2021 ANNUAL REPORT

AND

FINANCIAL STATEMENTS

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WAICA Re

WAICA REINSURANCE CORPORATION PLC

TOGETHER TOWARDS TOMORROW

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Annual Report & Financial Statements

for the year ended 31 December 2021

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Group Chairman's Statement

Distinguished shareholders, ladies and gentlemen, welcome to the 9th Annual General Meeting of your company, WAICA Reinsurance Corporation Plc. I present to you the Corporation's Annual Report and Financial Statements for the year ended 31st December 2021.

I am delighted to report that, in spite of the impact of COVID-19 and its related economic challenges during the year, we continued to grow stronger as a Group, delivering sterling services to our cherished cedants and brokers and creating value for shareholders through the dedication of our employees.

Global Economic Environment

The global economic recovery continued, along with trade, employment and incomes, but the momentum has weakened, hobbled by the COVID-19 pandemic with highly transmissible variants, holding back a full return to normalcy. The recorded global COVID-19 death toll was about 5.5 million at the end of 2021 from total cases of about 291 million. The primary concern is the global polarity in caseloads, hospital capacity and vaccination rates around the world. While almost 60 percent of the population in advanced economies were fully vaccinated in 2021 and some received booster shots, about 96 percent of the population in low-income countries remained unvaccinated by the end of 2021.

The situation may end up with a scenario where pockets of low vaccination end up as breeding grounds for deadlier strains of the virus, which may go on to damage lives and livelihoods. On-going coronavirus outbreaks may continue to restrict mobility in some regions and across borders, with potential long-lasting consequences for labour markets and production capacity, as well as prices. Continuous vaccinations in adequate numbers in every country will prevent more virulent virus mutations and lead to eventual opening up of the world economy.

The economic revival is however unbalanced, with countries, businesses and people facing very different economic realities. There are marked differences in the recovery across countries, reflecting national health conditions, the policy mix and sector composition. Recent improvements also conceal structural changes, which mean that some sectors, jobs, technologies and behaviours will not return to their pre-pandemic trends.

According to the IMF, global growth projection for 2021 was 6.1%. The world is coping better with the pandemic and monetary and fiscal policies remain generally supportive.

Pandemic outbreaks in critical links of global supply chains resulted in longer-than expected supply disruptions. On the one hand, pandemic outbreaks and weather disruptions resulted in shortages of key inputs and dragged manufacturing activity lower in several countries. On the other hand, these supply shortages, alongside the release of pent-up demand and the rebound in commodity prices, caused consumer price inflation to increase rapidly. Food prices increased the most in low-income countries where food insecurity is most acute, adding to the burdens of poorer households and raising the risk of social unrest. As the health situation improves, demand stabilises and people return to the labour force, supply bottlenecks should fade. Should supply constraints persist, while GDP and employment continue to grow briskly and fuel more price increases, higher inflation pressure could last longer, destabilising people's expectations and livelihoods. Headline inflation for advanced countries peaked in the final months of 2021 and is expected to decline to about 2% by mid-2022. The outlook for emerging market and developing economies similarly shows headline inflation declining to about 4 % after a peak of 6.8% in late 2021.

In November 2021, the US Federal Reserve decided to start tapering by reducing the amount of bonds it purchases on the market at a pace of US$ 15 billion every month. The IMF has urged the US to accelerate this pace due to inflationary pressures (a record high of 6.2% in October 2021). Aside the widened sovereign spreads, other rippling effects of the tapering on emerging markets included difficulty in accessing finance, currency depreciation against the dollar and ultimately balance of payment pressures.

Global Business environment

As businesses recover from the impact of COVID-19, one thing that will remain is the culture of "work from anywhere". One in five global employees now work remotely, at least some of the time. Organizational structures are expected to become more fluid and flexible and geographical location will not be a limitation to work. At WAICA Re, we have systems and structures that ensure staff can work from anywhere, with the Corporation's staff working from Nigeria, Ghana, Ivory Coast, Tunisia, Zimbabwe, and Kenya, instead of being stationed at the headquarters in Sierra Leone. We keep improving and upgrading our systems to ensure that, this becomes the norm going forward.

In 2021, cybersecurity authorities in the United States, Australia, and the United Kingdom, observed an increase in sophistication and high-impact ransomware incidents against critical infrastructure of organizations globally. Cyber-attacks present a growing threat to businesses, governments, and individuals. Whether they come from so-called hacktivist groups or state-sponsored cyber warfare units, this type of attack is increasingly giving cause for concern. The Corporation continues to improve the security of its systems, especially with the increase access of these systems from remote places, and not from the office environment. Investments in this area will increase to provide the needed security and comfort of operations. The Corporation is also building capacity to develop and provide cyber insurance policies to our numerous clients.

The UK hosted the 26th UN climate change conference of parties (COP26). The conference brought parties together to accelerate action towards the goals of the Paris Agreement and the UN Framework Convention on Climate Change. Drought, flooding, extreme heat and tropical cyclones are all major risks with the consequence that 30 of the world's 40 most climate-vulnerable countries are in sub-Saharan Africa. Given Africa's high dependence on its natural resources, with agriculture contributing 16% of the continent's GDP and employing roughly 60% of the population, these climate extremes pose a very high risk in the continents' economies and household livelihoods. WAICA Re is committed to playing its part in meeting the UN's SDGs through the implementation of the key principles of sustainable insurance (PSI) developed by UNEP.

The Corporation has also developed an ESG framework in the 2022 – 2024 business plan to guide us in playing our part in the current narrative. A key component of this is using our underwriting and investing activities to direct capital flow in the transition to net-zero emissions. The Corporation will also avail capacity in Agric Insurance to sustain livelihoods on the continent and continue to play our part in mitigating against economic losses arising from natural disasters (USD 89 billion in 2020) by promptly paying claims. Also, as part of our ESG framework, the maiden edition of the Corporation's annual Corporate Social Responsibility (CSR) Competition Project on the theme "Practical solutions to environmental, social and governance risks" was held in 2021. The winning entry was on "How to manage plastic waste to prevent flooding". The Corporation financed this initiative to the tune of $100,000 as our contribution to providing practical solutions to a critical environmental issue in the countries we operate.

African Economies

The economic impact of the COVID-19 shock in Sub-Saharan Africa (SSA) has been severe, however economic growth in Sub-Saharan Africa (SSA) is set to emerge from the 2020 recession and expand by 4.5% in 2021 from 2.1% in 2020, according to the IMF. This rebound, was fueled by elevated commodity prices, a relaxation of stringent pandemic measures, and recovery in global trade.

According to the AfDB, tourism-dependent economies are projected to recover from an 11.5% decline in 2020 to grow 6.2% in 2021; oil exporting countries, from a 1.5% decline to grow 3.1%; other resource-intensive economies, from a 4.7% decline to grow 3.1%; and non-resource-intensive countries, from a 0.9% decline to grow 4.1%.

East Africa, one of the hardest hit regions by the third wave of the coronavirus, is expected to rebound from a 0.7% growth of GDP in 2020 to growth of 3.0% in 2021, according to the AfDB. The region seems to be the most resilient, thanks to less reliance on primary commodities and greater diversification. The top performers in 2021 would be Djibouti (9.9%), Kenya (5.0%), Tanzania (4.1%), and Rwanda (3.9%).

Southern Africa is the region that was hardest hit by the pandemic, with an economic contraction of 7.0% in 2020. It is projected to grow by 3.2% in 2021. According to the World Bank, growth in South Africa is projected to rebound from -6.4 percent in 2020 to 4.6 percent in 2021, and following two consecutive years of recession, economic activity in Angola is projected to rebound from -5.4% in 2020 to 0.4% in 2021. Excluding Angola and South Africa, the subregion is expected to grow by 3.1% in 2021.

Growth in West Africa is expected to pick up momentum from 2020's weak performance at 2.8% in 2021, up from -1.5% in 2020 according to the AfDB. Nigeria is projected to grow from -1.8% in 2020 to 2.4% in 2021, thanks to better performance of both oil and non-oil sectors. Excluding Nigeria, The West African Economic and Monetary Union is projected to grow at 5.6% in 2021 reflecting favorable terms of trade.

In Central Africa, real GDP is estimated to have contracted 2.7% in 2020. Countries significantly impacted by the crisis in the subregion include Cameroon (–2.4%), Republic of Congo (–7.9%), Democratic Republic of Congo (–1.7%), and Equatorial Guinea (–6.1%). Growth is projected to recover to 3.2% in 2021 in the region.

The economies of North Africa contracted by an estimated 1.1% in 2020, propped up mainly by Egypt, which maintained 3.6% growth despite the relatively severe health impact of the virus in the country. Other countries contracted significantly in 2020, including Tunisia (–8.8%), Morocco (–5.9%), and Algeria (–4.7%). The effects of COVID–19, internal conflict, and a drop in oil prices caused an estimated 60.3% contraction of real GDP in Libya. North Africa is expected to experience robust recovery of 4% in 2021.

African countries have seized the opportunity of the crisis to foster structural and macroeconomic reforms that could pave the way for increased inclusive growth over the long-term. Several countries have embarked on difficult but necessary structural reforms, such as the unification of exchange rates in Sudan, fuel subsidy reform in Nigeria, and the opening of the telecommunications sector to the private sector in Ethiopia. Reforms that deliver reliable electricity, including better functioning of public utilities, can power the manufacturing sector and the digital economy. Reforms that address digital infrastructure gaps and make the digital economy more inclusive-ensuring affordability and building skills for all segments of society-are critical for improving connectivity, boosting digital technology adoption, and generating more and better jobs for men and women.

Economic Developments in WAICA Re Operating Countries.

Nigeria

Nigeria's economy grew in 2021 at the fastest annual pace in eight years, relying more on the non-oil sector. The Gross Domestic Product expanded at 3.40% in 2021, the most since 2014 when it grew at 6.22% per the National Bureau of Statistics press release. The growth beat forecasts by the government. According to the IMF, inflation rose to 16.91% in 2021 from 12.8%

in 2020, fueled by higher food prices due to constraints in domestic supplies and the pass-through effects of an exchange rate premium that widened to about 24%.

Ghana

According to AfDB, the economic outlook is good in the short to medium term, contingent on an increase in demand for Ghana's exports, improved business confidence, and successful implementation of the Ghana COVID–19 Alleviation and Revitalization of Enterprise Support program. Growth is estimated to increase to 4% in 2021 (2020 – 0.9%). Headline inflation was estimated at 12.6% and increase from 8.2% in 2020. The fiscal deficit is estimated to narrow to 7.2% of the GDP in 2021 (2020- 10.5%), driven by an expected increase in revenue collection in a recovering economy. However, the current account deficit is expected to widen to 2.8% of GDP in 2021 as import volumes resume their pre-pandemic levels. The local currency weakened by 4.2% to GHC 6.0061 to the US Dollar as at 31 December 2021 from GHC 5.7602 to the UD Dollar a year earlier.

Liberia

According to AfDB and Central Bank publications, real gross domestic product (RGDP) growth of the Liberian economy is estimated at 3.6% in 2021 from a contraction of 3.0% recorded in 2020 on account of improvements across all sectors due to increased demand for Liberia's key exports of iron ore, gold, diamond, and rubber—assuming major importing countries in Europe and Asia cope with the COVID–19 pandemic. Headline inflation for 2021 is estimated to moderate to 5.3% with a symmetric bandwidth of +/- 2% from a high of 13.1% in 2020. The easing of inflationary pressure in the fourth quarter of 2021 largely hinged on the dynamics in the exchange rate with forecast to remain relatively within the variation bandwidth of plus/minus 10%. The Liberian dollar (L$) slightly strengthened against the United States dollar by 11.72 % to close at LRD 143.792 per USD in 2021 (2020 – LRD 162.889). The appreciation mainly reflected the effectiveness of CBL's monetary policy instruments, coupled with reduced domestic demand for foreign exchange. Per AfDB, the fiscal deficit is estimated to remain below 5% in the medium term, and the current account deficit to narrow on the back of continued adherence to fiscal discipline and tight monetary policy that is aligned with the IMF's ECF program.

The Gambia

According to AfDB, with the economy reopening, good rains aiding agriculture and global demand improvement, real GDP was estimated to have gradually grown by 3.2% in 2021 (2020 - 2.4%). Headline inflation rose to 7.6% in 2021 from 5.7% in 2020. The fiscal deficit was estimated to narrow to 3.2% of GDP in 2021 from 6.75% in 2020, while the current account deficit was to widen to 10.4% of GDP in 2021 from 3.7% in 2020. The Central bank of Gambia data estimates the Gambian Dalasi to have declined by 1.3% against the USD in 2021 from 47.89 GMD per dollar to 48.49 GMD per dollar.

Sierra Leone

Growth is estimated to accelerate to 3.1% in 2021 and 4.3% in 2022. Inflation is estimated to have to eased to 13.6% in 2021 and to 11.3% in 2022; the fiscal deficit was estimated to narrow to 4.1% of GDP in 2021 and 3.6% in 2022; and the current account deficit will be reduced to 14.4% of GDP in 2021 and 13.5% in 2022.

Cote D'Ivoire

Côte d'Ivoire has enjoyed vibrant, robust, and stable economic growth in 2021 recovering from the contraction in 2020 due to COVID- 19 pandemic. Preliminary data by the Central Bank of West African States (BCEAO) put economic growth at 5.4% in Q4 of 2021, slightly slower than the 6.6% expansion recorded in Q3. Notably, GDP growth was likely hampered by weaker cocoa production, with reports pointing to sluggish output in the period compared to the same quarter of the previous year. Headline inflation year over year increased to 5.6% in 2021 (2020 - 2.4%). The CFA Franc marginally weakened against the United States Dollar to close at 580.29 XOF per US Dollar (2020 - 575.59 XOF per US Dollar). Net Foreign Assets data was reported at 2,892,100.000 XOF Million in Dec 2021 (2020 - 2,252,600 XOF Million). National debt in relation to gross domestic product (GDP) in 2021 was estimated to increase by 3% from 47.74 % recorded in 2020.

Tunisia

The pandemic struck at a weak point in Tunisia's economic history. Due to persistent political instability, the economy has struggled to garner investor confidence. Unemployment has remained stubbornly high, rising from 14.9% at the end of 2019 to 18% in the second quarter of 2020, a level last reached during the 2011 revolution (World Bank 2021). Tunisia's GDP contracted an estimated 8.8% in 2020. GDP growth is expected to rebound to 2.0% in 2021. In line with these trends, the current account deficit is expected to improve as export industries start to recover, though at a sluggish pace given persistent structural constraints and political uncertainties. Current structural reforms affecting state-owned enterprises, the pension system, food and energy subsidies, and the informal sector are expected to improve the country's macroeconomic fundamentals.

Kenya

According to the Central bank of Kenya and AfDB publications, the economy rebounded strongly in the first three quarters of 2021, supported by easing of COVID-19 restrictions and prompt Government interventions. Kenya's Gross Domestic Product (GDP) grew by nearly 5.6% in the year ended 31 December 2021, recovering from a contraction estimated level of - 0.32% in 2020. The strong performance was supported by continued recovery in manufacturing, construction, transport and storage, education, accommodation and food services, and wholesale and retail trade. The agricultural sector remained subdued following unfavorable weather conditions in most parts of the country, which affected crop production. The exchange rate was volatile and weakened by 3.14% against the US Dollar to close at KShs 113.15 per US Dollar in 2021 from KShs 109.70 to the US Dollar a year earlier due to the impact of COVID - 19. The public debt increased to 67.9% of GDP in 2021 from 59% as at December 2020. Annual average inflation was around 5.62% in December 2021 (2020 - 5.41%) and is expected to remain within the target range.

Zimbabwe

In the December 2021 quarterly economic review report, the Reserve bank of Zimbabwe noted that the economic activity remained robust, notwithstanding Covid-19 induced lockdowns that also extended into the fourth quarter of 2021. In this regard, the envisaged growth of 7.8% in 2021 remained on course, on the back of a favorable agriculture season boosted by good rains and macroeconomic stability. Inflation expectations were anchored leading to a decline of headline inflation, from a peak of 837.5% in July 2020 to 60.7% in December 2021. This was due to strong complementarity between monetary and fiscal policies. During the quarter ended 31 December 2021, the Zimbabwe dollar (ZW$) depreciated by about 32.85% against the greenback, from an average of ZW$81.79 per US$1 in December 2020, to ZW$108.66 per US$1 on the formal interbank market. The parallel market exchange rate premium also widened in the fourth quarter of 2021 to between 93.1% and 100.0%, partly on account of the high demand for foreign currency, due to the general increase in economic activity. On the fiscal front, total government revenue stood at ZW$160.35 billion, in the fourth quarter of 2021, against expenditures of ZW$196.39 billion. This resulted in a budget deficit of ZW$36.04 billion.

Financial Performance

2021 was another year of improved financial performance indicating that we are a much stronger reinsurer today than we were a year ago, the effect the COVID-19 pandemic notwithstanding. These results have surpassed projections of the Group's 3-year business plan which ended in 2021 and will form the basis for stronger performance in the coming years. A snapshot of our key performance indicators for 2021 were as follows:

FINANCIAL PERFORMANCE

Gross Written Premium
up by
49% to $153.3m
(2020: $102.6m)

Net Earned Premium
up by
86% to $146.4m
(2020: $78.7m)

Claims Incurred
up by
129% to $69.9m
(2020: $30.5m)

Commission Expense
up by
83% to $43.1m
(2020: $23.5m)

Technical Profit
up by
44% to $37.7m
(2020: $26.1m)

Underwriting Profit
up by
86% to $16.7m
(2020: $9.0m)

Management Expenses
up by
8% to $18.5m
(2020: $17.1m)

Investment & Other Income
up by
16% to $4.6m
(2020: $3.9m)

Profit Before Tax
up by
56% to $21.2m
(2020: $13.6m)

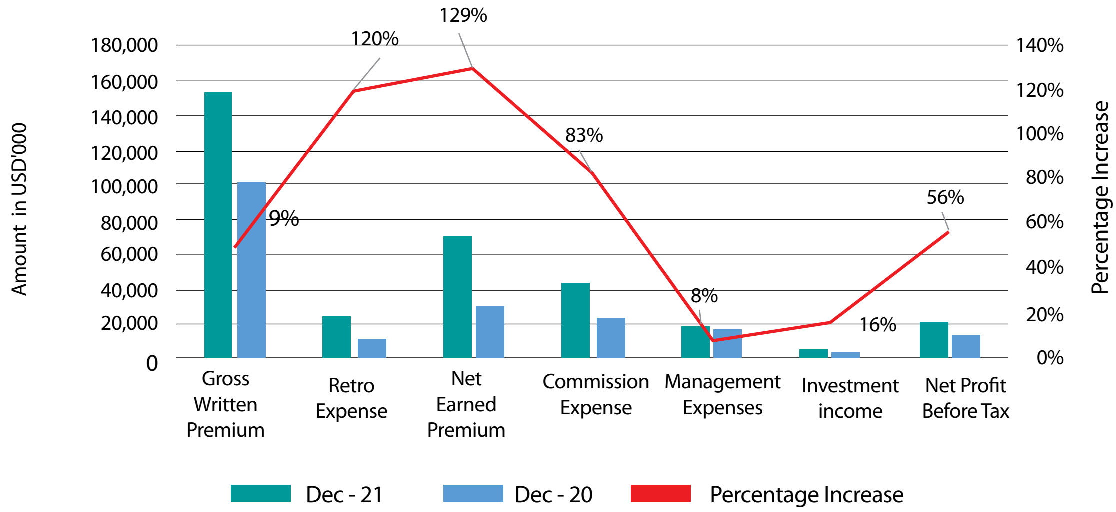
Cash & Investments
up by
26% to $144.4m
(2020: $114.9m)

Total Liabilities
up by
13% to $96.6m
(2020: $85.7m)

Shareholders' Funds
up by
16% to $113.7m
(2020: $98.2m)

Total Asset
up by
14% to $210.4m
(2020: $183.9m)

Profit or Loss Analysis

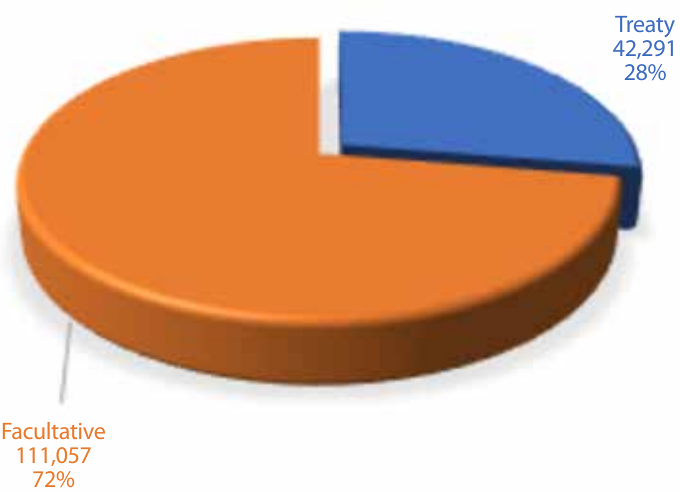


Robust Premium Growth

The Group had another year of robust growth by increasing Gross Written Premium (GWP) from $102.6 million in 2020 to $153.3 million in 2021, representing 49% growth over the period.

Facultative business amounted to $111.0 million representing 72% of GWP while Treaty brought in $42.3 million which is 28% of the 2021 GWP.

Type of Business

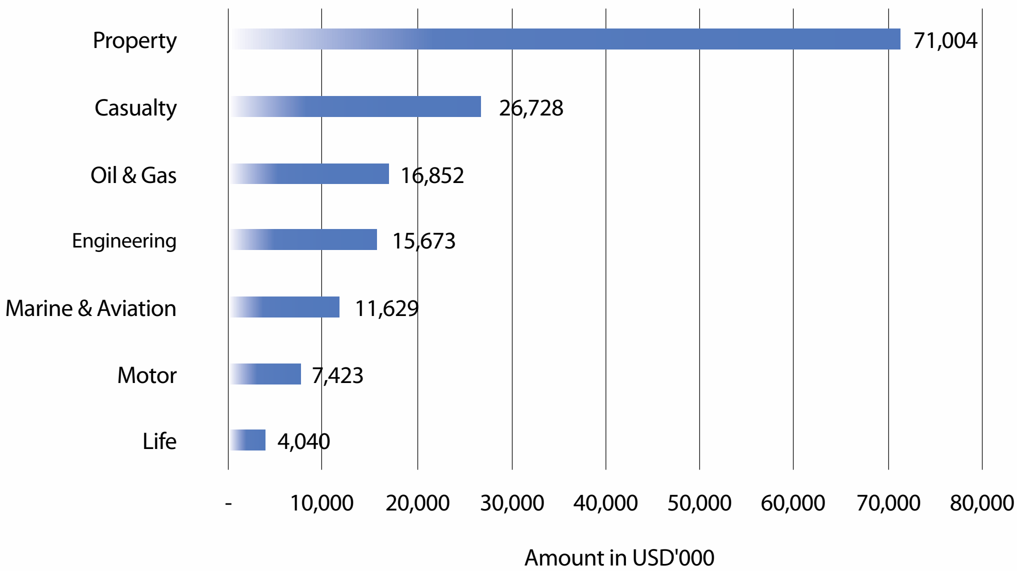


Amount in USD'000

Gross Written Premium by Class

Property generated 46% of the 2021 GWP followed by Casualty with 17% and Oil & Gas 11%. Engineering brought in 10%, Marine & Aviation 8%, Motor 5% and Life 3%.

Class	2021 USD'000	2020 USD'000	Growth	2021 % of premium
Casualty	26,728	19,222	39%	17%
Engineering	15,673	11,287	39%	10%
Marine and Aviation	11,629	8,940	30%	8%
Motor	7,423	4,762	56%	5%
Property	71,004	42,752	66%	46%
Oil and Gas	16,852	13,148	28%	11%
Life	4,040	2,493	62%	3%
Total	153,349	102,604	49%	100%



The chart above shows there was a robust growth from 2020 to 2021 for all classes of business. Property grew by 66%, Life by 62%, Motor by 56%, Casualty by 39%, Engineering by 39%, Marine & Aviation by 30%, and Oil & Gas 28%.

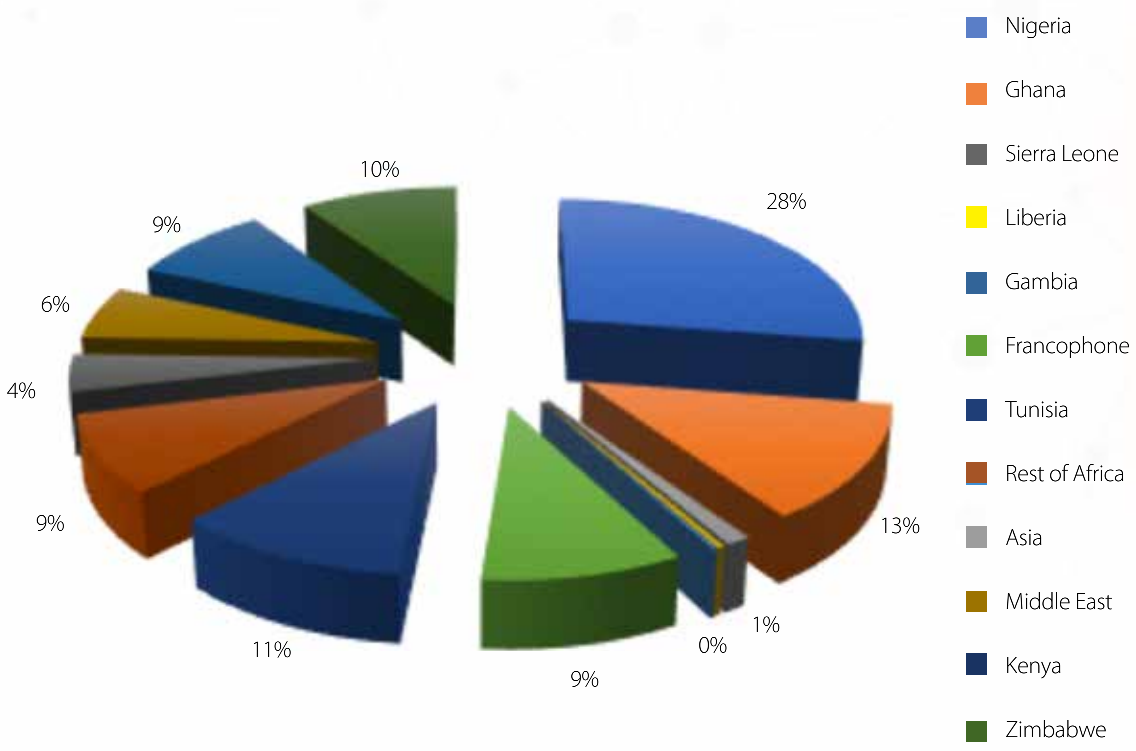
Our Kenya and Zimbabwe subsidiaries led our GWP growth momentum with 99% and 85% respectively. This was followed by the Middle East market with 83% growth, The Rest of Africa 76%, Asia 67%, Tunisia 56%, The Gambia 55%, Liberia 47%, Francophone West Africa 38%, Nigeria 34%, Ghana 21% and Sierra Leone 13% as per the table below.

Regional Distribution of Gross Written Premium

Country	2021 USD'000	2020 USD'000	Growth %
Nigeria	41,973	31,434	34
Ghana	20,033	16,525	21
Sierra Leone	1,737	1,532	13
Liberia	435	297	47
Gambia	301	194	55
Francophone	14,354	10,365	38
Tunisia	17,026	10,890	56
Rest of Africa	13,498	7,653	76
Asia	6,416	3,847	67
Middle East	9,240	5,050	83
Kenya	13,539	6,803	99
Zimbabwe	14,797	8,014	85
Total	**153,349**	**102,604**	**49**

The chart below shows that, our dominant market Nigeria contributed 28% of total GWP whilst Ghana brought in 13%. Altogether, Anglophone West Africa, which is our home market, continues to be our backbone by contributing 42% of our total GWP, with Francophone West Africa contributing 9%, Tunisia 11%, whilst the rest of Africa, Middle East and Asia brought in 9%, 6% and 4% respectively. Our subsidiaries in Zimbabwe and Kenya contributed 10% and 9% respectively.

Regional Distribution of Gross Written Premium



Retrocession premium increased by 120% from $11 million in 2020 to $24.2 million in 2021 driven mainly by increased business growth and the need to protect the net account. As a result, overall premium retention ratio decreased from 89% in 2020 to 84% in 2021. After adjusting for unearned premium reserve, net earned premium increased by 86% to $146.4 million in 2021 from $78.7 million in 2020.

Improved Underwriting Result

Underpinned by increase in business volumes and increased actuarial claims reserve, net claims incurred increased by 129% to $69.9 million in 2021 from $30.5 million in 2020. Facultative claims contributed 59% of total claims paid whilst treaty claims was 41%. Consequently, the net incurred loss ratio increased to 48% in 2020 compared to 39% in 2020.

Commission expense rose to $43.1 million in 2021 from $23.5 million in 2020, representing 83% growth largely as a direct function of growth in earnings. Commission income from core reinsurance activities amounted to $4.4 million in 2021, a growth of 204% compared to $1.4 in 2020. Consequently, net commission ratio fell to 26% in 2021 compared to 28% in 2020.

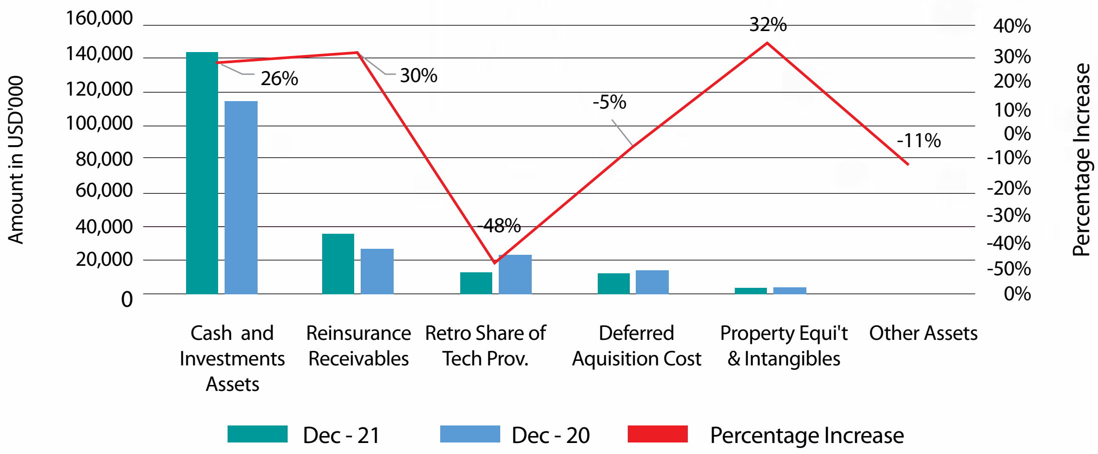
Operating expenses increased year on year by 8% from $17.1 million in 2020 to $18.5 million in 2021. Considering core reinsurance related expenses only, but inclusive of net finance cost, management expense ratio fell to 14% in 2021 from 20% in 2020. Overall, combined ratio increased slightly to 89% in 2021 from 87% in 2020.

We have continued to display a strong underwriting profitability as a result of sound underwriting and risk selection. As such technical profit grew from $26.1 million in 2020 to $37.9 million in 2021 representing a 44% growth, while underwriting profit grew from $9.5 million in 2020 to $16.7 million in 2021, a growth rate of 76%. Technical margin fell from 33% in 2020 to 26% in 2021, but underwriting margin remained flat at 11%.

Investment Return and Net Profit

Investment and other income witnessed an increase of 16% from $3.9 million in 2020 to $4.6 million in 2021 even though there was a general fall in interest rates especially in Anglophone West Africa. Consequently, average return on investment improved from 3.7% in 2020 to 4.2% in 2021. Management continues to review the investment portfolio to help improve the return on investment. The above Profit and Loss analysis shows that, the major drivers of profit in 2020 were the growth in premium income, improved underwriting performance and a contained management expense. These factors helped boost net profit before tax by 56% from $13.6 million in 2020 to $21.2 million in 2021. This performance means that return on equity also improved significantly from 14% in 2020 to 19% in 2021.

Total Assets



Ladies and gentlemen, improved premium collection enabled the group to increase cash and investment assets by 26% to $144.4 million in 2021 from $$114.9 million in 2020. The Group's cash and investment assets account for 69% of total balance sheet size. Liquid assets increased to $134.7 million in 2021 from $105.2 million in 2020 giving the Group a strong liquidity metrics compared to claims and technical liabilities.

Table of cash and investment assets

Liquid Investment	2021 USD'000	2020 USD'000
Cash and bank balances	15,397	10,179
Short-Term Investments	38,434	31,248
Treasury bills	5,741	5,895
Government Bonds	19,588	17,404
Term deposits	55,499	40,493
Total Liquid Investments	134,659	105,219
Unquoted equity	398	349
Investment property	9,352	9,364
Total non-cash investments	9,750	9,713
Total cash and investments	144,409	114,932

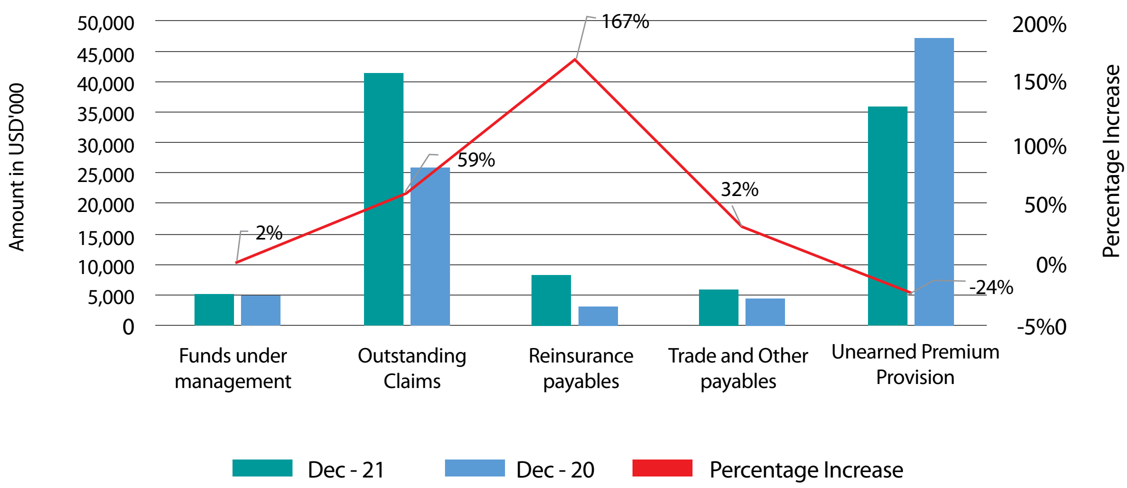
The increased business volumes resulted in 30% growth in premium receivables from $27.3 million in 2020 to $35.5 million in 2021. Management continues to deploy various strategies aimed at reducing the receivables.

Following a downward review of retrocession recoveries, Retrocessionaires share of technical provisions reduced to $12.2 million in 2021 from $23.5 million in 2020 translating 48% reduction. Deferred acquisition cost also reduced by 5% to $12.8 million in 2021 from $13.6 million in 2020.

In 2021, Management recognized the grant of land by the government and people of Sierra Leone to the Corporation for the construction of our head office building. This resulted in property, equipment and intangible assets increasing by 32% to $4.2 million in 2021 from $3.2 million in 2020.

Overall total assets saw a 14% increase from $183.9 million in 2020 to $210.4 million in 2021.

Total Liabilities

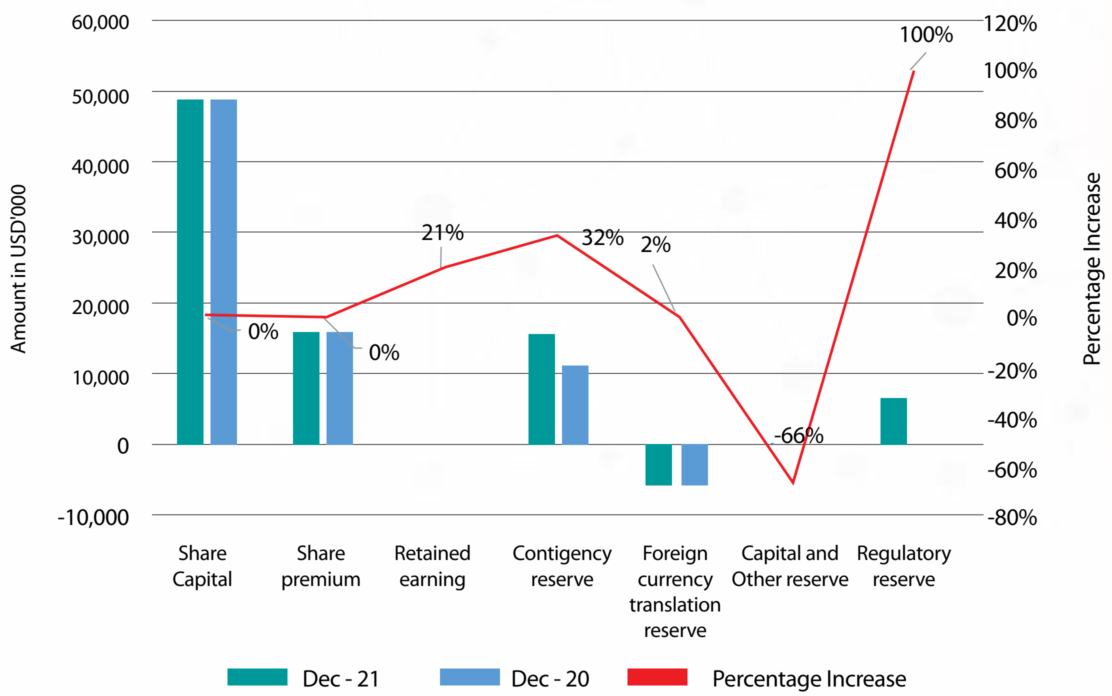


The period under review saw total current liabilities grow by 13% to $96.6 million in 2021 from $85.7 million in 2020 and was attributable mainly to:

- A 2% increase in Funds under management due to mobilisation of funds by WAICA Re Capital, our subsidiary in Ghana.
- 59% increase in outstanding claims based on actuarial reserve computations.
- A 167% increase in reinsurance payables due to retroceded facultative businesses for which premiums were yet to be received.
- A 24% reduction in unearned premium provision arising from actuarial computations.

Total technical reserves comprising of outstanding claims and unearned premium reserves increased from $73.3 million in 2020 to $77.6 million in 2021 based on external actuarial consultant's computations.

Total Equity



There were no changes in share capital and share premium during the year as there were no fundraising activities. In spite of a dividend payout of $4 million during the year, retained earnings recorded a 21% increase from $26.9 million 2020 to $32.5 million in 2021 on the back of growth in profit after tax. In compliance with regulatory requirements, we increased contingency reserve by 32% from $11.8 million in 2020 to $15.6 million in 2021. Translation of the operations of our subsidiaries into our functional currency resulted in a 2% increase in foreign currency translation reserve, albeit negative. The Insurance Act of Sierra Leone requires specific percentages of gross written premiums and outstanding claims to be reserved. In compliance with the Act, a regulatory reserve of $6.6 million over and above the actuarial reserve computations has been set up. Overall total equity grew by 16% to $113.7 million in 2021 from $98.2 million in 2020.

Dividend

Dear Shareholders, in line with our dividend policy and in view of the profit performance in 2021, the Board of Directors, recommends for your approval, a dividend of $0.10186 per share amounting to $5,000,000 (2020; $4,000,000). This dividend will be paid to shareholders whose names appear in the register of the Corporation as at the date of the Annual General Meeting (AGM)

Capitalisation

In line with AGM's resolution to raise our issued shares to 100 million in six tranches, the Board recommended the issuing of additional capital of 10 million shares in 2020 by a rights issue at a price to be determined by our financial advisors. There was also the intention to invite strategic investors to take up shares in the Corporation. These decisions were suspended due to the COVID-19 pandemic and the uncertainties that surrounded it. Next year 2023, we would like to carry out the exercise as it will strategically position the Corporation to underwrite larger businesses especially in the oil and gas sector among others, expansion of our ICT infrastructure, undertake some equity investments and to ensure a strong balance sheet that will make us more competitive in the reinsurance market. The additional capital will also augment our working capital, enable us strengthen our subsidiaries and boost investments income. As a proactive measure, we also envisage to register formally our operations in Ivory Coast in the medium term, thereby transforming the centre into fully fledged subsidiary of WAICA Re with all the privileges of a domestic reinsurance operator.

Governance and Board Changes

The board continues to offer its oversight responsibility in ensuring a strong governance structure for a sustained growth of the Corporation. During the 2021 AGM, Dr Ekow Dadzie-Dennis, Mr Mohamed Babatunde Cole voluntarily retired, and they did not seek re-election. Mr Benjamin Mutuku Kamanga also retired but was re-elected in accordance with our Memorandum and Articles of Association. The vacant positions were filled by Mr Samuel Amankwah, an experienced financial executive, a chartered accountant and a former Deputy Managing Director of GCB Bank Ghana and Mr Donald Kay, a highly professional and experienced accountant and senior partner of the international accountancy/audit firm PKF in The Gambia.

To ensure effective governance and in line with the Corporations strategic direction, the Board committee membership was reconstituted as follows:

Finance and Investment Committee: The Committee is made up of four Non-Executive Directors and exercise oversight responsibility over the Group's financial performance and its investment decisions. The Committee is chaired by Mrs. Senor Thomas-Sowe.

Strategy and Operations Committee: The Strategy and Operations Committee is chaired by Mr William Coker and is composed of three other Non-Executive Directors in addition to the Chairman. The duties of the Committee is to exercise oversight responsibility over the overall strategy of the Corporation, information and communication systems, and operational systems.

Human Resource, Remuneration, Ethics and Corporate Governance Committee: The duties of this Committee are to exercise oversight responsibility over the Group's human resource functions including policy and practice of the Group, corporate governance structures and employee remuneration. The committee is composed of four Non-executive Directors and is chaired by Mrs. Olatoyosi Alabi.

Risk Management, Audit and Internal Compliance Committee: This committee is chaired by Mr Benjamin Mutuku Kamanga and exercises oversight responsibility with regards to financial reporting, the system of internal controls and the process for monitoring compliance with laws and regulations. It is also responsible for establishing overall group risk management framework, risk metrics and controls, capable of identifying and managing risk.

I would like to thank my fellow board members for a good job done during the year.

Marketing Activities

Disruptions in market development activities occasioned by travel restrictions imposed to contain COVID-19 were reduced in 2021. Lifting of travel and other COVID-19 related restrictions ensured that management was able to visit markets and clients. Management however continued to use electronic means of engaging clients in the course of the year. The combination of physical and virtual and other means of communicating with clients ensured that we were able to deliver quality and timely services to our partners.

Subsidiaries and Regional Offices

Kenya and Zimbabwe subsidiaries continued to show strong growths in their markets, growing by 99% and 85% respectively in 2021. The subsidiaries are increasing market share and recorded modest profits, a sign of strong performance going into the future. All regional offices recorded growth in GWP with Nigeria maintaining its position as the biggest market.

Credit Rating Renewal

Ladies and Gentlemen, the Corporation maintained its Financial Strength Rating (FSR) of B+ and Issuer Credit Rating (ICR) bbb-, both with a stable outlook in 2021 by AM Best. The rating enhanced marketing efforts and made the Corporation a preferred security by cedants and brokers. According to AM Best, "the ratings reflect WAICA Re's balance sheet strength, which AM Best assesses as very strong, as well as its strong operating performance, limited business profile and marginal enterprise risk management ".

WAICA Re will continue to institute appropriate and best practices to ensure risks are within its risk appetite while providing capital at appropriate levels. The benefits of this rating has encouraged the Corporation to consider submitting itself to other international rating agencies in the coming year. This will further enhance the corporate profile of the Corporation as a strong security.

Enterprise Risk Management (ERM)

The Group Board and Group Board Risk, Audit and Internal Compliance Committee continued to exercise necessary risk management oversight responsibilities across the Group. The risk oversight is in accordance with the Group's risk governance structure, risk management framework, risk management strategy and international best practices. Through the deployment of positive risk management programmes, the Board and Management were able to mitigate the continued impact of the COVID-19 pandemic and other adverse incidents whilst exploiting opportunities across different economies.

The group risk management programme uses qualitative and quantitative assessment techniques to understand its risk exposure at both the entity and strategic levels. Across the Group, there are procedures for risk identification, analysis, evaluation, and preparing adequate responses to risk, including contingency and business continuity plans. Monitoring risks are significant to the Group to ensure risks are within the set risk appetite.

The Group Board Risk, Audit and Internal Compliance Committee met four (4) times during the year to review management actions on risk, including emerging risks and ESG related risks. Besides the Group Board Risk, Audit and Internal Compliance Committee meetings, the Group Management Risk Committee met at least four (4) times during the year to assess and mitigate its exposure to significant risk concerns. The overall risk spectrum of the Group is broken down into reinsurance risks, business risks, operational risks, financial risks, strategic risks, regulatory risks, ESG risks and emerging risks.

To help manage AML/CFT risks, the Group has implemented KYC and CDD programs. The Group has adopted AML/CFT compliance risk assessment procedures. As a result, the Group has created policies and implemented appropriate sanctions screening and AML/CFT risk intelligence solutions to guarantee that its commercial activities are not vulnerable to money laundering and terrorist funding concerns. Annually, the Group conducts its overall exposure to money laundering and terrorism financing to improve its asset protection.

The Group also approved an anti-bribery and corruption policy in 2021. WAICA Re is committed to conducting business ethically and honestly and is committed to implementing and enforcing systems that ensure bribery is prevented. WAICA Re has zero tolerance for bribery and corrupt activities. We are committed to acting professionally, fairly, and with integrity in all business dealings and relationships, whichever country or region we operate. This anti-bribery policy applies to all employees, consultants, contractors, trainees, seconded staff, home workers, casual workers, agency staff, volunteers, interns, agents, sponsors, or any other person or persons associated with the Corporation (including third parties). The policy also applies to Officers, Trustees, Board, and/or Committee members at any level.

To ensure that value is not lost but rather created and maintained, the Board of Directors and Management will seek to continuously improve the Group's risk management programme. As part of the Group's three-year strategic plan (2022-2024), the Board is committed to deploying and allocating resources to foster an effective risk management system that addresses uncertainties, emerging risks, and ESG related risks.

Human Capital and Capacity Building

Our People - Our Greatest Asset

As an organization, we value our people and recognize the pivotal role that they play in delivering value to our customers, shareholders and all other stakeholders. We know for certain that our competitive advantage lies in the talent that we have acquired and continue to nurture. The year under review brought with itself exciting opportunities to grow our people despite the pandemic continuing to cause havoc in their lives. Covid-19 continued to evolve introducing at least 3 variants during the year, with one being deadly. We are happy that we had no fatalities and our work was not disrupted, due to the strong digital systems the organisation invested in and continues to improve. The operating environment in Africa was characterised by inflation and fluctuations in exchange rates, which posed immense pressure on staff welfare as staff earnings continued to depreciate. In response to this, the business implemented numerous initiatives to support our people at Group level and at country level depending on the economic challenges being faced in each country. We kept our focus on enhancing our Employee Experience, building and implementing our Talent Management proposition, focusing on development initiatives to uplift our capability in delivering our ambitions. As an organization that is driven by results, attention was given to building a robust high-performance culture and optimizing our costs to ensure that we remain efficient and competitive in delivering quality service to our clients.

Diversity and Inclusion

Gender balance

The business continued to track key staff sustainability statistics that promote diversity and inclusion with a specific focus on gender, equity and inclusivity. The business promoted diversity, equity and inclusion achieving 40% women staff members. It is the intention to positively grow towards a set target of 50% in the upcoming year. The business is an equal opportunity employer and to this end, we have one physically challenged staff member who continues to perform his usual roles without any form of discrimination. In 2021, the Female attraction rate was 66% as 2 women were recruited out of the 3 recruitments conducted, which is a milestone in our ambition to attaining a gender balance of 50%.

Paternity and Maternity Leave

In our focus on diversity and inclusion, the Group introduced Paternity Leave, awarding men time off upon the birth of their biological children up to a maximum period of 2 weeks. The adoption of the Paternity leave is our commitment to ensuring equity on all Genders. As the Group reviewed its policies, Maternity leave policy was reviewed to remove all biased conditions like the number of children that a woman should have during their employ with the Group and the number of years between each delivery. This is the Group's commitment towards eliminating any form of discrimination and bias.

Talent acquisition

In alignment to the new normal, the Group saw the introduction of virtual placements where staff can be based in their country of residence and report to Head office as opposed to the traditional setting which required staff reporting to Head office to be physically based in Sierra Leone. This is a great stride in adopting to the new normal whilst ensuring, the Group's accessibility to a wider spectrum of talent. As at the year of operation, 2 staff successfully worked under the new virtual reporting initiative.

Performance Management

We continued to enhance our Strategic Performance Management Tool, the Balanced Score Card (BSC) through training and modification to make it an easy tool for all staff at all levels. The BSC has also made a staff development tool as staff were assigned higher and more challenging responsibilities in the year of reporting.

Digitalisation of Human Resources processes

The Group recently adopted a strategy of 100% digitalization of all processes and procedures to enable attainment of a 100% paperless system, contributing to the reduction of the company's negative carbon footprint. In fulfillment of this strategy, the Group saw the Human Resources department attaining 100% paperless through the adoption of a Human Resources Information System which connects the employees from all the countries of operation and ensures of Human Resources transaction are processed through the system. The initiative is a pure testimony of the Group's commitment towards aligning itself to ESG supporting initiatives.

Talent Management and Development

Talent Retention -Remuneration Initiatives

Despite the depressing operating environment, as a company that values its staff, WAICA Re adjusted salaries upwards by a significant percentage to enable staff retention and increased motivation. To create a balance on the various needs of our stakeholders, we ensured that we maintained the agreed staff costs management benchmarks.

Staff loans at no interest

In our continued pursuit of ensuring staff are the most important stakeholder, the Group eliminated the interest payable on staff loans. The staff loans are now interest free, thereby giving employees capital to also grow their personal assets. Our philosophy is that the company's growth should be reflective of the employee's personal growth

Employee Wellness

Covid -19 response and employee support

As the pandemic continued to soar, our employees were not spared. To support our employees during these hard times the Group paid 100% of all COVID-19 treatment expenses. Further to that, psychological and emotional support was offered during the period. Our COVID-19 protocols adopted in 2020, continued to be well observed and maintained

Covid-19 Vaccination

The world found a solution to reduce the impact of the COVID-19 virus and the Group quickly and without hesitation adopted a Covid-19 vaccination campaign which resulted in the attainment of 98% vaccination of our people without any coercion.

The year has surely seen the Group creating a strong social impact on our ESG sustainability and we remain resolute in ensuring the improvement of this commitment in the upcoming year

Information & Communication Technology

COVID-19 changed the working environment forever. Working from anywhere, apart from the office has become a norm. WAICA Re was already positioned for this shift through deliberate investment in IT infrastructure. The Corporation had already adopted a policy of foreign staff working from their home countries instead of moving to the headquarters. Through the use of AWS and VPN, staff are able to connect to operating systems hosted on cloud infrastructure and work from anywhere. This has proven very useful in these times and also improved work-life balance for our staff. This new shift however exposes the Corporation to cyber risk, considered as the biggest risk faced by businesses in 2021. WAICA Re conducted cyber security, gap analysis and penetration testing in 2021 in view of this risk and identified gaps have/are being addressed, including upgrading of firewalls, and putting in place an integrated Microsoft windows security defender on office 365, to ensure complete security of our systems.

Enterprise Corporate Social Responsibility Policy Formulation and Implementation

The Corporation continues to build strong partnerships with its stakeholders in the various countries where we operate as part of our CSR activities. 2021 marked the launch of our signature CSR project dubbed the "WAICA Re Annual CSR Competition, during the AIO conference in Nigeria. The project is crafted as part of our broader ESG strategies to ensure we play our part in achieving the UN SDG's. The competition seeks to stimulate problem solving and find bespoke solutions to environmental challenges in West Africa. It would also afford insurance practitioners to think of practical solutions to natural disaster problems in their countries. The 2021 competition was won by Mr. Ejike Nwankwo with his entry on "How to manage plastic waste to prevent flooding" He becomes the first WIACA Re ambassador and was supported with USD 100,000 for the execution of his initiative. He also was awarded USD5000 as the winner, with the first and second runner up being awarded USD 3000 and USD2000 respectively.

The Corporation also undertook various CSR activities across the various operational areas as follows:

- *Sierra Leone:* Supported the insurance industry by establishing the first college of Insurance in the country. This involved furnishing and supplying the needed textbooks, facilitators, and conducive environment for learning.

- *Nigeria:* Supplied and installed fittings such as cooling systems and computers to the Chartered Insurance Institute of Nigeria.

- *Cote d' Ivoire:* Tree planting and gardens at the insurance college.

- *Ghana:* Refurbished the insurance institute's library and stocked the same with textbooks.

- *The Gambia:* Sponsored WAII's digital training platform.

- *Zimbabwe:* Supported the insurance institute with an operational vehicle.

- *Tunisia:* Tree planting and regreening of selected schools.
- *Kenya:* Provided the insurance institute with insurance textbooks.

Dear shareholders, your company will continue to give back to the society and stakeholders to ensure a harmonious and better future for all.

Looking Forward

Distinguished Shareholders, the world is returning to some semblance of normalcy, with many countries relaxing or totally removing imposed COVID-19 restrictions. Many people have been vaccinated, although Africa lags behind with less than 10% of its population vaccinated at the end of 2021. The world economy is recovering faster than projected previously with GDP projected to be 4.9% in 2022 and 3.3% in 2023. Supply chain disruptions in 2021 is expected to be fully restored from 2022 with most economies expected to be fully operational. Inflation is also expected to revert to pre-pandemic levels by mid-2022. Faster vaccine deployment would accelerate the Sub-Saharan Africa growth to 5.1% in 2022 and 5.4% in 2023—as containment measures are lifted faster and spending increases. However, should vaccine delivery and coverage continue to lag, growth could slow to 2.4% in 2023.

The Group will implement its new 3-year business plan from 2022 to 2024. The enabling environment in our operating countries offers great hope to achieving the growth targets set out in the plan. We are optimistic of achieving these medium-term goals to position the Group strongly towards becoming one of the largest indigenous reinsurers on the African market.

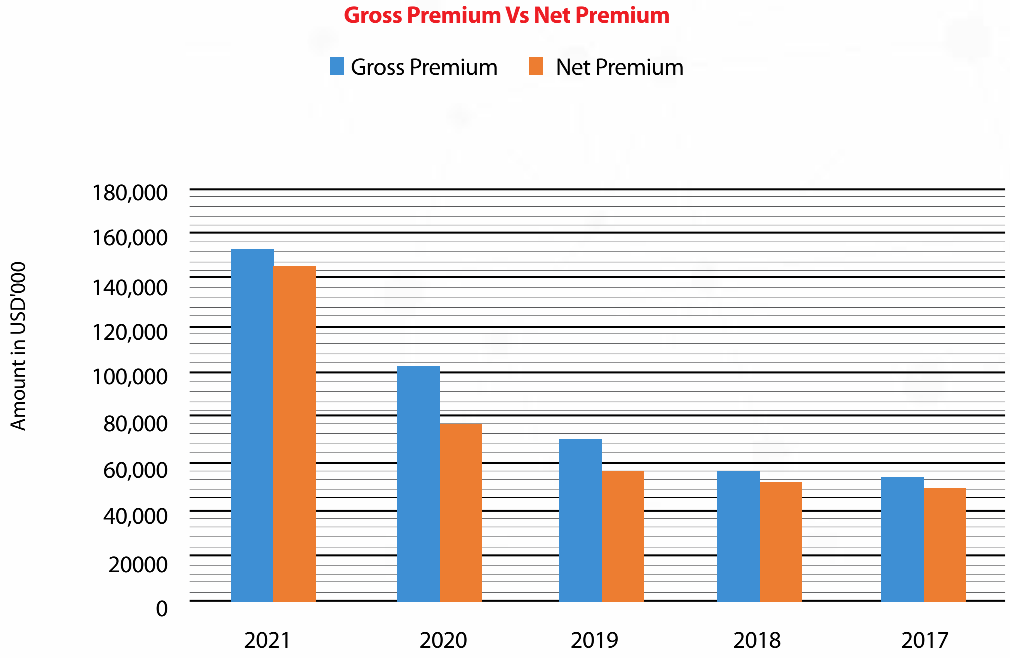
Appreciation

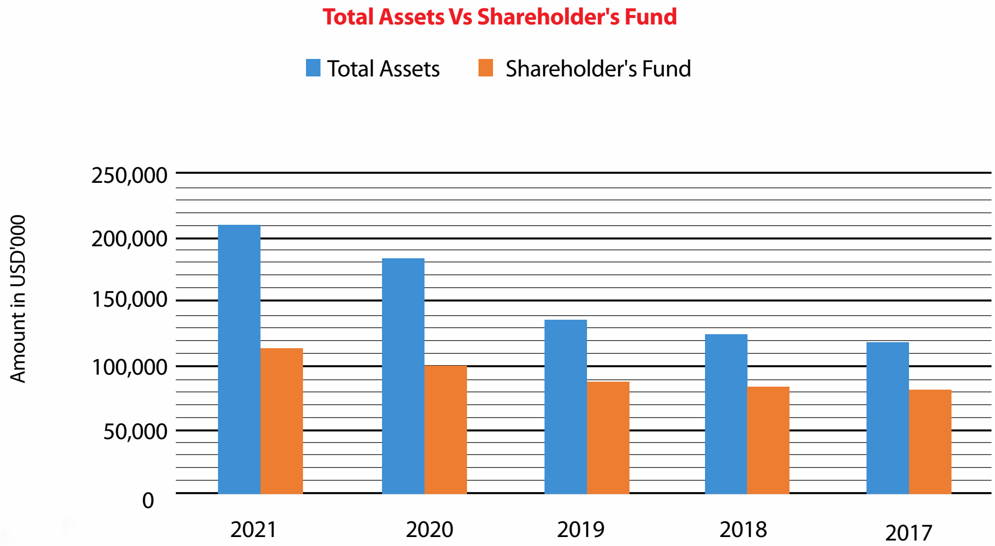
Finally, on behalf of the Board of Directors, I would like to take this opportunity to thank our clients and business partners for the support, loyalty and trust reposed in us. I also wish to thank the Management and Staff for their hard work and commitment over the years.

May God bless us all.
Thank you.

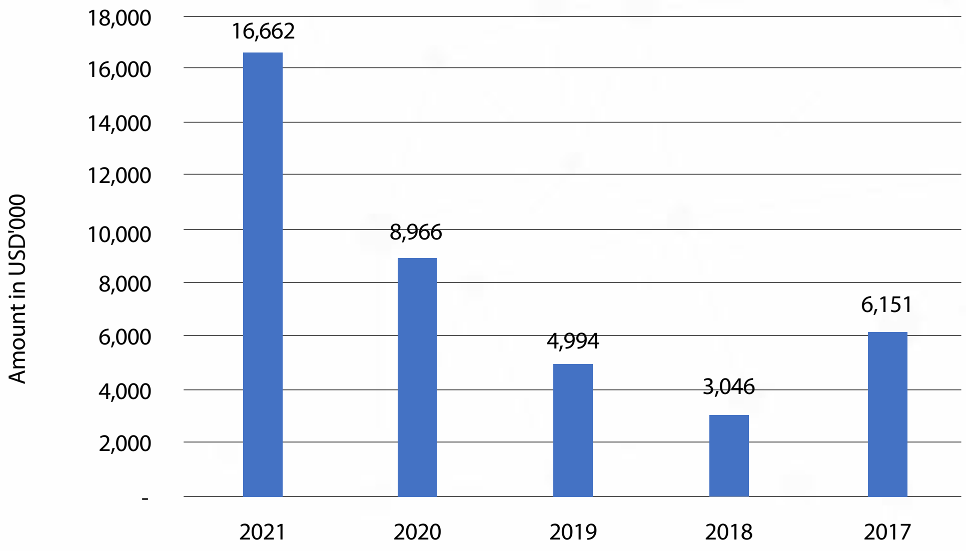
FIVE YEAR FINANCIAL SUMMARY

	2021 USD'000	2020 USD'000	2019 USD'000	2018 USD'000	2017 USD'000
Gross Premium	**153,349**	102,604	70,339	57,972	55,835
Net Earned Premium	**146,430**	78,659	58,140	52,591	49,181
Underwriting Profit	**16,662**	8,966	4,994	3,046	6,151
Investment & Other Income	**4,552**	3,908	3,442	4,086	2,928
Net Profit Before Tax	**21,163**	13,553	9,734	6,838	5,478
Total Cash & Investments	**144,409**	114,932	88,901	83,303	76,701
Shareholders' Funds	**113,740**	98,159	89,371	85,957	81,619
Total Assets	**210,358**	183,884	136,888	123,549	117,779
Loss Ratio	**48%**	39%	32%	32%	36%
Combined Ratio	**89%**	87%	94%	96%	89%
Return on Equity	**19%**	14%	11%	8%	7%
Earnings per Share	**0.43**	0.28	0.20	0.14	0.11

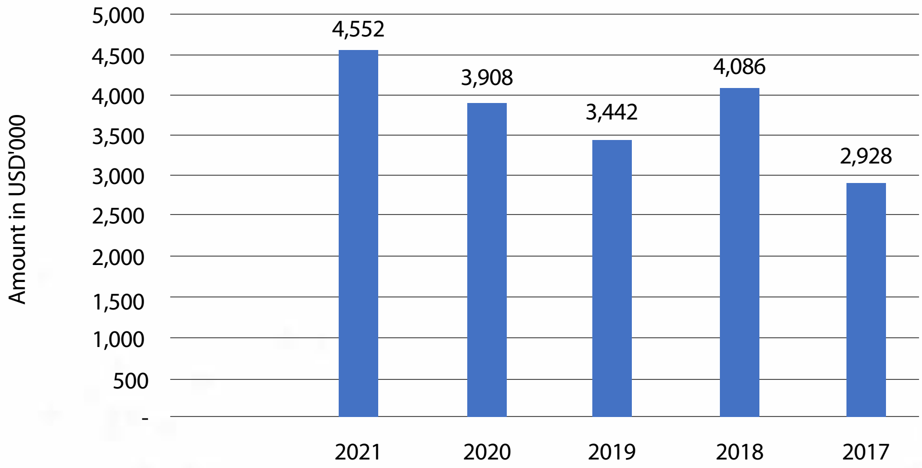

Gross Premium Vs Net Premium
Gross Premium
Net Premium
Amount in USD'000
180,000
160,000
140,000
120,000
100,000
80,000
60,000
40,000
20000
0
2021
2020
2019
2018
2017


Total Assets Vs Shareholder's Fund
Total Assets
Shareholder's Fund
Amount in USD'000
250,000
200,000
150,000
100,000
50,000
0
2021
2020
2019
2018
2017

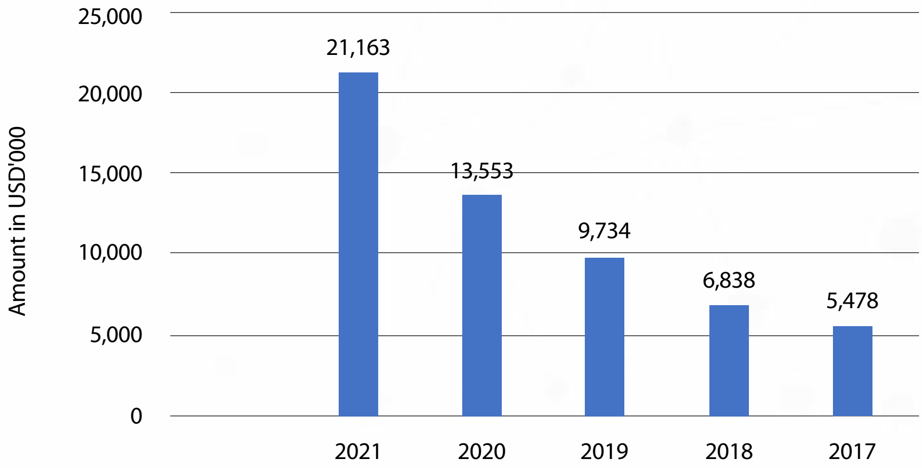
Underwriting Profit



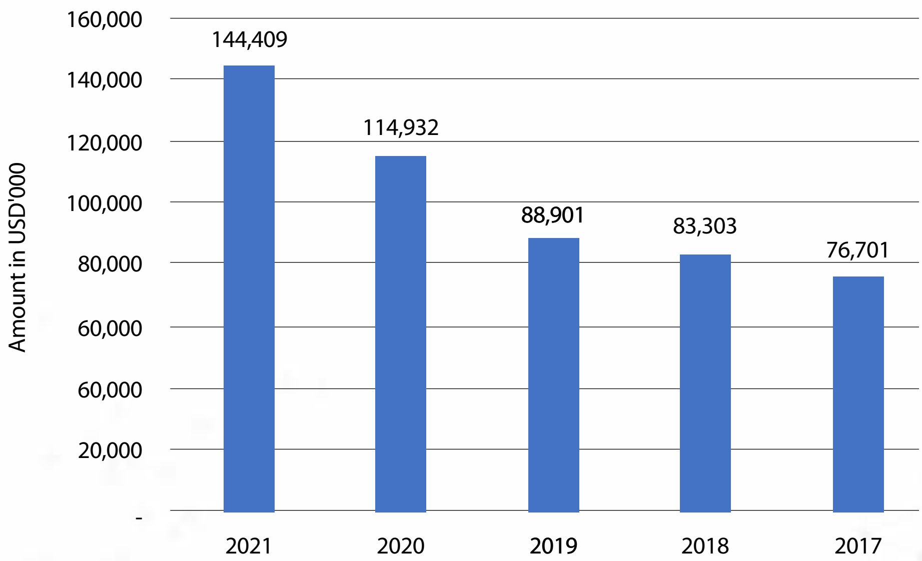
Investment and other Income

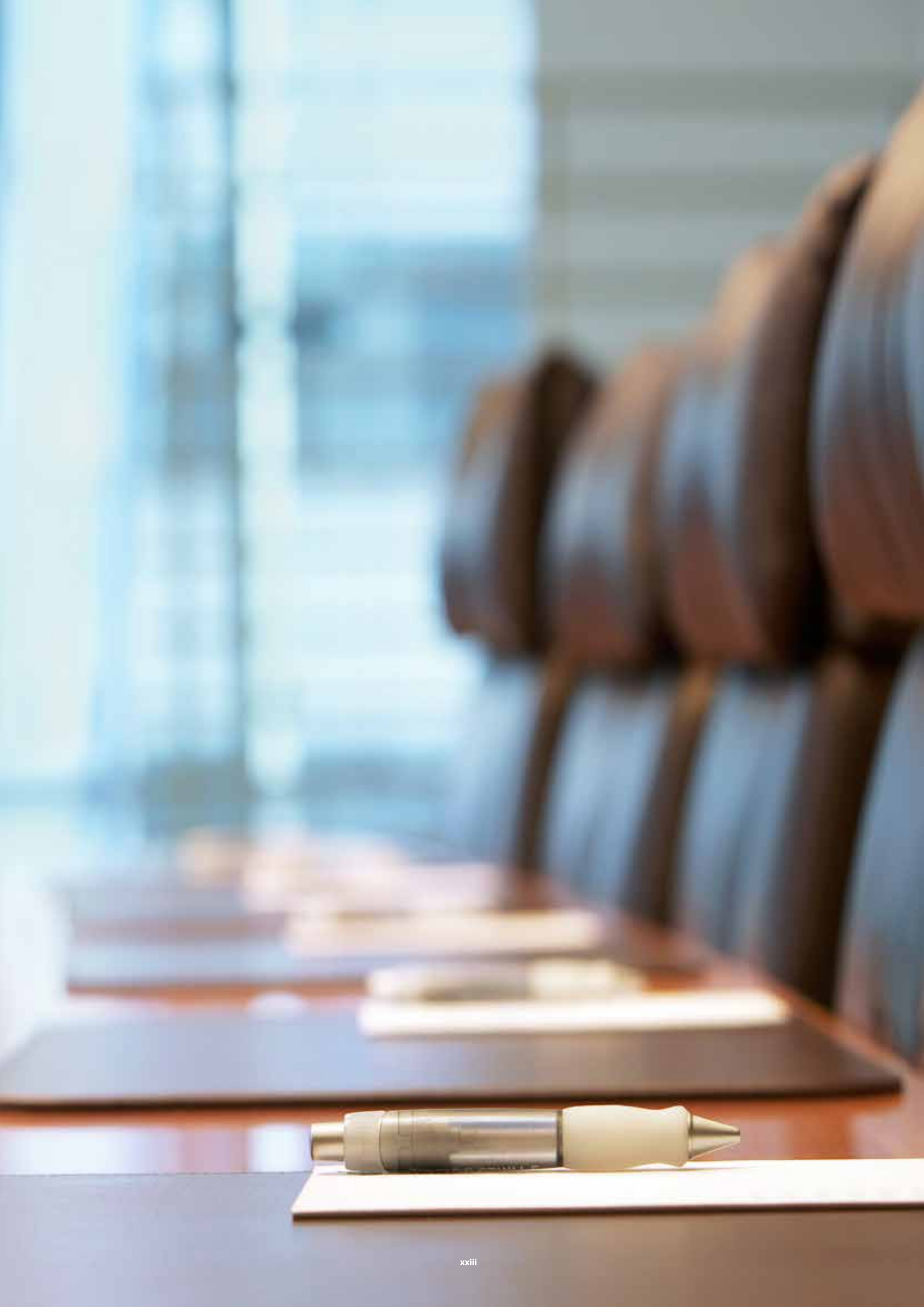


Net Profit before Tax



Total Cash and Investment





DIRECTORS

Kofi Duffuor
Group Chairman

Ezekiel Abiola Ekundayo
Group MD/CEO

William Coker

Senor Thomas-Sowe

Samuel Amankwah

Donald Charles Kaye

Adeyemo Adejumo

Everett J. Clark

Benjamin Mutuku Kamanga

Dr. George Agyekum Nana Donkor

Olatoyosi Alabi

MANAGEMENT

Ezekiel Abiola Ekundayo
Group MD/CEO

Dr. Abiba Zakariah
Group COO

Samuel Jasper Baidoo
Group CFO

Clement Owusu
Group Director (Technical)

Wilberforce Machimbidzofa
CEO (Zimbabwe)

Charles Etemesi
CEO (Kenya)

Steve Odjugo
Regional Director (Nigeria)

Sunday Segun Asake
Regional Director (Sierra Leone)

Hanene Boukhris
Regional Director (North Africa)

Edward Duamroh
Regional Director (Ghana)

Gilles-Alexandre Ayiman
Regional Director (Francophone)

GENERAL INFORMATION

DIRECTORS

Kofi Duffuor	Group Chairman
Abiola Ekundayo	Group Managing Director/CEO
Senor Thomas-Sowe	
William Coker	
Samuel Amankwah	
Donald C. Kaye	
Olatoyosi Alabi	
Benjamin Mutuku Kamanga	
Dr. George Agyekum Nana Donkor	
Adeyemo Adejumo	
Everett J. Clark	

REGISTERED OFFICE

30 Junction
Hill Station
Freetown, Sierra Leone

BANKERS

Ecobank Ghana Limited
Ecobank Nigeria Limited
Ecobank Sierra Leone Limited
Ecobank Cote D'Ivoire Limited
Guaranty Trust Bank Plc, Nigeria
United Bank for Africa Cote D'Ivoire Limited
United Bank for Africa, Sierra Leone Limited
Access Bank Ghana Limited
Access Bank Sierra Leone Limited
Bank of Sierra Leone
Trust Bank Gambia Limited
Union Trust Bank Limited

CORPORATE SECRETARIES

Freetown Nominees Limited
55 Sir Samuel Lewis Road
Aberdeen
Freetown
Sierra Leone.

AUDITOR

Baker Tilly Sierra Leone
Chartered Accountants
Baker Tilly House
37 Siaka Stevens Street
Freetown
Sierra Leone.

Report of the Directors

The Directors present their report together with the audited consolidated and separate financial statements of WAICA Reinsurance Corporation Plc "The Corporation" and its subsidiaries "The Group" for the year ended 31 December 2021.

Directors' responsibility statement

The Group's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and other relevant standards and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Principal activities

The principal activities of the Group are to operate international, national, regional and sub regional reinsurance offices and institutions and to provide technical assistance to members of West Africa Insurance Companies Association (WAICA) and any other insurance and reinsurance institutions from around the world. The Group also provides fund management services to organizations and private individuals. There was no change in the Group's business during the year.

The Group

The Group comprises of Waica Reinsurance Corporation Plc (the Parent Company) and three subsidiaries:

- **Waica Re Capital Ghana Limited**
  incorporated and domiciled in Ghana, and provides fund management services.

- **Waica Re Kenya Limited**
  incorporated and domiciled in Kenya, and provides reinsurance services.

- **Waica Re Zimbabwe (Pvt)**
  acquired and domiciled in Zimbabwe, and provides reinsurance services.

Results

The results for the year are shown in the attached financial statements.

Share capital

Details of the Group's share capital are shown in note 28 to these financial statements.

Dividend

In respect of the year ended 31 December 2021 result, the Board of Directors proposed a dividend of US$ 0.10186 per share amounting to US$ 5,000,000 to be paid to existing Shareholders whose names appear in the register of the Corporation as at the date of the Annual General Meeting. (2020: Dividend of US$ 4,000,000).

Board committees

Board committees have been delegated with the responsibility to assist the Board in carrying out its duties and to enhance the effectiveness of the Board. Board committees periodically meet to achieve its objectives and also perform self-evaluation to assess the effectiveness of their functioning. These committees are:

Finance and Investment Committee
The Committee meets at least four times in a year to assist the Board of Directors to exercise oversight responsibility over the Group's financial performance and its investment decisions.

Strategy and Operations Committee
The Committee meets at least four times in a year to assist Board of Directors to exercise oversight responsibility over the Group's overall strategy, information and communication systems, and operational systems.

Human Resource, Remuneration, Ethics and Corporate Governance Committee
The Committee meets at least four times in a year to assist Board of Directors to exercise oversight responsibility over the Group's human resource functions including policy and practice of the Group, corporate governance structures and employee remuneration.

Risk Management, Audit and Internal Compliance Committee
The Committee meets at least four times in a year to support the Board in fulfilling its oversight responsibility with regard to financial reporting, the system of internal controls and the process for monitoring compliance with laws and regulations. It is also responsible for establishing overall group risk management framework, risk metrics and controls, capable of identifying and managing risk.

Property and equipment

Details of the Group's property and equipment are shown in note 17 to these financial statements.

Employment of physically challenged people

The Group does not discriminate against disabled persons as it is clearly stated that there shall not be any discrimination against a qualified individual with disability with regards to recruitment, advancement, training, compensation, discharge or other terms, conditions or privileges of employment. There was one physically challenged person in the employment of the Group during the year.

Health, safety and welfare at work

The Group has retained the services of a medical facilities for all employees of the Group and a conducive office environment is maintained for staff and visitors, with adequate lighting and ventilation.

Employee involvement and training

There are various forums where the staff meet and discuss issues that relate to them and their progress at the work place, these include unit meetings, and regular general meetings.

There is an approved training schedule for staff, and the Group also has a staff performance appraisal process through which staff are appraised and promotions and /or increments made.

Report of the Directors (continued)

Directors and their interests

The Directors who served within the year and their interest in the Corporation's equity are as follows:

	Year ended 31 December 2021		Year ended 31 December 2020	
Directors	**No. of Shares**	**Percentage Holding**	No. of Shares	Percentage Holding
Kofi Dufffuor – **Group Chairman**	**200,221**	**0.41%**	200,221	0.41%
Abiola Ekundayo	**83,649**	**0.17%**	83,649	0.17%
Senor Thomas-Sowe	**17,946**	**0.04%**	17,946	0.04%
William Coker	**20,009**	**0.04%**	20,009	0.04%
Mohamed Babatune Cole (Retired 2021)	**105,000**	**0.21%**	105,000	0.21%
Ekow Dadzie-Dennis (Retired 2021)	**-**	**-**	-	-
Samuel Amankwah (Appointed 2021)	**-**	**-**	-	-
Donald C. Kaye (Appointed 2021)	**-**	**-**	-	-
Olatoyosi Alabi	**-**	**-**	-	-
Benjamin Mutuku Kamanga	**-**	**-**	-	-
Dr. George Agyekum Nana Donkor	**-**	**-**	-	-
Adeyemo Adejumo	**-**	**-**	-	-
Everett J. Clark	**-**	**-**	-	-

Auditor

In accordance with Section 308 of the Companies Act 2009 of Sierra Leone, a resolution for the re-appointment of Baker Tilly as auditors of the Corporation is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

Secretary

30TH MARCH 2022

Date

bakertilly

Independent Auditor's report
To the Shareholders of WAICA Reinsurance Corporation Plc

Report on the Audit of the Consolidated and separate Financial Statements

Opinion

We have audited the consolidated financial statements of WAICA Reinsurance Corporation Plc (The Corporation) and its subsidiaries (together, The Group) set out on pages 8 to 75 which comprise the consolidated and separate statement of financial position as at 31 December 2021, and the consolidated and separate statement of profit or loss and other comprehensive income, the consolidated and separate statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of WAICA Reinsurance Corporation Plc (The Corporation) and its subsidiaries (together, The Group) as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and have been properly prepared in accordance with Applicable Laws and Regulations.

Basis for Opinion

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

Key audit matters

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

Independent Auditors' report to the Shareholders of WAICA Reinsurance Corporation Plc (continued)

Report on the Audit of the Consolidated and separate Financial Statements (continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of technical provisions The valuation of the technical provisions are actuarially determined by an external actuarial expert retained by the Corporation. The valuation of the technical provisions involves a significant degree of judgement about future events of uncertain future outcomes. The liabilities are based on the best-estimate of the ultimate cost of all incurred claims liabilities (ICL), but not settled at a given date, whether reported or not and provision for unearned premium reserve (UPR). The incurred but not reported reserves (IBNR) are considered to be the most judgmental aspect of the technical provisions. It is calculated using generally accepted actuarial methods such as: • Chain Ladder Method • Expected Loss ration method • Bornhuettor-Ferguson Method • Cape Cod Method	We obtained the actuarial calculations from management's internal actuarial experts and performed the following procedures: • Assessed the competence of management's external actuarial expert; • Understood and evaluated management's process for estimating technical provisions; • Understood, evaluated and tested key controls over underwriting and claims process and performed detailed substantive testing over premiums, claims paid and outstanding claims; and • Tested the accuracy, completeness and appropriateness of the underlying data used in the actuarial valuations by performing checks between the data recorded in the financial statements and actuarial data used by management's experts. • We also assessed the financial statement disclosure for reasonableness.
Valuation of reinsurance receivables The valuation of the Group's reinsurance receivable required significant judgement in determining the amount to reflect the credit risk exposure to reinsurance receivables. The Group's impairment model considers the ageing of its reinsurance receivables and collection history. It also considers the length of time the receivable has been due as well as the financial condition of the debtor. Management performs periodic reconciliation with existing cedents and considers the results in the impairment assessment.	We adopted a substantive approach in order to assess the recoverability of the reinsurance receivables. We assessed the reasonableness and appropriateness of the impairment methodology and assumption used in testing the recoverability of the reinsurance receivables. Specifically, we: • Tested the ageing analysis of the gross receivable performed by management by selecting samples and checking to supporting documentation; • Evaluated the existing relationship between the company and selected cedants including the historical and current collection data; • Recomputed the impairment allowance of the Group's reinsurance receivables which was compared to management's valuation of the Group's reinsurance receivables; and • We, assessed the financial statements disclosures for reasonableness.

Independent Auditors' report to the Shareholders of WAICA Reinsurance Corporation Plc (continued)

Report on the Audit of the Consolidated and separate Financial Statements (continued)

Other Information

The Directors are responsible for the other information. The other information comprises the Directors' Report, which we obtained prior to the date of this report. Other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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

If, based on the work we have performed on the other information 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 Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act of Sierra Leone, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 business or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

Independent Auditors' report to the Shareholders of WAICA Reinsurance Corporation Plc (continued)

Report on the Audit of the Consolidated and separate Financial Statements (continued)
Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

significant doubt on the Group and its subsidiaries' 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 cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of the Group. We remain solely responsible for our audit opinion.

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

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

The Engagement Partner on the audit resulting in this independent auditor's report is Derrick Kawaley.

Baker Tilly

Freetown

Chartered Accountants

30TH MARCH 2022
Date

Statement of financial position

as at 31 December 2021

In thousands of United States Dollars	Notes	Group 2021	Corporation 2021	Group 2020	Corporation 2020
Assets					
Cash and cash equivalents	12	**53,831**	**50,984**	41,427	35,342
Financial assets	13	**81,226**	**71,904**	64,140	65,244
Reinsurance receivables	14	**35,452**	**29,252**	27,255	23,894
Retrocessionaires share of technical provisions	27	**12,188**	**10,806**	23,522	22,080
Deferred acquisition costs	15	**12,829**	**9,692**	13,555	11,672
Other assets	16	**788**	**444**	920	255
Property and equipment	17	**2,830**	**2,216**	1,549	1,114
Intangible assets	18	**264**	**249**	283	263
Right of use asset	19	**1,124**	**959**	1,370	1,175
Investment property	20	**9,352**	**9,039**	9,364	9,039
Deferred tax asset	11c	**474**	**-**	499	-
Total assets		**210,358**	**185,545**	**183,884**	170,078
Liabilities					
Funds under management	21b	**5,125**	**-**	5,040	-
Outstanding claims	22b	**41,599**	**38,647**	26,081	23,658
Reinsurance payables	23	**8,160**	**6,358**	3,053	1,706
Trade and other payables	24	**3,622**	**1,988**	3,630	2,833
Provision for unearned premium	26	**36,014**	**25,292**	47,214	42,488
Current tax liability	11b	**852**	**-**	707	-
Deferred tax liability	11c	**103**	**-**	-	-
Deferred income	25	**1,143**	**1,143**	-	-
		96,618	**73,428**	**85,725**	**70,685**
Equity					
Share capital	28	**49,083**	**49,083**	49,083	49,083
Share premium	29	**15,793**	**15,793**	15,793	15,793
Retained earnings	30	**32,469**	**25,473**	26,935	22,907
Contingency reserve	31	**15,575**	**15,575**	11,771	11,771
Foreign currency translation reserves	32c	**(5,891)**	**-**	(5,780)	-
Other reserves	32a	**(398)**	**(398)**	(161)	(161)
Capital reserve	32b	**518**	**-**	518	-
Regulatory reserve	32d	**6,591**	**6,591**	-	-
Total equity		**113,740**	**112,117**	**98,159**	**99,393**
Total equity and liabilities		**210,358**	**185,545**	**183,884**	**170,078**

The financial statements were approved by the Board of Directors on 30TH MARCH 2022 and were signed on its behalf by:

Chairman	Director	Director

The notes on pages 17 to 75 are an integral part of these financial statements

Statement of profit or loss and other comprehensive income

for the year ended 31 December 2021

In thousands of United States Dollars	Notes	Group 2021	Corporation 2021	Group 2020	Corporation 2020
Underwriting income					
Gross written premium	7	153,349	126,813	102,604	88,980
Less: retrocession premium		(24,158)	(21,466)	(10,995)	(9,817)
Net written premium		129,191	105,347	91,609	79,163
Movement in unearned premium reserve	26	17,239	23,220	(12,950)	(10,125)
Net earned premium		146,430	128,567	78,659	69,038
Investment income	8a	4,461	3,555	3,662	3,061
Commission earned		4,568	3,738	1,617	1,212
Other income	8b	91	109	246	208
Total income from operations		155,550	135,969	84,184	73,519
Net claims incurred	22a	(69,945)	(65,413)	(30,505)	(28,340)
Commission expenses	6	(43,143)	(37,215)	(23,527)	(21,015)
Management expenses	9	(18,479)	(13,851)	(17,115)	(13,449)
Net finance income/(cost)	10	(2,820)	(2,529)	516	8
Total underwriting expenses		(134,387)	(119,008)	(70,631)	(62,796)
Profit before tax		21,163	16,961	13,553	10,723
Tax expense	11	(1,234)	-	(417)	-
Profit for the year		19,929	16,961	13,136	10,723

The notes on pages 17 to 75 are an integral part of these financial statements

Statement of profit or loss and other comprehensive income (continued)

for the year ended 31 December 2021

In thousands of United States Dollars	Group 2021	Corporation 2021	Group 2020	Corporation 2020
Profit for the year	**19,929**	**16,961**	13,136	10,723
Other comprehensive income for the period				
Items that will not be reclassified to profit or loss:				
Remeasurement of defined benefit liabilities	**(237)**	**(237)**	(112)	(112)
Related tax	**-**	**-**	-	-
	(237)	**(237)**	(112)	(112)
Items that are or may be reclassified subsequently to profit or loss:				
Foreign operations – foreign currency translation differences	**(111)**	**-**	(1,235)	-
Related tax	**-**	**-**	-	-
	(111)	**-**	(1,235)	-
Other comprehensive income - net of tax	**(348)**	**(237)**	(1,347)	(112)
Total comprehensive income for the year	**19,581**	**16,724**	11,789	10,611
Profit attributable to:				
Equity holders of the Corporation	**19,929**	**16,961**	13,136	10,723
Profit for the year	**19,929**	**16,961**	13,136	10,723
Total comprehensive income attributable to:				
Equity holders of the Corporation	**19,581**	**16,724**	11,789	10,611
Total comprehensive income for the year	**19,581**	**16,724**	11,789	10,611

The financial statements were approved by the Board of Directors on 30TH MARCH 2022 and were signed on its behalf by:

Chairman

Director

Director

The notes on pages 17 to 75 are an integral part of these financial statements

Statement of changes in equity
ffor the year ended 31 December 2021

In thousands of United States Dollars	Share Capital	Share Premium	Retained Earnings	Contingency Reserves	Foreign currency translation reserve	Capital reserve	Other reserves	Regulatory reserves	Total
The Group									
Balance at 1 January 2021	49,083	15,793	26,935	11,771	(5,780)	518	(161)	-	98,159
Total comprehensive income for the year									
Profit for the year	-	-	19,929	-	-	-	-	-	19,929
Other comprehensive income net of income tax:									
Remeasurement of defined benefit liability	-	-	-	-	-	-	(237)	-	(237)
Foreign currency translation reserve	-	-	-	-	(111)	-	-	-	(111)
Total other comprehensive income	-	-	-	-	(111)	-	(237)	-	(348)
Total comprehensive income	-	-	19,929	-	(111)	-	(237)	-	19,581
Other transfers									
Transfer to contingency reserves	-	-	(3,804)	3,804	-	-	-	-	-
Transfer to regulatory reserves	-	-	(6,591)	-	-	-	-	6,591	-
Total other transfers	-	-	(10,395)	3,804	-	-	-	6,591	-
Transactions with owners recorded directly in equity									
Dividend to owners	-	-	(4,000)	-	-	-	-	-	(4,000)
Balance at 31 December 2021	49,083	15,793	32,469	15,575	(5,891)	518	(398)	6,591	113,740

The notes on pages 17 to 75 are an integral part of these financial statements

Statement of changes in equity (continued)
for the year ended 31 December 2021

In thousands of United States Dollars	Share Capital	Share Premium	Retained Earnings	Contingency Reserves	Other reserves	Regulatory reserves	Total
The Corporation							
Balance at 1 January 2021	49,083	15,793	22,907	11,771	(161)	-	99,393
Total comprehensive income for the year							
Profit for the year	-	-	16,961	-	-	-	16,961
Other comprehensive income net of income tax:							
Remeasurement of defined benefit liability	-	-	-	-	(237)	-	(237)
Total other comprehensive income	-	-	16,961	-	(237)	-	16,724
Total comprehensive income	-	-	16,961	-	(237)	-	16,724
Other transfers							
Transfer to contingency reserves	-	-	(3,804)	3,804	-	-	-
Transfer to regulatory reserve	-	-	(6,591)	-	-	6,591	-
Total other transfers	-	-	(10,395)	3,804	-	6,591	-
Transactions with owners recorded directly in equity							
Dividend to owners	-	-	(4,000)	-	-	-	(4,000)
Balance at 31 December 2021	49,083	15,793	25,473	15,575	(398)	6,591	112,117

The notes on pages 17 to 75 are an integral part of these financial statements

Statement of changes in equity (continued)
for the year ended 31 December 2021

In thousands of United States Dollars	Share Capital	Share Premium	Retained Earnings	Contingency Reserves	Foreign currency translation reserve	Capital reserve	Other reserves	Regulatory reserves	Total
The Group									
Balance at 1 January 2020	49,083	15,793	19,468	9,102	(4,545)	518	(49)	-	89,370
Total comprehensive income for the year									
Profit for the year	-	-	13,136	-	-	-	-	-	13,136
Other comprehensive income net of income tax:									
Remeasurement of defined benefit liability	-	-	-	-	-	-	(112)	-	(112)
Foreign currency translation reserve	-	-	-	-	(1,235)	-	-	-	(1,235)
Total other comprehensive income	-	-	-	-	(1,235)	-	(112)	-	(1,347)
Total comprehensive income	-	-	13,136	-	(1,235)	-	(112)	-	11,789
Other transfers									
Transfer to contingency reserves	-	-	(2,669)	2,669	-	-	-	-	-
Total other transfers	-	-	(2,669)	2,669	-	-	-	-	-
Transactions with owners recorded directly in equity									
Dividend to owners	-	-	(3,000)	-	-	-	-	-	(3,000)
Balance at 31 December 2020	49,083	15,793	26,935	11,771	(5,780)	518	(161)	-	98,159

The notes on pages 17 to 75 are an integral part of these financial statements

Statement of changes in equity (continued)

for the year ended 31 December 2021

In thousands of United States Dollars	Share Capital	Share Premium	Retained Earnings	Contingency Reserves	Other reserves	Total
The Corporation						
Balance at 1 January 2020	49,083	15,793	17,853	9,102	(49)	91,782
Total comprehensive income for the year						
Profit for the year	-	-	10,723	-	-	10,723
Other comprehensive income net of income tax:						
Remeasurement of defined benefit liability	-	-	-	-	(112)	(112)
Total other comprehensive income	-	-	10,723	-	(112)	(112)
Total comprehensive income	-	-	-	-	(112)	10,611
Other transfers						
Transfer to contingency reserves	-	-	(2,669)	2,669	-	-
Total other transfers	-	-	(2,669)	2,669	-	-
Transactions with owners recorded directly in equity						
Dividend to owners	-	-	(3,000)	-	-	(3,000)
Balance at 31 December 2020	49,083	15,793	22,907	11,771	(161)	99,393

The notes on pages 17 to 75 are an integral part of these financial statements

Statement of cash flows
for the year ended 31 December 2021

In thousands of United States Dollars	Notes	Group 2021	Corporation 2021	Group 2020	Corporation 2020
Cash flows from operating activities					
Profit for the year		**21,163**	**16,961**	13,553	10,723
Adjustment for:					
Write-off on property and equipment	17	**-**	**-**	26	-
Depreciation	17&19	**807**	**574**	1,012	728
Amortization	18	**15**	**15**	67	48
Gain on disposal	8b	**(76)**	**(62)**	-	-
Translation adjustment	18	**4**	**-**	(69)	-
Net finance cost	10	**2,663**	**2,402**	(703)	(165)
Actuarial gain/(loss)	9b	**(237)**	**(237)**	(112)	(112)
Foreign currency translation differences		**(209)**	**-**	(1,119)	-
Interest on lease liability		**157**	**127**	188	157
Interest on staff loan		**(7)**	**(7)**	-	-
Fair value adjustment on investment property		**12**	**-**	(38)	-
Tax adjustment		**(25)**	**-**	(12)	-
		24,267	**19,773**	12,793	11,379
Changes in					
- reinsurance receivables	14	**(8,197)**	**(5,358)**	4,313	5,828
- retrocessionaires share of technical provision	26	**11,334**	**11,274**	(19,827)	(18,930)
- deferred acquisition costs	15	**726**	**1,980**	(4,690)	(3,354)
- outstanding claims	22b	**15,518**	**14,989**	22,539	20,785
- reinsurance payable	23	**5,107**	**4,652**	331	(599)
- trade and other payables	24	**(8)**	**(845)**	(1,295)	(853)
- provision for unearned premium	26	**(11,200)**	**(17,196)**	14,522	11,787
- changes in fund under management		**85**	**-**	517	-
- other assets	16	**132**	**(191)**	(560)	(54)
		37,764	**29,078**	28,643	25,989
Charges paid	10	**(390)**	**(389)**	(232)	(232)
Income tax paid	11b	**(986)**	**-**	(23)	-
Lease liabilities interest paid	24	**(157)**	**(127)**	(188)	(157)
Net cash from operating activities		**36,231**	**28,562**	28,200	25,600
Cash flow from investing activities					
Net investment acquisition	13b	**(17,086)**	**(6,660)**	(14,407)	(17,408)
Acquisition of property and equipment	17	**(727)**	**(316)**	(1,067)	(1,045)
Acquisition of intangible assets	18	**-**	**-**	(4)	-
Investment in Associate		**(49)**	**-**	-	-
Proceeds from disposal		**76**	**62**	-	-
Net cash used in investing activities		**(17,786)**	**(6,914)**	(15,478)	(18,453)

The notes on pages 17 to 75 are an integral part of these financial statements

Statement of cash flows (continued)

for the year ended 31 December 2021

In thousands of United States Dollars	Notes	Group 2021	Corporation 2021	Group 2020	Corporation 2020
Cash flows from financing activities					
Dividend paid		**(4,000)**	**(4,000)**	(2,341)	(2,341)
Lease liability financing	19	**155**	**155**	657	657
Payment of principal portion of lease liability	19	**(417)**	**(404)**	(388)	(363)
Cash flow from financing activities		**(4,262)**	**(4,249)**	(2,072)	(2,047)
Net increase in cash and cash equivalents		**14,183**	**17,339**	10,650	5,100
Cash and cash equivalents at beginning of the year		**41,427**	**35,342**	29,841	29,845
Effect of exchange rate fluctuations on cash and cash equivalent held		**(1,779)**	**(1,757)**	936	397
Cash and cash equivalents at end of the year	12	**53,831**	**50,984**	41,427	35,342

The notes on pages 17 to 75 are an integral part of these financial statements

Notes to the financial statements

1. Reporting entity

1.1 The parent company

WAICA Reinsurance Corporation Plc is a Corporation incorporated and domiciled in Sierra Leone at 30 Junction off Regent Road, Hill Station, Freetown, Sierra Leone. The Corporation is primarily established to operate international, national, regional and sub-regional reinsurance offices and institutions and to provide technical assistance to members of West Africa Insurance Companies Association and any other insurance and reinsurance institutions from around the world.

These consolidated financial statements comprise that of the Corporation and its subsidiaries (together referred to as The Group).

1.2 Composition of the Group

The consolidated financial statements incorporate the financial statements of the WAICA Reinsurance Corporation Plc (the Parent Company) and entities controlled by the Corporation (its subsidiaries) made up to 31 December each year. Control is achieved when the Corporation:

- has the power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Corporation reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Corporation has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Corporation considers all relevant facts and circumstances in assessing whether or not the Corporation's voting rights in an investee are sufficient to give it power, including:

- the size of the Corporation's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Corporation, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Corporation has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Corporation obtains control over the subsidiary and ceases when the Corporation loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the consolidated profit or loss account from the date the Corporation gains control until the date when the Corporation ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the Corporation and to the non-controlling interests (NCI) if any. Total comprehensive income of the subsidiaries is attributed to the owners of the Parent Company and to the NCI even if this results in the NCI having a deficit balance. As at the reporting date all of the reported subsidiaries were wholly owned by the Corporation, and there were no non-controlling interests. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

Notes to the financial statements (continued)

1.2 Composition of the Group (continued)

Set out below are the details of the subsidiaries held directly by the Corporation:

Name of the subsidiary	Country of Incorporation and principal place of business	Principal activity	Proportion of ownership of interest held by the Parent at year end	
			2021	2020
Waica Re Kenya Limited	Kenya	Reinsurance services	**100%**	100%
Waica Re Zimbabwe (Pvt)	Zimbabwe	Reinsurance services	**100%**	100%
Waica Re Capital Ghana Limited	Ghana	Fund management services	**100%**	100%

2. General information, statement of compliance with IFRS and going concern assumption

2.1 General information

The WAICA Reinsurance Corporation Plc was incorporated on 7 March 2011 by the members of the West African Insurance Companies Association (WAICA), which was established in 1973 to help mitigate the effects of the lack of reinsurance capacity within the West African insurance industry.

The main objective of the Corporation is to provide reinsurance services to the insurance sector in West Africa and other regions and includes, to:

a). Effectively and efficiently manage the business of reinsurance, primarily though not exclusively, across the sub region;

b). Achieve excellence in their management systems and standards by employing best practices through an efficient and responsive management and an empowered and highly motivated work force; and to

c). Create enhanced value for its shareholders and other stakeholders.

The Corporation carries out its reinsurance business through its constituent offices in Freetown, Accra, Lagos, Abidjan, Tunis and through its subsidiaries in Kenya and Zimbabwe.

2.2 Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations issued by the International Accounting Standards Board (IASB). They were authorised for issue by the Corporation's Board of Directors on 30TH MARCH 2022 Details of the Group's accounting policies, including changes thereto, are included in Note 3.

2.3 Going concern

The Directors have made an assessment of the Group's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the foreseeable future.

3. Significant accounting policies

3.1 Basis of preparation

The Group's financial statements have been prepared on an accrual basis and under the historical cost convention except for the revaluation of properties and investments, and the net defined benefit liability which was measured at present value of the defined benefit obligation. Monetary amounts are expressed in US Dollars and are rounded to the nearest thousands, except for Earnings Per Share.

3.2 Basis of consolidation

The Group's financial statements consolidate those of the parent company and all of its subsidiaries as of 31 December 2021. All subsidiaries have a reporting date of 31 December.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

3.3 Use of estimates and judgements

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

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

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is set out below.

Held to maturity investments

The Group classifies non-derivative financial assets with fixed or determinable payments and fixed maturity as held to maturity. This classification requires significant judgement. In making this judgement, the Group evaluates its intention and ability to hold such investments to maturity. The investments are therefore measured at amortised cost.

(b) Assumptions and estimation uncertainties

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

• Note 9b (i) Measurement of defined benefit obligations:

The Group's net obligation in respect of its defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Any unrecognized post service costs and the fair value of any plan assets are deducted. The calculation is performed annually by a qualified actuary using key actuarial assumptions;

• Notes 22, 24 and 36 Recognition and measurement of provisions and contingencies:

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably. The estimate may be based on key assumptions about the likelihood and magnitude of an outflow of resources.

• Deferred tax assets and liabilities:

Critical estimates are made by the directors in determining deferred tax assets and liabilities. The Group is subject to taxes in Ghana, Kenya and Zimbabwe and requires significant estimates in determining future taxes to be paid or recovered.

(i) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring the fair value of an asset and liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follow.

Level 1
quoted prices (adjusted) in active markets for identical assets or liabilities.

Level 2
inputs other than quoted prices included within level 1 that are observed for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3
inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset and liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in note 33 (b).

3.4 Foreign currency translation

Functional and presentation currency
The consolidated and separate financial statements are presented in currency units USD, which is also the functional currency of the parent company.

Foreign currency transactions and balances
Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations
In the Group's financial statements, the results and financial position of foreign operations with a functional currency other than the USD are translated into USD upon consolidation as follows.

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that statement of financial position,

- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

- all resulting exchange differences are recognised in other comprehensive income. On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income.

Notes to the financial statements (continued)

3. Significant accounting policies (continued)
3.4 Foreign currency translation (continued)
Foreign operations (continued)

When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

The functional currencies of entities within the Group have remained unchanged during the reporting period.

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

Set out below is an index of the significant accounting policies, the details of which are available on the pages that follow:

(a) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Group at the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the spot exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the spot exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial liability designated as the hedging instrument in a hedge, which are recognised directly in equity. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Notes to the financial statements (continued)

3. Significant accounting policies (continued)

(b) Income tax

(i) Current tax

Income tax expense comprises current and deferred tax recognized by the Group in profit or loss except to the extent that it relates to items recognized directly in equity or OCI.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to the tax payable in respect of previous years.

Income tax payable on profits based on the applicable tax laws in the respective jurisdictions which the Group operates, is recognized as an expense in the period in which the profits arise. The tax effects of income tax losses available for carrying forward are recognized as an asset when it is probable that future taxable profits will be available against which these losses can be untilised.

(ii) Deferred tax

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised 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 directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority

Additional income taxes that arise from the distribution of dividends are recognised at the same time, as the liability to pay the related dividend is recognised.

(c) Financial assets and financial liabilities

(i) Recognition

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets and liabilities including assets and liabilities designated at fair value through profit or loss are initially recognised on the trade date at which the Group becomes a party to the contractual provisions in the instrument.

A financial asset or financial liability is measured at fair value plus for an item not at fair value through profit or loss, transactions costs that are directly attributable to its acquisition or issue.

Financial assets

The Group classifies its financial assets in one of the following categories:

- loans and receivables,
- held to maturity;
- available-for-sale; or
- at fair value through profit or loss and within the category as
  - held for trading; or
  - designated at fair value through profit or loss.

Notes to the financial statements (continued)

3. Significant accounting policies (continued)
(c) Financial assets and financial liabilities (continued)

Financial liabilities
The Group classifies its financial liabilities as measured at amortised cost or fair value through profit or loss.

(ii) Derecognition
Financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the right to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

The Group enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognized. Transfers of assets with retention of all or substantially all risks and rewards include for example securities lending and repurchase transactions.

When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to repurchase transactions as the Corporation retains all or substantially all the risks and rewards of ownership of such assets.

In transactions in which the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Corporation continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions the Group retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognized if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract, depending on whether the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

Financial liabilities
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

(iii) Offsetting
Financial assets and liabilities are set off and the net amount presented in the balance sheet when, and only when the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(iv) Amortised cost measurement
The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any differences between the initial amount recognised and the maturity amount minus any reduction for impairment.

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

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

Notes to the financial statements (continued)

3. Significant accounting policies (continued)
(c) Financial assets and financial liabilities (continued)
(v) Fair value measurement (continued)

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

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

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Group on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid. The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(vi) Identification and measurement of impairment

At each reporting date the Group assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group of financial assets is (are) impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

Objective evidence that financial assets are impaired includes:

- significant financial difficulty of the debtor or issuer
- default or delinquency by a debtor,
- indications that a debtor or issuer will enter bankruptcy,
- the disappearance of an active market for a security,
- observable data relating to a group of assets such as adverse changes in the payment status of debtors or issuers in the Group, or economic conditions that correlate with defaults in the Group.

In addition, for an investment in a equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Group considers evidence of impairment for loans and advances and held-to-maturity investment securities at both a specific asset and collective level. All individually significant loans and advances and held-to-maturity investment securities are assessed for specific impairment. All individually significant loans and advances and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and advances and held-to-maturity investment ecurities that are not individually significant are collectively assessed for impairment by grouping together loans and advances and held-to-maturity investment securities with similar risk characteristics.

Notes to the financial statements (continued)

3. Significant accounting policies (continued)
(c) Financial assets and financial liabilities (continued)
(vi) Identification and measurement of impairment (continued)

In assessing collective impairment, the Group uses statistical modeling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modeling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

Impairment losses are recognised in profit or loss and reflected in an allowance account against loans and advances. Interest on impaired assets continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale investment securities are recognised by transferring the cumulative loss that has been recognised in other comprehensive income to profit or loss as a reclassification adjustment. The cumulative loss that is reclassified from other comprehensive income to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognised in profit or loss. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, with the amount of the reversal recognised in profit or loss.

However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

The Group writes off certain loans and advances and investment securities when they are determined to be uncollectible.

(vii) Designation at fair value through profit or loss

The Group has designated financial assets and liabilities at fair value through profit or loss in the following circumstances:

- The assets or liabilities are managed, evaluated and reported internally on a fair value basis.

- The designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.

(d) Deferred acquisition costs and deferred retrocession commission

Acquisition costs comprise insurance commissions, brokerage and other related expenses arising from the conclusion of insurance contracts. The proportion of acquisition costs and commission income that correspond to the unearned premiums are deferred and amortised on a pro rata basis over the contract term.

(e) Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated mpairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the cost of dismantling and removing the items and restoring the site on which they are located and capitalized borrowin costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate tems (major components) of property and equipment.

The gains or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property and equipment and are recognised net within other income in profit or loss.

Notes to the financial statements (continued)

3. Significant accounting policies (continued)
(e) Property and equipment (continued)
(i) Recognition and measurement (continued)

(ii) Subsequent costs

The cost of replacing a part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment since this mostly closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Land and Capital Work in Progress are not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	-	50 years
Motor vehicle	-	4 years
Furniture, fixtures and equipment	-	5 years
Computer equipment	-	3 years

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

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Depreciation methods, useful lives and residual values are reassessed at each financial year end and adjusted if appropriate.

(iv) Disposal of Property and Equipment

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount. These are included in the statement of comprehensive income. On disposal of revalued assets, amounts in the revaluation surplus relating to those assets are transferred to retained earnings.

(f) Intangible assets

An intangible asset arises from the purchases of software. Acquired intangible assets are measured on initial recognition at cost.

The Group recognises an intangible asset at cost if, and only if, it is probable that the future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be finite.

The intangible assets are amortised on a straight-line basis over their useful lives (3 years).
Amortisation method, useful lives and residual values are reviewed at each reporting date, and adjusted prospectively, if appropriate.

(g) Investments

The Group classifies its investments into the following categories: held-to-maturity financial assets and deposit with the Central Bank. The classification depends on the purpose for which the investments are held. Management determines the classification of its investments at initial recognition and re-evaluates this at every reporting date.

(i) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities other than those that meet the definition of loans and receivables that the Group's management has the positive intention and ability to hold to maturity.

Investment in government securities such as treasury bills and bearer bonds are held at cost and fixed deposits with banks.

(ii) Deposit with the Central Bank

The Group maintains a special account with the Central Banks in Sierra Leone, Ghana, Kenya and Zimbabwe wherein statutory deposits and all investments related transactions with regards to investment in Treasury bills are recorded.

(h) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing cost.

When the use of the property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposit with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows

(j) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

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

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or a CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

(k) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(l) Reinsurance contracts

A reinsurance contract is a contract under which the Group accepts significant insurance risks from a cedant by agreeing to compensate the cedant or other beneficiary if a specified uncertain future event (the insured event) occurs.

(i) Short-term reinsurance contracts

These contracts are casualty, property and personal accident reinsurance contracts.

Casualty reinsurance contracts protect the cedants against ceded risk of claims made by primary policyholders for causing harm to third parties as a result of the legitimate activities of the primary policyholder.

Under property reinsurance contracts, the Group mainly compensates cedants of a portion of claims payable to primary policyholders for damage suffered to their properties or for the value of property lost or the loss of earnings caused by the inability of the primary policyholder to use the insured properties in their business activities (business interruption cover).

Personal accident reinsurance contracts compensates the cedants for a portion of claims made by primary policyholders for bodily injuries suffered by the primary policyholder or his/her family members or employees.

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.

(ii) Retrocession contracts held

Contracts entered into by the Group with retrocessionaires under which the Group is compensated for losses which meet the classification requirement for reinsurance contracts are classified as retrocession insurance contracts held. Contracts that do not meet these classifications are classified as financial assets.

The Group uses retrocession arrangements to increase its aggregate underwriting capacity, to diversify its risk and to reduce its risk of catastrophic loss on reinsurance assumed. The ceding of risk to retrocessionaires does not relieve the Corporation of its obligation to its cedants. The Corporation regularly reviews the financial condition of its retrocessionnaires. Premiums and losses ceded to retrocessionaires are reported as reductions in gross premium and claims incurred.

Amounts recoverable from or due to retrocessionaires are measured consistently with the amounts associated with the retroceded reinsurance contracts and in accordance with the terms of each retrocession contract. Retrocession liabilities are primarily premiums payable for retrocession contracts and are recognised as an expense when due.

The Group assesses its retrocession assets for impairment on a quarterly basis. If there is objective evidence that the retrocession asset is impaired, the Group reduces the carrying amount of the retrocession asset to its recoverable amount and recognises that impairment loss in the income statement. The Group gathers the objective evidence that a retrocession asset is impaired using the same process adopted for financial assets held at amortised cost. The impairment loss is also calculated following the same method used for these financial assets.

(iii) Receivables and payables related to reinsurance contracts

Receivables and payables are recognised when due. These include amounts due to and from cedants, brokers and retrocessionaires. If there is objective evidence that a cession/retrocession receivable is impaired, the Group reduces the carrying amount of the receivable accordingly and recognises that impairment loss in the statement of comprehensive income. The Group gathers the objective evidence that a cession/retrocession receivable is impaired using the same process adopted for loans and receivables.

(m) Claims

Claims incurred comprise of claims paid in the year and changes in the provision for outstanding claims. Claims paid represent all payment made during the year, whether arising from events during that or earlier years.

The liability for outstanding claims and claims incurred but not reported at the reporting date is based on the estimates of the ultimate cost of setting claims based on both internal estimates and information provided by cedants.

The estimation is performed by using a range of standard actuarial claims projection techniques such as Chain Ladder, Expected Loss Ratio, Bornheutter Ferguson and Cape Cod methods. These methods use observed historical claim settlement and reporting patterns to assess future claims settlement amount.

(n) Provision for unearned premium

The portion of gross written premium on short-term insurance contract, which is estimated to be earned in the following or subsequent years, is accounted for as unearned premium provision, and on a pro-rata basis.

(o) Employee benefits

(i) Short term employee benefit

Employee entitlements to service pay and annual leave are recognised when they accrue to employees. The cost of short-term employee benefits are recognised in the period in which the service is rendered and are not discounted.

Pension obligations

(ii) Defined contribution scheme

The Group operates a defined contribution scheme. The scheme is generally funded through payments to trustee administered funds. Under the scheme the Group pays fixed contribution into the separate entity and the Group has no legal or constructive obligations to pay further contributions if the entity does not hold sufficient assets to pay all employees the benefit relating to employee's service in the current and prior period.

Defined benefit plans

(iii) The Group also operates a defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of its defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Any unrecognized post service costs and the fair value of any plan assets are deducted.

The calculation is performed annually by a qualified actuary using the projected unit credit method.

The Group recognizes all actuarial gains and losses arising from defined benefit plans and all expenses related to defined benefit plans in employee benefit expense in profit or loss.

Notes to the financial statements (continued)

3. Significant accounting policies (continued)
(o) Employee benefits (continued)
Defined benefit plans (continued)

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

(p) Provisions
A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(q) Revenue recognition
Revenue is recognised as follows:
Revenue arising from underwriting and other related services offered by the Group are recognised in the accounting period in which the services are rendered.
(i) The underwriting result is net of retrocession, provisions for unearned premium and outstanding claims.

(ii) Investment income is shown gross before the deduction of income tax and is accounted for on an accruals basis.

(r) Expenses
Expenses are decreases in economic benefits during the accounting period in the form of outflows, depletion of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants. Expenses are recognized on an accrual basis regardless of the times of spending cash. Expenses are recognized in the income statement when a decrease in future economic benefit related to a decrease in an assets or an increase of a liability has arisen that can be measured reliably. Expenses are measured at historical cost.

(s) Leases
(i) The Group as a lessee
The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Notes to the financial statements (continued)

3. Significant accounting policies (continued)
(s) Leases (continued)
(i) The Group as a lessee (continued)

The lease liability is presented as a part of trade and other payables in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the r evised lease payments using a revised discount rate.

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group made adjustments to the Sierra Leone Head Office lease during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy (not part of this Appendix). Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Other expenses' in profit or loss. As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(ii) The Group as a lessor
At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right of use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements of IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of "other revenue".

(t) Dividend and fee income

(i). Dividend income for equities held is recognised when the right to receive payment is established - this is the ex-dividend date for equity securities

Dividend distribution to the Group's shareholders is recognised as a liability in the financial statements in the period for which the dividends are approved by the Group's shareholders.

(ii). Fee income consist primarily of administration fees arising from services rendered in relation to the issue and management of deposit administration and investment contract. Fees are recognised in the accounting period in which the services are rendered and are presented in the income statement with 'commissions earned'.

(u) Government grant

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

(v) Comparatives

Where necessary, comparative figures have been adjusted to reform to changes in presentation in the current period.

4. New or revised standards or interpretations effective during the year

The Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) the Phase 2 amendments) became effective on 1 January 2021.

The Interest Rate Benchmark Reform – Phase 2 (Amendment to IFRS 9, IAS 39, IFRS 4 and IRRS 16) relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7 to accompany the amendments regarding modifications and hedge accounting. These modifications are accounted for by updating the effective interest rate. All other modifications are accounted for using the current IFRS requirements.

The interest rate benchmarks refer to interest reference rates (interbank offered rates (IBORs) such as LIBOR, EURIBOR and TIBOR, that represent the cost of obtaining unsecured funding, in a particular combination of currency and maturity and in a particular interbank term lending market.

The Group has no transactions that are affected by the newly effective requirements.

Other new standards effective for annual periods beginning after 1 January 2021 include the following:

(A). Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences - e.g. leases. The amendments apply for annual reporting periods beginning on or after 1 January 2023. For leases, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented. The Group accounts for deferred tax on leases applying the 'integrally linked' approach, resulting in a similar outcome to the amendments, except that the deferred tax impacts are presented net in the statement of financial position.

(B). Other standards
The following new and amended standards are not expected to have a significant impact on the Group's financial statements.

- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37).
- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16).
- Annual Improvements to IFRS Standards 2018 - 2020.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
- Reference to Conceptual Framework (Amendments to IFRS 3).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).
- Definition of Accounting Estimates (Amendments to IAS 8).

5. New standards and interpretations not yet adopted

A number of new standards, and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early applied the following new or amended standards, in preparing these financial statements. Those that may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

IFRS 9 Financial instruments
IFRS 9, published in July 2015, replaced the guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 9 was effective for annual reporting periods beginning on or after 1 January 2018 generally, but with delayed effective date of 1 January 2023 for Reinsurance and Insurance entities if temporary exemption condition is met.

The Group is applying the temporary exemption from IFRS 9 and below is the predominance percentage calculated as at 1 January 2021 (being the first time of assessment) that justified the temporary exemption application:

In thousands of United States Dollars	Group	Corporation
Reinsurance Liabilities - 1 January 2021		
Outstanding claims	26,081	23,658
Reinsurance payable	3,053	1,706
Provision for unearned premium	47,214	42,488
Total Reinsurance Liabilities	76,348	67,852
Total Liabilities – 1 January 2021	85,725	70,685
Predominance percentage – 1 January 2021	89%	96%
Predominance percentage – 31 December 2021	89%	96%

This predominance continued to apply as of the year-end – 31 December 2021 with a percentage of 89% for the Group and 96% for the Corporation, as there was no change in the Group and the Corporation's activities.

Notes to the financial statements (continued)

5. New standards and interpretations not yet adopted (continued)
IFRS 9 Financial instruments (continued)

Financial assets classification and measurement
Year ended 31 December 2021

The Group

Instrument	Description of business model and cash flow characteristics	Carrying Amount as at 31 December 2021	Classification under IFRS 9	Fair value as at 31 December 2021	Fair value change
Cash and cash equivalents	Held to collect and sell plus solely payment of principal and interest	53,831	FVOCI	53,831	Nil
Fixed deposits, Government bonds/ Treasury bills	Held to collect and sell plus solely payment of principal and interest	80,828	FVOCI	80,828	Nil
Equity investments	N/A	398	FVOCI	398	Nil
Reinsurance receivables	Held to collect plus solely payment of principal and interest	35,452	Amortised cost	35,452	Nil
Other assets	Held to collect plus solely payment of principal and interest	788	Amortised cost	788	Nil
		171,297		171,297	

The Corporation

Instrument	Description of business model and cash flow characteristics	Carrying Amount as at 31 December 2021	Classification under IFRS 9	Fair value as at 31 December 2021	Fair value change
Cash and cash equivalents	Held to collect and sell plus solely payment of principal and interest	50,984	FVOCI	50,984	Nil
Fixed deposits, Government bonds/ Treasury bills	Held to collect and sell plus solely payment of principal and interest	53,990	FVOCI	53,990	Nil
Equity investments	N/A	17,914	FVOCI	17,914	Nil
Reinsurance receivables	Held to collect plus solely payment of principal and interest	29,252	Amortised cost	29,252	Nil
Other assets	Held to collect plus solely payment of principal and interest	444	Amortised cost	444	Nil
		152,584		152,584	

Notes to the financial statements (continued)

5. New standards and interpretations not yet adopted (continued)
IFRS 9 Financial instruments (continued)
Financial assets classification and measurement (continued)

Year ended 31 December 2020
The Group

Instrument	Description of business model and cash flow characteristics	Carrying Amount as at 31 December 2020	Classification under IFRS 9	Fair value as at 31 December 2020	Fair value change
Cash and cash equivalents	Held to collect and sell plus solely payment of principal and interest	41,427	FVOCI	41,427	Nil
Fixed deposits, Government bonds/ Treasury bills	Held to collect and sell plus solely payment of principal and interest	63,792	FVOCI	63,792	Nil
Equity investments	N/A	349	FVOCI	349	Nil
Reinsurance receivables	Held to collect plus solely payment of principal and interest	27,255	Amortised cost	27,255	Nil
Other assets	Held to collect plus solely payment of principal and interest	920	Amortised cost	920	Nil
		133,743		**133,743**	

The Corporation

Instrument	Description of business model and cash flow characteristics	Carrying Amount as at 31 December 2020	Classification under IFRS 9	Fair value as at 31 December 2020	Fair value change
Cash and cash equivalents	Held to collect and sell plus solely payment of principal and interest	35,342	FVOCI	35,342	Nil
Fixed deposits, Government bonds/ Treasury bills	Held to collect and sell plus solely payment of principal and interest	47,324	FVOCI	47,324	Nil
Equity investments	N/A	17,921	FVOCI	17,921	Nil
Reinsurance receivables	Held to collect plus solely payment of principal and interest	23,894	Amortised cost	23,894	Nil
Other assets	Held to collect plus solely payment of principal and interest	255	Amortised cost	255	Nil
		124,736		**124,736**	

Credit risk of financial assets

For information about the credit risk exposure, including significant credit risk concentrations, inherent in the various financial assets identified above, refer to the credit risk disclosures in Note 33(c) iii.

IFRS 17 Insurance contracts

Insurance contracts combine features of both a financial instrument and a service contract. In addition, many insurance contracts generate cash flows with substantial variability over a long period. To provide useful information about these features, IFRS 17:

- combines current measurement of the future cash flows with the recognition of profit over the period that services are provided under the contract;
- presents insurance service results (including presentation of insurance revenue) separately from insurance finance income or expenses; and
- requires an entity to make an accounting policy choice of whether to recognise all insurance finance income or expenses in profit or loss or to recognise some of that income or expenses in other comprehensive income.

IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted as long as IFRS 9 and IFRS 15 are also applied.

6. Operating segments

(a) Basis of segmentation

The Group has the following six strategic divisions, which are reportable segments. These divisions offer different products and are managed separately based on the Group's management and internal reporting structure.

Reportable segment

- Property and engineering
- Motor
- Casualty
- Marine & Aviation
- Oil and gas
- Life

The Group's Management Committee reviews internal management reports from each division at least monthly.

(b) Information about reportable segments

Information relating to each reportable segment is set out below. Segment profit before tax, as included in management reports reviewed by the Group's Management, is used to measure performance because management believes that such information is the most relevant in evaluating the results of the respective segments relative to other entities that operate within the same industries. Inter-segment pricing is determined on an arm's length basis.

Funds are ordinarily allocated between segments, resulting in funding cost transfers disclosed in operating income. Interest charged for these funds are based on the Group's cost of capital. There are no other materials items of income or expense between the business segments.

Segment assets and liabilities comprise operating assets and liabilities, being the majority of the financial position.

Internal charges and transfer pricing adjustments have been reflected in the performance of each business. Revenue sharing agreements are used to allocate external customer revenues to a business segment on a reasonable basis.

Notes to the financial statements (continued)

6. Operating segments (continued)
for the year ended 31 December 2021

In thousands of United States Dollars	Property & engineering	Motor	Casualty	Marine & aviation	Oil & Gas	Life	Unallocated	Total
The Group								
Gross premium	86,677	7,423	26,728	11,629	16,852	4,040	-	153,349
Retrocessions	(11,419)	(80)	(3,298)	(2,241)	(7,091)	(29)	-	(24,158)
Gross premium less retrocessions	75,258	7,343	23,430	9,388	9,761	4,011	-	129,191
Movement in unearned premium	3,472	(478)	2,045	6,710	4,817	673	-	17,239
Net earned premium	78,730	6,865	25,475	16,098	14,578	4,684	-	146,430
Investment and other income	-	-	-	-	-	-	4,552	4,552
Commission earned	1,637	8	931	172	1,657	-	163	4,568
Total income	80,367	6,873	26,406	16,270	16,235	4,684	4,715	155,550
Underwriting expenses								
Commission expenses	25,893	1,637	7,577	3,374	2,869	1,809	-	43,159
Movement in deferred acquisition cost	(398)	(15)	228	172	25	(28)	-	(16)
Net commission expenses	25,495	1,622	7,805	3,546	2,894	1,781	-	43,143
Net claims incurred	44,088	4,055	11,895	4,712	3,545	1,650	-	69,945
Management expenses	9,372	732	3,738	2,300	1,637	487	213	18,479
Net finance cost	1,400	204	472	361	292	90	1	2,820
Total underwriting expenses	80,355	6,613	23,910	10,919	8,368	4,008	214	134,387
Income from operations	12	260	2,496	5,351	7,867	676	4,501	21,163

Notes to the financial statements (continued)

6. Operating segments (continued)
for the year ended 31 December 2021

In thousands of United States Dollars	Property & engineering	Motor	Casualty	Marine & aviation	Oil & Gas	Life	Unallocated	Total
The Corporation								
Gross premium	72,209	6,025	17,836	10,416	16,530	3,797	-	126,813
Retrocessions	(9,882)	(107)	(2,363)	(1,994)	(7,090)	(29)	-	(21,466)
Gross premium less retrocessions	62,327	5,918	15,472	8,422	9,440	3,768	-	105,347
Movement in unearned premium	6,549	626	3,636	6,912	4,817	680	-	23,220
Net earned premium	68,876	6,544	19,108	15,334	14,257	4,448	-	128,567
Investment and other income	-	-	-	-	-	-	3,664	3,664
Commission earned	1,384	-	584	116	1,654	-	-	3,738
Total income	70,260	6,544	19,692	15,450	15,911	4,448	3,664	135,969
Underwriting expenses								
Commission expenses	20,990	1,362	5,418	2,868	2,850	1,747	-	35,235
Movement in deferred acquisition cost	592	16	401	961	24	(14)	-	1,980
Net commission expenses	21,582	1,378	5,819	3,829	2,874	1,733	-	37,215
Net claims incurred	41,279	3,553	11,000	4,446	3,545	1,590	-	65,413
Management expenses	7,420	705	2,059	1,652	1,536	479	-	13,851
Net finance cost	1,355	129	376	302	280	87	-	2,529
Total underwriting expenses	71,636	5,765	19,254	10,229	8,235	3,889	-	119,008
Income/(loss) from operations	(1,376)	779	438	5,221	7,676	559	3,664	16,961

Notes to the financial statements (continued)

6. Operating segments (continued)
for the year ended 31 December 2021

In thousands of United States Dollars	Property & engineering	Motor	Accident	Marine & aviation	Special risk	Life	Unallocated	Total
The Group								
Gross premium	54,039	4,762	19,222	8,940	13,148	2,493	-	102,604
Retrocessions	(5,915)	(194)	(1,068)	(1,296)	(2,468)	(54)	-	(10,995)
Gross premium less retrocessions	48,124	4,568	18,154	7,644	10,680	2,439	-	91,609
Movement in unearned premium	(7,209)	(588)	(2,827)	(1,256)	(614)	(456)	-	(12,950)
Net earned premium	40,915	3,980	15,327	6,388	10,066	1,983	-	78,659
Investment and other income	-	-	-	-	-	-	3,908	3,908
Commission earned	700	10	189	139	409	-	170	1,617
Total income	41,615	3,990	15,516	6,527	10,475	1,983	4,078	84,184
Underwriting expenses								
Commission expenses	17,053	1,078	5,692	1,861	1,820	762	-	28,266
Movement in deferred acquisition cost	(3,456)	(127)	(964)	(40)	(39)	(113)	-	(4,739)
Net commission expenses	13,597	951	4,728	1,821	1,781	649	-	23,527
Net claims incurred	17,356	1,322	4,683	3,589	3,082	474	-	30,506
Management expenses	8,767	823	3,563	1,546	2,016	399	-	17,115
Net finance income	(5)	-	(1)	(1)	(1)	-	(508)	(516)
Total underwriting expenses	39,715	3,096	12,973	6,955	6,878	1,522	(508)	70,632
Income/(loss) from operations	1,900	894	2,543	(428)	3,597	461	4,586	13,553

Notes to the financial statements (continued)

6. Operating segments (continued)
for the year ended 31 December 2021

In thousands of United States Dollars	Property & engineering	Motor	Accident	Marine & aviation	Special risk	Life	Unallocated	Total
The Corporation								
Gross premium	47,130	3,854	14,257	8,156	13,148	2,435	-	88,980
Retrocessions	(5,054)	(176)	(845)	(1,217)	(2,471)	(54)	-	(9,817)
Gross premium less retrocessions	42,076	3,678	13,412	6,939	10,677	2,381	-	79,163
Movement in unearned premium	(5,781)	(561)	(1,582)	(1,139)	(614)	(448)	-	(10,125)
Net earned premium	36,295	3,117	11,830	5,800	10,063	1,933	-	69,038
Investment and other income	-	-	-	-	-	-	3,269	3,269
Commission earned	642	53	194	111	179	33	-	1,212
Total income	36,937	3,170	12,024	5,911	10,242	1,966	3,269	73,519
Underwriting expenses								
Commission expenses	15,171	882	3,391	2,352	1,827	746	-	24,369
Movement in deferred acquisition cost	(2,736)	(132)	(338)	(38)	(111)	-	-	(3,354)
Net commission expenses	12,436	750	3,053	2,314	1,716	746	-	21,015
Net claims incurred	16,724	1,123	3,410	3,932	2,689	461	-	28,340
Management expenses	7,123	583	2,155	1,233	1,987	368	-	13,449
Net finance income	(5)	-	(1)	(1)	(1)	-	-	(8)
Total underwriting expenses	36,278	2,456	8,617	7,478	6,391	1,575	-	62,796
Income/(loss) from operations	659	714	3,407	(1,567)	3,851	391	3,269	10,723

Notes to the financial statements (continued)

In thousands of United States Dollars	Notes	**Group 2021**	**Corporation 2021**	Group 2020	Corporation 2020
7. Gross premium written					
West Africa		**76,455**	**76,455**	58,280	58,280
East Africa		**15,141**	**3,178**	8,634	1,831
North Africa		**16,721**	**16,721**	7,507	7,507
Others		**45,032**	**30,459**	28,183	21,362
		153,349	**126,813**	102,604	88,980
8a. Investment income					
Term deposits		**3,862**	**3,313**	3,142	2,713
Treasury bills		**599**	**242**	520	348
		4,461	**3,555**	3,662	3,061
8b. Other income					
Gain on disposal		**76**	**62**	-	-
Sundry income		**7**	**7**	-	-
Others		**8**	**40**	246	208
		91	**109**	246	208
9. Management expenses					
(a) Management expenses is analyzed as follows					
Personnel expenses	9b	**6,013**	**4,035**	5,308	3,495
Other expenses	9c	**12,466**	**9,816**	11,807	9,954
		18,479	**13,851**	17,115	13,449
(b) Personnel expenses					
Salaries and wages		**5,744**	**3,887**	5,020	3,405
Other employee benefits		**204**	**135**	129	84
Other staff cost		**65**	**13**	159	6
		6,013	**4,035**	5,308	3,495

(i) Other employee benefits

The Group maintains a post-employment defined benefit plan in accordance with statutory requirements, which entitles an employee to receive a lump sum payment when leaving the employment of the Group, whether due to resignation, retirement or death. The lump sum payment is determined by the final basic salary and number of years of service provided. These defined benefit plans expose the Group to actuarial risks such as interest rate risk.

Movement in net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its component.

Notes to the financial statements (continued)

9. Management expenses (continued)
(b) Personnel expenses (continued)
(i) Other employee benefits (continued)
Movement in net defined benefit liability (continued)

	Defined benefit obligations		Defined benefit obligations		Defined benefit obligations	
In thousands of United States Dollars	**2021**	2020	**2021**	2020	**2021**	2020
Balance at 1 January	**969**	833	**(866)**	(355)	**103**	478
Included in profit or loss:						
Current service cost	**135**	53	**-**	-	**135**	53
Interest cost	**77**	66	**(69)**	(28)	**8**	38
	212	119	**(69)**	(28)	**143**	91
Included in OCI						
Remeasurements loss:	**186**	84	**51**	28	**237**	112
	186	84	**51**	28	**237**	112
Other						
Benefits paid directly by the employer	**-**	(29)	**-**	-	**-**	(29)
Contributions paid by the employer	**-**	-	**-**	(549)	**-**	(549)
Projected benefits payments	**-**	(38)	**-**	(38)	**-**	-
	-	(67)	**-**	(511)	**-**	(578)
Balance at 31 December	**1,367**	969	**(884)**	(866)	**483**	(103)

Plan assets

Plan assets comprise the following:

In thousands of United States Dollars	**Group 2021**	**Corporation 2021**	Group 2020	Corporation 2020
Term deposits	**884**	**884**	866	866

Defined benefit obligation

Actuarial assumptions
The following are the principal actuarial assumptions at the reporting date:

In thousands of United States Dollars	**2021**	2020
Discount rate	**7%**	8%
Salary inflation	**5.50%**	5.50%
Normal salary inflation gap	**3%**	3%
Effective salary inflation gap	**2.50%**	2.50%

Notes to the financial statements (continued)

9. Management expenses (continued)

(c) Other expenses

In thousands of United States Dollars	Group 2021	Corporation 2021	Group 2020	Corporation 2020
Advertising	114	47	40	27
Audit fees	111	70	108	65
Depreciation and amortization	822	589	1,079	776
Utility bills	107	90	87	78
Legal and professional fees	722	608	1,027	794
Directors' fees	598	410	440	330
Motor running expenses	103	81	62	37
Communication	274	168	236	147
Printing and stationery	67	59	64	52
Travelling and marketing	266	150	563	482
Meetings, conferences and training	133	67	105	81
Repairs and maintenance	20	1	7	1
Other office running costs	3,189	2,594	2,216	1,912
Insurance	180	142	139	93
Impairment allowance	5,760	4,740	5,632	5,080
	12,466	9,816	11,807	9,954
(d) Impairment allowance				
Impairment allowance for bad debts				
- reinsurance receivables	4,328	3,340	5,623	5,080
Impairment allowance for investment	1,432	1,400	9	-
	5,760	4,740	5,632	5,080
10. Net finance cost/ (income)				
Foreign exchange loss/(gain)	2,273	2,013	(936)	(397)
Bank charges	390	389	232	232
Unwinding interest on lease liability	157	127	188	157
	2,820	2,529	(516)	(8)
11. Taxation				
11a. Tax expense				
Current tax expense				
Current year	1,122	-	760	-
Deferred tax expense				
Origination and reversal of temporary differences	112	-	(343)	-
	1,234	-	417	-

Notes to the financial statements (continued)

11. Taxation (continued)

11b. Current tax (asset)/liabilities

In thousands of United States Dollars	Group 2021	Corporation 2021	Group 2020	Corporation 2020
At 1 January	707	-	42	-
Charge for the year	1,122	-	760	-
Payments during the year	(986)	-	(23)	
Impact of exchange rate fluctuation	10	-	(60)	-
Prior year provision	(1)	-	(12)	-
At 31 December	852	-	707	-
11c. Deferred tax (assets)/liabilities				
At 1 January	(499)	-	(321)	-
Charge/(credit) for the year	112	-	(343)	-
Impact of exchange rate fluctuation	16	-	165	-
	(371)	-	(499)	-

The Corporation's property, other assets, income from operation and transactions are exempted from all taxes and customs duties as per the agreement signed between the Government of the Republic of Sierra Leone and the WAICA Reinsurance Corporation Plc.

12. Cash and cash equivalents

In thousands of United States Dollars	Group 2021	Corporation 2021	Group 2020	Corporation 2020
Bank balance	15,394	14,980	10,176	9,582
Cash on hand	3	2	3	2
	15,397	14,982	10,179	9,584
Short-term investment securities	38,434	36,002	31,248	25,758
Cash and cash equivalents	53,831	50,984	41,427	35,342

The short-term investments comprise of fixed deposit investments with three months or less maturity period from the balance sheet date. Cash in hand and balances with the Central Banks are non-interest-bearing.

13. Financial assets

13a. Investments by category

In thousands of United States Dollars	Group 2021	Corporation 2021	Group 2020	Corporation 2020
Statutory deposit	5,741	2,108	4,332	2,029
Bank deposits	76,519	53,282	59,468	45,295
Equity investments	398	17,914	349	17,920
Impairment allowance	(1,432)	(1,400)	(9)	-
	81,226	71,904	64,140	65,244

Notes to the financial statements (continued)

13. Financial assets (continued)
(a) Investments by category (continued)

The statutory deposit of USD 5.7 million (2020: USD 4.3 million) was made with the Central Banks of Sierra Leone, Kenya and Zimbabwe in compliance with the insurance regulations of the countries. The deposit will continue to be maintained at the Central Banks, so long as the Group continues to transact insurance business in these countries. The deposits are invested in treasury bills (Government Securities) by the Central Banks on behalf of the Group. The Group also placed USD 500,000 with the Bank of Ghana as a regulatory requirement by the National Insurance Commission (Ghana).

13b. The Group's financial assets are summarised below by measurement category:

In thousands of United States Dollars	Group 2021	Corporation 2021	Group 2020	Corporation 2020
Held to maturity	82,260	55,390	63,800	47,324
Available for sale	398	17,914	349	17,920
Impairment allowance	(1,432)	(1,400)	(9)	-
Total financial assets	81,226	71,904	64,140	65,244

Held to maturity constitutes assets that are expected to be realized within one year.

13c. Held to maturity financial assets

Unlisted debt securities - fixed interest rate:

In thousands of United States Dollars	Group 2021	Corporation 2021	Group 2020	Corporation 2020
Fixed deposits	76,519	53,282	57,906	45,295
Treasury bills	5,741	2,108	5,895	2,029
Impairment allowance	(1,432)	(1,400)	(9)	-
	80,828	53,990	63,792	47,324

The fair value of the held to maturity financial assets approximate to the carrying amount.

13d. Available for sale financial assets

In thousands of United States Dollars	Group 2021	Corporation 2021	Group 2020	Corporation 2020
At 1 January	349	17,921	318	18,459
Movements during the year	49	(7)	31	(538)
At 31 December	398	17,914	349	17,921

The Group's available for sale financial assets are equity investments held by the subsidiaries, while the Corporation's available for sale financial assets represents the Corporation equity interest in the establishment of subsidiaries in Ghana and Kenya and the acquisition in Zimbabwe. The three subsidiaries are wholly owned by the Corporation.

The financial assets of the Group are categorised in accordance with IAS 39, as the Group is yet to adopt IFRS 9. The Group plans to adopt IFRS 9 together with IFRS 17 in 2023.

Notes to the financial statements (continued)

14. Reinsurance receivables

In thousands of United States Dollars	Group 2021	Corporation 2021	Group 2020	Corporation 2020
Due from cedants and brokers	52,771	42,358	41,281	37,146
Due from retrocessionaires	2,708	5,273	3,194	3,194
Impairment allowance	(20,027)	(18,379)	(17,220)	(16,446)
Net receivables	35,452	29,252	27,255	23,894
The net receivables are deemed current.				
Impairment allowance				
Balance at 1 January	17,220	16,446	15,682	15,454
Bad debts written-off	(1,521)	(1,407)	(4,094)	(4,087)
Impairment allowance charged to income statement	4,328	3,340	5,632	5,079
Balance at 31 December	20,027	18,379	17,220	16,446
Ageing of unimpaired receivables				
0 - 90 days	6,674	4,769	7,308	6,307
91 - 180 days	7,187	4,748	5,784	4,092
181 - 270 days	4,618	3,721	2,326	2,100
271 - 365 days	5,029	4,172	2,431	1,989
Overdue but not impaired	11,944	11,842	9,406	9,406
Balance at 31 December	35,452	29,252	27,255	23,894

15. Deferred acquisition costs

	Group 2021	Corporation 2021	Group 2020	Corporation 2020
Balance as at 1 January	13,555	11,672	8,865	8,317
Net movement during the year	(697)	(1,980)	4,690	3,355
Foreign exchange translation difference	(29)	-	-	-
Balance at 31 December	12,829	9,692	13,555	11,672

This amount represents reinsurance commissions; brokerage and other related expenses incurred that related to un-expired policies at year end.

16. Other assets

In thousands of United States Dollars	Group 2021	Corporation 2021	Group 2020	Corporation 2020
Sundry receivables	419	189	56	38
Other receivables	87	7	643	7
Loans to staff	282	248	221	210
	788	444	920	255

Notes to the financial statements (continued)

The Group

17. Property and equipment

In thousands of United States Dollars	Land & Buildings	Computer hardware	Motor vehicle	Furniture and equipment	Capital work-in progress	Total
Cost/Valuation						
At 1 January 2021	**-**	**447**	**1,468**	**1,129**	**242**	**3,286**
Additions	**1,447**	**44**	**148**	**56**	**-**	**1,695**
Disposals	**-**	**-**	**(245)**	**(8)**	**-**	**(253)**
Revaluation adjustment	**(9)**	**(9)**	**22**	**(26)**	**-**	**(22)**
Translation difference	**-**	**(93)**	**(94)**	**(7)**	**-**	**(194)**
At 31 December 2021	**1,438**	**389**	**1,299**	**1,144**	**242**	**4,512**
At 1 January 2020	-	281	1,318	1,071	242	2,912
Additions	-	162	143	105	-	410
Write-off	-	-	-	(33)	-	(33)
Revaluation adjustment	-	(4)	19	(13)	-	2
Translation difference	-	8	(12)	(1)	-	(5)
At 31 December 2020	-	447	1,468	1,129	242	3,286
Accumulated depreciation						
At 1 January 2021	**-**	**228**	**813**	**696**	**-**	**1,737**
Charge for the year	**1**	**43**	**211**	**139**	**-**	**394**
Write-off	**-**	**-**	**-**	**-**	**-**	**-**
Disposal	**-**	**-**	**(245)**	**(8)**	**-**	**(253)**
Translation difference	**-**	**(93)**	**(97)**	**(6)**	**-**	**(196)**
At 31 December 2021	**1**	**178**	**682**	**821**	**-**	**1,682**
At 1 January 2020	-	193	607	447	-	1,247
Charge for the year	-	42	246	289	-	577
Write-off	-	-	-	(7)	-	(7)
Translation difference	-	(7)	(35)	(25)	-	(67)
Revaluation adjustment	-	-	(5)	(8)	-	(13)
At 31 December 2020	-	228	813	696	-	1,737
Carrying amounts						
At 31 December 2020	-	219	655	433	242	1,549
At 31 December 2021	**1,437**	**211**	**617**	**323**	**242**	**2,830**

There were no capitalized borrowing costs related to the acquisition of equipment during the year. (2020: Nil).

Notes to the financial statements (continued)

17. Property and equipment (continued)

The Corporation

17. Property and equipment

Cost/Valuation

In thousands of United States Dollars	Land & Buildings	Computer hardware	Motor vehicle	Furniture and equipment	Capital work-in progress	Total
At 1 January 2021	**-**	**252**	**1,042**	**769**	**242**	**2,305**
Additions	**1,143**	**28**	**95**	**18**	**-**	**1,284**
Disposals	**-**	**-**	**(245)**	**(3)**	**-**	**(248)**
At 31 December 2021	**1,143**	**280**	**892**	**784**	**242**	**3,341**
At 1 January 2020	-	212	799	664	242	1,917
Additions	-	40	243	105	-	388
At 31 December 2020	-	252	1,042	769	242	2,305
Accumulated depreciation						
At 1 January 2021	**-**	**189**	**528**	**474**	**-**	**1,191**
Charge for the year	**-**	**29**	**82**	**71**	**-**	**182**
Disposal	**-**	**-**	**(245)**	**(3)**	**-**	**(248)**
At 31 December 2021	**-**	**218**	**365**	**542**	**-**	**1,125**
At 1 January 2020						
Charge for the year	-	165	397	315	-	877
Write-off	-	24	131	159	-	314
					-	
At 31 December 2020	-	189	528	474	-	1,191
Carrying amounts						
At 31 December 2020	-	63	513	296	242	1,114
At 31 December 2021	**1,143**	**62**	**526**	**243**	**242**	**2,216**

The Corporation recognised the grant of the land at its fair value of US$1,143,000 given by the government of Sierra Leone for the purpose of erecting its Head Office building. The deferred income is recorded for the same amount (see note 25 for details).

There were no capitalized borrowing costs related to the acquisition of equipment during the year. (2020: Nil).

Notes to the financial statements (continued)

18. Intangible assets

In thousands of United States Dollars	Group Computer Software	Corporation Computer Software
Cost		
At 1 January 2021	**1,378**	**1,299**
Acquisitions	**-**	**-**
Translation adjustment	**(65)**	**-**
At 31 December 2021	**1,313**	**1,299**
At 1 January 2020	1,376	1,299
Acquisitions	4	-
Translation adjustment	(2)	-
At 31 December 2020	1,378	1,299
Amortisation		
At 1 January 2021	**1,095**	**1,036**
Amortization for the year	**15**	**14**
Translation adjustment	**(61)**	**-**
At 31 December 2021	**1,049**	**1,050**
At 1 January 2020	1,029	988
Amortisation for the year	67	48
Translation adjustment	(1)	-
At 31 December 2020	1,095	1,036
Carrying amount		
At 1 January 2020	347	311
At 31 December 2020	283	263
At 31 December 2021	**264**	**249**

Notes to the financial statements (continued)

19. Right of use asset

In thousands of United States Dollars	Group	Corporation
Cost		
At 1 January 2021	**2,090**	**1,852**
Additions	**175**	**175**
Translation difference	**(8)**	**-**
At 31 December 2021	**2,257**	**2,027**
At 1 January 2020	1,451	1,195
Additions	657	657
Translation difference	(18)	-
At 31 December 2020	2,090	1,852
Accumulated depreciation		
At 1 January 2021	**720**	**677**
Charge for the year	**413**	**391**
At 31 December 2021	**1,133**	**1,068**
At 1 January 2020	286	263
Charge for the year	436	414
Translation difference	(2)	-
At 31 December 2020	720	677
Carrying amounts		
At 31 December 2020	1,370	1,175
At 31 December 2021	**1,124**	**959**

20. Investment properties

In thousands of United States Dollars	Group 2021	Corporation 2021	Group 2020	Corporation 2020
At 1 January	**9,364**	**9,039**	9,326	9,039
Fair value (loss)/gain	**(12)**	**-**	38	-
At 31 December	**9,352**	**9,039**	9,364	9,039

Notes to the financial statements (continued)

20. Investment properties (continued)

The Group's investment properties consist of landed properties in England and Ghana acquired by WAICA Reinsurance Corporation Plc in 2016 and a landed property of US$570,400 owned by WAICA Re Zimbabwe (Pvt). The landed property owned by WAICA Re Zimbabwe (Pvt) was revalued downwards to US$ 287,500 based on a valuation exercise carried out in 2020.

The market value of the property located in Ghana was estimated at US$6,790,300 based on a 2017 valuation performed by Asenta Property Consulting, a firm of Asset valuation and general property advisory services. The fair value of the property was based on an open market value which indicated an opinion of the best price at which the sale of an interest in the property would have been completed unconditionally for cash consideration on the date of valuation based on a number of assumptions. The fair value of the property in England has been deemed to be equivalent to its purchase price.

We believe that the reported amounts approximate to the fair values of the respective properties as at 31 December 2021. The investment properties have been classified under level 2 fair value hierarchy and have not been pledged as security for any debt or liabilities.

21. Funds under management

In thousands of United States Dollars	**Group 2021**	**Corporation 2021**	Group 2020	Corporation 2020
Funds received from customers	**5,125**	**-**	5,040	-
	5,125	**-**	5,040	-

Funds under management are customer funds being managed by WAICA Re Capital Limited.

22. Claims

(a) Net claims incurred

In thousands of United States Dollars	**Group 2021**	**Corporation 2021**	Group 2020	Corporation 2020
Claims made by Cedants	**73,101**	**68,597**	31,258	28,586
Claims recovered from Retrocessionaires	**(3,252)**	**(3,184)**	(753)	(246)
Foreign exchange translation	**96**	**-**	-	-
Claims incurred during the year	**69,945**	**65,413**	30,505	28,340

Notes to the financial statements (continued)

22. Claims (continued)

(b) Outstanding claims

2021
The Group

In thousands of United States Dollars	Property & engineering	Motor	Casualty	Marine & aviation	Oil & Gas	Life	Total
Provision for claims incurred	5,104	369	1,487	2,239	1,435	-	10,634
Provision for claims incurred but not reported	21,889	1,910	3,580	1,776	1,399	411	30,965
Total outstanding claims provision	26,993	2,279	5,067	4,015	2,834	411	41,599
2021 The Corporation							
Provision for claims reported	3,284	303	1,255	2,048	1,382	-	8,272
Provision for claims incurred but not reported	21,536	1,847	3,472	1,711	1,399	411	30,375
Total outstanding claim provision	24,820	2,150	4,727	3,759	2,781	411	38,647

2020
The Group

In thousands of United States Dollars	Property & engineering	Motor	Casualty	Marine & aviation	Oil & Gas	Life	Total
Provision for claims reported	2,203	251	801	2,025	15,049	-	20,329
Provision for claims incurred but not reported	933	104	368	576	3,762	9	5,752
Total outstanding claims provision	3,136	355	1,169	2,601	18,811	9	26,081
2020 The Corporation							
Provision for claims incurred	1,526	137	223	1,991	15,049	-	18,926
Provision for claims incurred but not reported	381	35	56	498	3,762	-	4,732
Total outstanding claims provision	1,907	172	279	2,489	18,811	-	23,658

Notes to the financial statements (continued)

23. Reinsurance payables

In United States Dollars	Group 2021	Corporation 2021	Group 2020	Corporation 2020
Payable under retrocession arrangements	8,160	6,358	3,053	1,706
	8,160	**6,358**	3,053	1,706

24. Trade and other payables

In thousands of United States Dollars	Group 2021	Corporation 2021	Group 2020	Corporation 2020
Accruals	**257**	**105**	353	195
Other creditors	**1,531**	**377**	1,549	1,262
Defined benefit obligation (9b (i))	**591**	**483**	222	103
Lease liability	**1,243**	**1,023**	1,506	1,273
	3,622	**1,988**	3,630	2,833

24a. The lease liabilities are split as follows:

In thousands of United States Dollars	Group 2021	Corporation 2021	Group 2020	Corporation 2020
Current	**575**	**532**	269	294
Non-current	**668**	**491**	1,236	979
	1,243	**1,023**	1,505	1,273
At 1 January	**1,505**	**1,272**	1,236	979
Additions	**155**	**155**	657	657
Lease interest charge	**157**	**127**	188	157
Lease rental payments	**(574)**	**(531)**	(576)	(520)
	1,243	**1,023**	1,505	1,273
Interest on liabilities	**157**	**127**	188	157
Payments of the principal portion of lease liabilities	**417**	**404**	388	363
	574	**531**	576	520

The estimated fair values of accounts due to other trading parties and trade payables are the amounts repayable on demand. All trade and other payables are current liabilities.

Notes to the financial statements (continued)

25. Deferred income

In thousands of United States Dollars	Group 2021	Corporation 2021	Group 2020	Corporation 2020
Land from Government	1,143	1,143	-	-
	1,143	1,143	-	-

Deferred income is a government grant that relates to a piece of land given to the Corporation by the government of Sierra Leone for the purpose of erecting its Head Office, which construction is expected to commence in 2022. The Directors have taken a decision to recognise this grant in the statement of profit or loss and other comprehensive income over the life of the building when completed and put to use.

26. Provision for unearned premium

In thousands of United States Dollars	Group 2021	Corporation 2021	Group 2020	Corporation 2020
Gross unearned premium at 1 January	47,214	42,488	32,692	30,701
Gross unearned premium at 31 December	36,014	25,292	47,214	42,488
Gross unearned premium movement (A)	(11,200)	(17,196)	14,522	11,787
Deferred gross retrocessions at 1 January	5,227	4,783	3,655	3,121
Deferred gross retrocessions at 31 December	11,266	10,806	5,227	4,783
Deferred gross retrocessions movement (B)	6,039	6,024	1,572	1,662
Net unearned premium movement (A - B)	(17,239)	(23,220)	12,950	10,125

The gross unearned premium provision represents the liability for reinsurance business contracts where the Group's obligations are not expired at the year end.

27. Retrocessionaires share of technical provisions

In thousands of United States Dollars	Group 2021	Corporation 2021	Group 2020	Corporation 2020
Claims recoverable	922	-	18,295	17,297
Deferred retrocession premium	11,266	10,806	5,227	4,783
	12,188	10,806	23,522	22,080

Notes to the financial statements (continued)

28. Share capital

In thousands of United States Dollars	2021 No. of shares	2021 Amount	2020 No. of shares	2020 Amount
Authorised:				
Ordinary shares of USD 1each	**100,000**	**100,000**	100,000	100,000
Issued and fully paid:				
At 1 January	**49,083**	**49,083**	49,083	49,083
At 31 December	**49,083**	**49,083**	49,083	49,083

29. Share premium

In thousands of United States Dollars	Group 2021	Corporation 2021	Group 2020	Corporation 2020
Balance at 1 January	**15,793**	**15,793**	15,793	15,793
Balance at 31 December	**15,793**	**15,793**	15,793	15,793

30. Retained earnings

In thousands of United States Dollars	Group 2021	Corporation 2021	Group 2020	Corporation 2020
Balance at 1 January	**26,935**	**22,907**	19,469	17,853
Net profit for the year	**19,929**	**16,961**	13,135	10,723
Transfer to contingency reserves	**(3,804)**	**(3,804)**	(2,669)	(2,669)
Transfer to regulatory reserves	**(6,591)**	**(6,591)**	-	-
Dividend to Shareholders	**(4,000)**	**(4,000)**	(3,000)	(3,000)
Balance at 31 December	**32,469**	**25,473**	26,935	22,907

31. Contingency reserve

In thousands of United States Dollars	Group 2021	Corporation 2021	Group 2020	Corporation 2020
Balance at 1 January	**11,771**	**11,771**	9,102	9,102
Addition during the year	**3,804**	**3,804**	2,669	2,669
Balance at 31 December	**15,575**	**15,575**	11,771	11,771

The above amount represents contingent reserves to cover fluctuations in securities and variations in statistical estimates.

32a. Other reserves

In thousands of United States Dollars	Group 2021	Corporation 2021	Group 2020	Corporation 2020
Balance at 1 January	**161**	**161**	49	49
Net actuarial gains/(losses)on employee benefit obligation	**237**	**237**	112	112
Balance at 31 December	**398**	**398**	161	161

Notes to the financial statements (continued)

32a. Other reserves (continued)

Other reserves represent net actuarial gains/(loss) on the defined benefit obligation of the Corporation.

32b. Capital reserve

In thousands of United States Dollars	Group 2021	Corporation 2021	Group 2020	Corporation 2020
Balance at 1 January	518	518	-	-
Balance at 31 December	518	518	-	-

The capital reserve represents bargain gains on the acquisition of the Zimbabwe subsidiary.

32c. Foreign currency translation reserve

In thousands of United States Dollars	Group 2021	Corporation 2021	Group 2020	Corporation 2020
Balance at 1 January	(5,780)	-	(4,545)	-
Movement during the year	(111)	-	(1,235)	-
Balance at 31 December	(5,891)	-	(5,780)	-
32d. Regulatory reserve				
Balance at 1 January	-	-	-	-
Movement during the year	6,591	6,591	-	-
Balance at 31 December	6,591	6,591	-	-

The regulatory reserve is in respect of the Corporation and represent the incremental amount required to meet the provisions of section 100 (2) of the Sierra Leone Insurance Act 2016, over and above that which was determined in accordance with IFRS 4. This reserve is therefore non-distributable.

Notes to the financial statements (continued)

33. Financial instruments – fair values and risk management

(a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

The Group
31 December 2021

In thousands of United States Dollars	Held to maturity	Loan and receivables	Available for sale	Other financial liabilities	Total	Fair value			
						Level 1	Level 2	Level 3	Total
Assets									
Cash and cash equivalents	-	53,831	-	-	53,831	-	53,831	-	53,831
Reinsurance receivables	-	35,456	-	-	35,452	-	35,452	-	35,452
Financial assets	80,828	-	398	-	81,226	-	81,226	-	81,226
Other assets	-	788	-	-	788	-	788	-	788
	80,828	90,075	398	-	171,297	-	171,297	-	171,297
Liabilities									
Fund under management	-	-	-	5,125	5,125	-	5,125	-	5,125
Reinsurance payables	-	-	-	8,160	8,160	-	8,160	-	8,160
Trade and other payables	-	-	-	3,622	3,622	-	3,622	-	3,622
Outstanding claims	-	-	-	41,599	41,599	-	41,599	-	41,599
	-	-	-	58,506	58,506	-	58,506	-	58,506

33. Financial instruments – fair values and risk management

(a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

The Corporation
31 December 2021

In thousands of United States Dollars	Held to maturity	Loan and receivables	Available for sale	Other financial liabilities	Total	Fair value			
						Level 1	Level 2	Level 3	Total
Assets									
Cash and cash equivalents	-	50,984	-	-	50,984	-	50,984	-	50,984
Reinsurance receivables	-	29,252	-	-	29,252	-	29,252	-	29,252
Financial assets	53,990	-	17,914	-	71,904	-	71,904	-	71,904
Other assets	-	444	-	-	444	-	444	-	444
	53,990	80,680	17,914	-	152,584	-	152,584	-	152,584
Liabilities									
Reinsurance payables	-	-	-	6,358	6,358	-	6,358	-	6,358
Trade and other payables	-	-	-	1,988	1,988	-	1,988	-	1,988
Outstanding claims	-	-	-	38,647	38,647	-	38,647	-	38,647
	-	-	-	46,993	46,993	-	46,993	-	46,993

Notes to the financial statements (continued)

33. Financial instruments – fair values and risk management (continued)

The Group
31 December 2020

In thousands of United States Dollars	Held to maturity	Loan and receivables	Available for sale	Other financial liabilities	Total	Fair value			Total
						Level 1	Level 2	Level 3	
Assets									
Cash and cash equivalents	-	41,427	-	-	41,427	-	41,427	-	41,427
Reinsurance receivables	-	27,255	-	-	27,255	-	27,255	-	27,255
Financial assets	63,791	-	349	-	64,140	-	64,140	-	64,140
Other assets	-	920	-	-	920	-	920	-	920
	63,791	69,602	349	-	133,742	-	133,742	-	133,742
Liabilities									
Funds under management	-	-	-	5,040	5,040	-	5,040	-	5,040
Reinsurance payables	-	-	-	3,053	3,053	-	3,053	-	3,053
Trade and other payables	-	-	-	3,630	3,630	-	3,630	-	3,630
Outstanding claims	-	-	-	26,081	26,081	-	26,081	-	26,081
	-	-	-	37,804	37,804	-	37,804	-	37,804

33. Financial instruments – fair values and risk management (continued)

The Corporation
31 December 2020

In thousands of United States Dollars	Held to maturity	Loan and receivables	Available for sale	Other financial liabilities	Total	Fair value			Total
						Level 1	Level 2	Level 3	
Assets									
Cash and cash equivalents	-	35,342	-	-	35,342	-	35,342	-	35,342
Reinsurance receivables	-	23,894	-	-	23,894	-	23,894	-	23,894
Financial assets	47,323	-	17,920	-	65,243	-	65,243	-	65,243
Other assets	-	255	-	-	255	-	255	-	255
	47,323	59,491	17,920	-	124,734	-	124,734	-	124,734
Liabilities									
Reinsurance payables	-	-	-	1,706	1,706	-	1,706	-	1,706
Trade and other payables	-	-	-	2,833	2,833	-	2,833	-	2,833
Outstanding claims	-	-	-	23,658	23,658	-	23,658	-	23,658
	-	-	-	28,197	28,197	-	28,197	-	28,197

(b) Measurement of fair values

See accounting policy in note 3 (c)(v)

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using other valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Valuation models

- 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.

- *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.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist, Black-Scholes and polynomial option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premier used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Group uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, that use only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed debt and equity securities. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex instruments, the Group uses proprietary valuation models, which are usually developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and prepayments and selection of appropriate discount rates.

Notes to the financial statements (continued)

33. Financial instruments – fair values and risk management (continued)
(b) Measurement of fair values (continued)
Valuation models (continued)

The Group Chief Finance Officer has overall responsibility for verifying all significant fair value measurements. Specific controls include:

- verification of observable pricing;
- re-performance of model valuations;
- quarterly calibration and back-testing of models against observed market transactions; and
- review of significant unobservable inputs, valuation adjustments and significant changes to the fairvalue measurement of Level 3 instruments compared with the previous measurement.

When third party information, such as broker quotes or pricing services, is used to measure fair value, these would be assessed and documented to support the conclusion that such valuations meet the requirements of IFRS. This includes:

- verifying that the broker or pricing service is approved by the Group for use in pricing the relevant type of financial instrument;
- understanding how the fair value has been arrived at and the extent to which it represents actual market transactions;
- when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
- if a number of quotes for the same financial instrument have been obtained, then how fair value has been determined using those quotes.

(c) Financial and Reinsurance risk management

The Group has exposure to the following risks from financial instruments:

- Reinsurance risk
- Credit risk
- Liquidity risk
- Market risk.

The Group issues contracts that transfer reinsurance risk or financial risk or both. This section summarises these risks and the way the Group manages them. The Group is exposed to financial risk through its financial assets, financial liabilities, reinsurance assets and reinsurance liabilities. This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

(i) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Board Strategy and Operations and Finance and Audit Committees, which are responsible for developing and monitoring risk policies in their specified areas.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Group's Risk, Audit and Internal Compliance Committee is responsible for monitoring compliance with the risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Group.

Notes to the financial statements (continued)

33. Financial instruments – fair values and risk management (continued)
(c) Financial risk management (continued)

(ii) Reinsurance risk

Reinsurance risk arises from claims and underwriting profit experience being adversely different from those anticipated in the premiums rating and retrocession programme. The reinsurance risk under any reinsurance contract are the risk of the insured event occurring and the uncertainty of the amount of the resulting claim. Essentially, the principal risk that the Group faces under its reinsurance contracts is that the actual claims payments may exceed the carrying amount of the insurance liabilities.

When accepting risks, the Group follows its underwriting guidelines strictly. The guidelines cover risk acceptance criteria, pricing, accumulation controls, authority levels, reinsurance protection, among others. It guides the underwriters in their acceptances on the principles of prudence and professionalism within the overall objective of diversifying the type of insurance risks accepted within each of the short-term reinsurance contracts, to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Management of reinsurance risk

Management consistently reviews its insurance risk exposures and reports same on regular to the Operations and Strategies Committee of the Board of Directors.

Further mitigating measures adopted by the Group is to hedge against the risk of catastrophic loss on reinsurance assumed by entering into retrocession arrangements with reputable reinsurance companies. The retrocession arrangements do not relieve the Group of its obligation to cedants. Hence, if the retrocessionaires default on their obligations to the Group, this risk mitigation measure would not be effective. As a result, the Group ensures that the financial conditions of retrocessionaires are reviewed annually and placements are carefully made with companies who are financially secure, credible and experienced in the industry.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations principally from investment securities and the Group's cession and retrocession receivables.

The carrying amount of financial assets represents the maximum credit exposure.

Reinsurance receivables

Credit risk relating to reinsurance receivables is mitigated by the large number of cedants and their dispersion across the African continent and beyond. A good number of the cedants from whom receivables are due are equally shareholders and or members of WAICA. In addition, the liability for outstanding claims is in respect of reinsurance contracts with the same counter parties. A periodic evaluation of cedants and Retrocessionaires is carried out to minimise exposure to significant losses from insolvencies. Transactions are also closely monitored to keep balances as current as possible.

Analysis of credit quality

The tables below set out information about the credit quality of reinsurance receivables and the allowance for impairment loss held by the Group against those assets.

In thousands of United States Dollars	**Group 2021**	**Corporation 2021**	Group 2020	Corporation 2020
Balance at 1 January	**17,220**	**16,446**	15,682	15,454
Addition during the year	**(1,521)**	**(1,407)**	(4,094)	(4,088)
Impairment allowance charged to income statement	**4,328**	**3,340**	5,632	5,080
Balance at 31 December	**20,027**	**18,379**	17,220	16,446

Notes to the financial statements (continued)

33. Financial instruments – fair values and risk management (continued)
(c) Financial risk management (continued)
(iii) Credit risk (continued)
Analysis of credit quality (continued)

Ageing of unimpaired reinsurance receivables

In thousands of United States Dollars	Group 2021	Corporation 2021	Group 2020	Corporation 2020
0 - 90 days	6,674	4,769	7,308	6,307
91 - 180 days	7,187	4,748	5,784	4,091
181 - 270 days	4,618	3,721	2,326	2,100
271 - 365 days	5,029	4,172	2,431	1,990
Overdue but not impaired	11,944	11,842	9,406	9,406
Balance at 31 December	35,452	29,252	27,255	23,894

Impaired reinsurance receivables

See accounting policy in note 3(c).

The Group regards a reinsurance receivable as impaired in the following circumstances:

- when there is objective evidence that a loss event has occurred since initial recognition and the loss event has an impact on future estimated cash flows from the asset.
- the reinsurance receivables is overdue for more than 365 days or more.

A reinsurance receivable that has been renegotiated due to deterioration in the cedant's condition is usually considered to be impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly due to adherence to the renegotiated repayment plan and there are no other indicators of impairment.

Reinsurance receivables that are subject to a collective IBNR provision are not considered impaired.

Held to maturity investments

The Group has policies in place to ensure that short-term bank deposits are placed with financial institutions of very high credit rating and are spread over a number of them across the WAICA member countries and in London to avoid undue concentration.

Cash and cash equivalents

The Group held cash and cash equivalents of US$ 53.8 million at 31 December 2021 (2020: US$ 41.4 million). The cash and cash equivalents are held with reputable banks.

(iv) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group is exposed to daily calls on its available cash resources mainly from claims arising from reinsurance contracts. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The Group manages this risk by maintaining sufficient cash, and investing any excess cash over its anticipated requirements.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and exclude the impact of netting agreements.

Notes to the financial statements (continued)

33. Financial instruments – fair values and risk management (continued)
(c) Financial risk management (continued)
(iv) Liquidity risk (continued)
Exposure to liquidity risk (continued)

31 December 2021

In thousands of United States Dollars	Notes	Carrying amount	Less than 3 months	3-6 months	6-12 months	1-5 year
Group						
Non-derivative financial liabilities						
Funds under management	21	5,125	-	1,025	4,100	-
Outstanding claims	22b	41,599	4,160	14,560	19,878	3,002
Reinsurance payables	23	8,160	1,719	3,950	1,487	1,004
Trade and other payables	24	3,622	1,916	878	760	108
		58,506	7,795	20,413	26,225	4,114
Corporation						
Non-derivative financial liabilities						
Outstanding claims	22b	38,647	3,865	13,526	18,900	2,356
Reinsurance payables	23	6,358	1,272	3,179	1,907	-
Trade and other payables	24	1,988	1,040	477	413	59
		46,993	6,177	17,182	21,220	2,415

31 December 2020

In thousands of United States Dollars	Notes	Carrying amount	Less than 3 months	3-6 months	6-12 months	1-5 year
Group						
Non-derivative financial liabilities						
Funds under management	21	5,040	-	743	4,297	-
Outstanding claims	22b	26,081	3,204	9,007	13,764	106
Reinsurance payables	23	3,053	794	1,580	577	102
Trade and other payables	24	3,630	615	731	409	1,875
		37,804	4,613	12,061	19,047	2,083
Corporation						
Non-derivative financial liabilities						
Outstanding claims	22b	23,658	2,366	8,280	13,012	-
Reinsurance payables	23	1,706	341	853	512	-
Trade and other payables	24	2,833	683	648	-	1,502
		28,197	3,390	9,781	13,524	1,502

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which underwriting income, underwriting expense and investments are denominated. The currencies in which these transactions are primarily denominated are US Dollars, Pounds Sterling, Euro, Cedi, Naira and Leones. In respect of monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances. The summary quantitative data about the Group's exposure to currency risk as reported by management is as follows:

31 December 2021

Group

In thousands of United States Dollars	Notes	Dollars	Pounds sterling	Euro	Cedis	Leones	Naira	Others	Total
Assets									
Cash and cash equivalent	12	38,628	163	2,469	432	41	8,800	3,298	53,831
Financial assets	13	61,737	-	-	4,198	2,108	-	13,183	81,226
Reinsurance receivables	14	16,101	63	604	1,080	432	1,400	15,772	35,452
Other assets	16	688	-	-	-	-	-	100	788
		117,154	226	3,073	5,710	2,581	10,200	32,353	171,297
Liabilities									
Funds under management	21	1,029	-	-	4,096	-	-	-	5,125
Outstanding claims	22b	25,517	-	391	604	22	810	14,255	41,599
Reinsurance Payables	23	8,160	-	-	-	-	-	-	8,160
Trade and other payables	24	2,844	-	-	-	-	-	778	3,622
		37,550	-	391	4,700	22	810	15,033	58,506
Net exposure		79,604	226	2,682	1,010	2,559	9,390	17,320	112,791

Notes to the financial statements (continued)

33. Financial instruments – fair values and risk management (continued)
(c) Financial risk management (continued)
(v). Market risk (continued)
Currency risk (continued)

31 December 2021
Corporation

In thousands of United States Dollars	Notes	Dollars	Pounds sterling	Euro	Cedis	Leones	Naira	Others	Total
Assets									
Cash and cash equivalent	12	35,995	163	2,469	432	41	8,800	3,084	50,984
Financial assets	13	59,177	-	-	102	2,108	-	10,517	71,904
Reinsurance receivables	14	12,000	63	604	1,080	433	1,400	13,672	29,252
Other assets	16	444	-	-	-	-	-	-	444
		107,616	226	3,073	1,614	2,582	10,200	27,273	152,584
Liabilities									
Outstanding claims	22b	26,485	-	125	604	22	810	10,601	38,647
Reinsurance Payables	23	6,358	-	-	-	-	-	-	6,358
Trade and other payables	24	1,988	-	-	-	-	-	-	1,988
		34,831	-	125	604	22	810	10,601	46,993
Net exposure		72,785	226	2,948	1,010	2,560	9,390	16,672	105,591

Notes to the financial statements (continued)

33. Financial instruments – fair values and risk management (continued)
(c) Financial risk management (continued)
(v). Market risk (continued)
Currency risk (continued)

31 December 2020
Group

In thousands of United States Dollars	Notes	Dollars	Pounds sterling	Euro	Cedis	Leones	Naira	Others	Total
Assets									
Cash and cash equivalent	12	31,441	191	1,183	800	59	4,693	3,059	41,426
Financial assets	13	46,326	-	-	4,385	2,089	-	11,340	64,140
Reinsurance receivables	14	10,354	9	471	1,026	426	1,624	13,345	27,255
Other assets	16	721	-	-	9	119	35	37	921
		88,842	200	1,654	6,220	2,693	6,352	27,781	133,742
Liabilities									
Funds under management	21	743	-	-	4,297	-	-	-	5,040
Outstanding claims	22b	22,810	-	37	207	22	275	2,730	26,081
Reinsurance Payables	23	2,622	-	-	-	-	-	431	3,053
Trade and other payables	24	2,785	-	-	-	-	-	845	3,630
		28,960	-	37	4,504	22	275	4,006	37,804
Net exposure		59,882	200	1,617	1,716	2,671	6,077	23,775	95,938

Notes to the financial statements (continued)

33. Financial instruments – fair values and risk management (continued)
(c) Financial ritsk management (continued)
(v). Market risk (continued)
Currency risk (continued)

31 December 2020
Corporation

In thousands of United States Dollars	Notes	Dollars	Pounds sterling	Euro	Cedis	Leones	Naira	Others	Total
Assets									
Cash and cash equivalent	12	26,972	191	1,183	670	59	4,693	1,573	35,341
Financial assets	13	54,388	-	-	89	2,089	-	8,678	65,244
Reinsurance receivables	14	8,527	9	471	1,026	426	1,624	11,811	23,894
Other assets	16	83	-	-	9	119	35	9	255
		89,970	200	1,654	1,794	2,693	6,352	22,071	124,734
Liabilities									
Outstanding claims	22b	21,508	-	37	207	22	275	1,608	23,658
Reinsurance Payables	23	1,706	-	-	-	-	-	-	1,706
Trade and other payables	24	2,833	-	-	-	-	-	-	2,833
		26,047	-	37	207	22	275	1,608	28,197
Net exposure		63,923	200	1,617	1,587	2,671	6,077	20,463	96,537

Notes to the financial statements (continued)

33. Financial instruments – fair values and risk management (continued)
(c) Financial risk management (continued)
(v) Market risk (continued)
Currency risk (continued)

The following significant exchange rates applied during the year:

	Average rate		Year end spot rate	
In thousands of United States Dollars	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
USD 1				
Euro	**0.843**	0.845	**0.8794**	0.836
GBP	**0.727**	0.6942	**0.7383**	0.749
Cedi	**5.962**	5.9321	**6.175**	5.8235
Naira	**409**	386.66	**414**	385.76
Leone	**10,399**	9,830	**11,322**	10,300

Sensitivity analysis
A reasonably possible strengthening (weakening) of the US Dollar, against all other currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast underwriting income and underwriting expenses.

Notes to the financial statements (continued)

33. Financial instruments – fair values and risk management (continued)
(c) Financial risk management (continued)
(v) Market risk (continued)
Sensitivity analysis (continued)

31 December 2021

	Profit or loss		Equity, net of tax	
In thousands of United States Dollars	**Strengthening**	Weakening	**Strengthening**	Weakening
Group				
Euro (10% movement)	**295**	(295)	**295**	(295)
GBP (6% movement)	**14**	(14)	**14**	(14)
Cedi (5% movement)	**7**	(7)	**7**	(7)
Naira (11% movement)	**1,094**	(1,094)	**1,094**	(1,094)
Leone (10% movement)	**258**	(258)	**258**	(258)
Corporation				
Euro (10% movement)	**295**	(295)	**295**	(295)
GBP (6% movement)	**14**	(14)	**14**	(14)
Cedi (6% movement)	**7**	(7)	**7**	(7)
Naira (11% movement)	**1,092**	(1,092)	**1,092**	(1,092)
Leone (10% movement)	**256**	(256)	**256**	(256)

31 December 2020

	Profit or loss		Equity, net of tax	
In thousands of United States Dollars	**Strengthening**	Weakening	**Strengthening**	Weakening
Group				
Euro (10% movement)	162	(162)	162	(162)
GBP (6% movement)	12	(12)	12	(12)
Cedi (5% movement)	86	(86)	86	(86)
Naira (11% movement)	668	(668)	668	(668)
Leone (10% movement)	267	(267)	267	(267)
Corporation				
Euro (10% movement)	162	(162)	162	(162)
GBP (6% movement)	12	(12)	12	(12)
Cedi (6% movement)	86	(86)	86	(86)
Naira (11% movement)	668	(668)	668	(668)
Leone (10% movement)	267	(267)	267	(267)

Notes to the financial statements (continued)

33. Financial instruments – fair values and risk management (continued)
(c) Financial risk management (continued)
(v) Market risk (continued)

Interest rate risk
Fixed interest rate financial instruments expose the Group to interest rate risk. The Group's fixed interest rate financial instruments are government securities and deposits with financial institutions. Changes in interest rates will have an immediate effect on the Group's comprehensive income and Shareholders' funds.

Management of interest rate risk
The Group's approach to managing interest rate risk is the maintenance of highly liquid short-term investment portfolio. The Group monitors the investment portfolio closely to redirect to investment vehicles with high returns.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported by management is as follows.

Nominal amount

In thousands of United States Dollars	Group 2021	Corporation 2021	Group 2020	Corporation 2020
Fixed rate instrument				
Financial assets	119,263	89,992	95,039	73,082

The Group does not account for any fixed rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

The Group did not have any variable-rate instruments at the year-end (2020: Nil).

(d) Operational risk
Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Corporation's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within the Group. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action

Notes to the financial statements (continued)

33. Financial instruments – fair values and risk management (continued)
(d) Operational risk (continued)

- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including reinsurance whether this is effective.

34. Dividend

In respect of the year ended 31 December 2021 result, the Board of Directors proposed a dividend of US$ 0.10186 per share amounting to US$ 5,000,000 to be paid to existing Shareholders whose names appear in the register of the Corporation as at the date of the Annual General Meeting. (2020: Dividend of US$ 4,000,000).

35. Capital commitment

There were no capital commitments at 31 December 2021 (2020: Nil).

36. Contingent liabilities

There were no contingent liabilities at 31 December 2021 (2020: Nil).

37. Related party disclosure

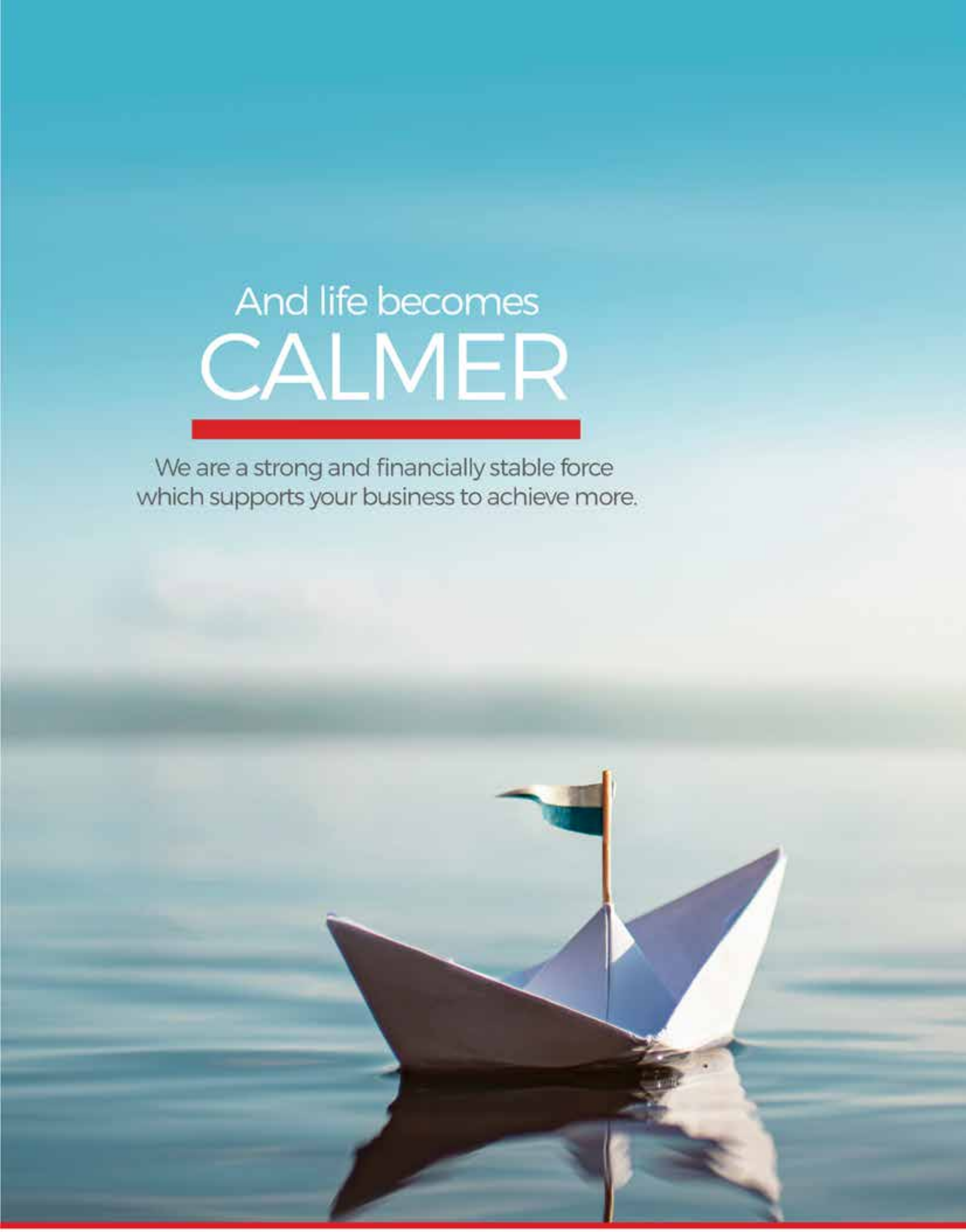
The following transactions were carried out with related parties:

(a) Key management compensation

In thousands of United States Dollars	**Group 2021**	**Corporation 2021**	Group 2020	Corporation 2020
Salaries and other short-term employee benefits	**2,180**	**1,161**	1,780	1,146
	2,180	**1,161**	1,780	1,146
(b) Director's remuneration				
Director's remuneration paid during the year	**598**	**410**	440	330
	598	**410**	440	330

38. Subsequent events

Events subsequent to the financial position date are disclosed only to the extent that they relate directly to the financial statements and their effect is material. There were no such events on the date the financial statements were approved.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