ordinary shares in issue (in thousands)	16,000,000	16,000,000
34 Basic earnings per share (kobo per share)	1.305	(1.082)
The calculation of basic earnings per share at 30 June 2020 was based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares		
35 RELATED PARTIES INTEREST		
35.1 Related party transactions		
Other Loans and Receivables	48,120	35,960
Other payables	4,569	1,599,667
	<u>52,689</u>	<u>1,635,627</u>
Other Loans And Receivables of N42,685,000.00 is due to related party-- Universal Hotels Limited		
35.2 Related Party		
Conau Limited	-	-
Universal Hotels Limited	42,685	35,960
Frenchies Foods Nig. Ltd	4,569	4,569
African Alliance Insurance Plc	-	1,599,667
	<u>47,254</u>	<u>1,640,196</u>



36 **Employees**  
The average number of persons employed by the Company during the year

Executive directors  
Management  
Non-management

COMPANY	
30-06-2020	30-06-2019
Number	Number
3	3
24	17
55	78
<u>82</u>	<u>98</u>

37 **Securities Trading Policy**

Universal Insurance Plc. has adopted a Code of Conduct regarding securities transactions by its directors on terms which are no less exacting than the required standard set out in Rule 17.15, Rulebook of The Nigerian Stock Exchange, 2015 (Issuers' Rules) on Disclosure of Dealings in Issuers' Shares.

In relation to this Interim report (UFS Q4, 2019), we have made specific enquiry of all directors of the Company and we are satisfied that the directors have complied with the required standard set out in the listings rules and in our Company's Code of Conduct regarding securities transactions by directors.