

Jaiz Takaful Insurance Plc

Financial Statements for the year ended
31st December, 2020

Jaiz Takaful Insurance Plc
Financial Statements for the Year Ended 31st December, 2020

Contents	Pages
Corporate Information	1-3
Board of Directors	4
Chairman's Statement	4-6
Report of the Board of Directors	7-11
Corporate Governance	12-16
Statement of Directors' Responsibility	17
Audit Committee's Report	18
Report of the Advisory Committee of Experts	19
Management Discussion and Analysis	20-24
Independent Auditors' Report	25-27
Statement of Significant Accounting Policies	28-44
Statement of Financial Position	45
Statement of Profit or Loss and OCI	46-47
Statement of Changes in Equity	48
Statement of Cash Flow	49
Notes to the Financial Statements	50-73
Statement of Value Added	74
Five Years Financial Summary	75-76
General Takaful Revenue Accounts	77-78
Segment Statement of Financial Position - General Takaful	79
Family Takaful Revenue Accounts	80
Segment Statement of Financial Position - Family Takaful	81
Other Disclosures	82-87

Jaiz Takaful Insurance Plc

Financial Statements for the Year Ended 31st December, 2020

Corporate Information

About Jaiz Takaful Insurance Plc

Jaiz Takaful Insurance Plc was incorporated as a Public Liability Company with the Corporate Affairs Commission (CAC) in January 2014 and got operational License with National Insurance Commission (NAICOM) in August 2016. The Company in January 2017 got approval of its products and commences business in the Abuja Head office same year.

Jaiz Takaful Insurance Plc is a premier Shariah compliant General and Family (Life) Insurance Operator. Jaiz Takaful Insurance Plc was established to provide Takaful insurance in Nigeria with the insight of expansion in West Africa as an international leader in Takaful.

The Contract of Takaful as a business venture is based on the Islamic profit sharing of Mudarabah principle. In this regard, clients of Takaful known as Participants shall be entitled to earn returns on the Contributions (premium) paid in consideration for their participation in Takaful products provided by Jaiz Takaful Insurance Plc subject to the declaration of profit at the end of the financial year.

Mission

Jaiz Takaful Insurance Plc - Providing a Bond beyond Insurance - A Company that cares, shares and above all grows with its Employees and Stakeholders; ethically covering all insurable risks and basis of mutual benefits.

Vision

Jaiz Takaful Insurance Plc is striving to be the Leader in Ethical Finance and Wealth Management.

RC:	-	1167843
Tax Identification No. (TIN):	-	18113287 - 0001
Website	-	www.jaiztakafulinsurance.com
E-mail	-	info@jaiztakafulinsurance.com
Phone	-	+2349037754004/+2348095522144
Corporate Head Office:	-	Plot 1054, O.P. Fingesi Street, Off Obafemi Awolowo Way, Cadastral Zone B05, Utako District, Abuja

Jaiz Takaful Insurance Plc

Financial Statements for the Year Ended 31st December, 2020

Corporate Information

Branch Offices	<ul style="list-style-type: none">- KADUNA NO. 20 A Bank Road Kaduna, Kaduna State.- LAGOS No. 91 Obafemi Awolowo Way Ikeja, Lagos State.- KANO No. 15 Bank Road, Nasarawa District, Kano, Kano State.
Independent Auditors:	<ul style="list-style-type: none">- Sada, Idris & Co. Chartered Accountants, 2nd Floor, B Wing, FMBN Building, Central Business District, Abuja.
Bankers:	<ul style="list-style-type: none">- JAIZ BANK PLC Harbert Marculey Way, Zone 5, Wuse, Abuja- Sterling Bank Plc Plot 990, Sterling Bank Boulevard, Central Business District. Wuse. Abuja- Taj Bank Plc Plot 72, Ahmadu Bello Way, Central Business District, Wuse, Abuja- Suntrust Bank LTD 50, Kumasi Crescent, Off Aminu Kano Crescent, Wuse II, Abuja
Regulatory Authority	<ul style="list-style-type: none">- National Insurance Commission (NAICOM) Plot 1239, Ladoke Akintola Boulevard, Garki II, Abuja.
Tax Authority	<ul style="list-style-type: none">- Federal Inland Revenue Service Large Tax Office, 1st Floor, Revenue House Annex 4, No. 12 Sokode Crecent, Wuse Zone 5, Abuja
Actuary	<ul style="list-style-type: none">- Ernst & Young 10th & 13th Floors, UBA House, 57, Marina, P.O.Box 2442, Lagos, Nigeria

Jaiz Takaful Insurance Plc

Financial Statements for the Year Ended 31st December, 2020

Corporate Information

Retakaful Companies

- African Reinsurance Corporation
Africa Re Building,
4E, Service Center,
1st Instalment, New Cairo,
Cairo, Egypt.
- ZEP-RE-Retakaful Window
Reinsurance Co. House,
P. O. Box 3224 - 11111
Khatoum,
Sudan
- WAICA Re (WAICA Reinsurance Corporation Plc)
30 Junction Hill Station,
Freetown,
Sierra Leone

Jaiz Takaful Insurance Plc
Financial Statements for the Year Ended 31st December, 2020

Board of Directors

Alhaji Abidu R. Yazid (OON)	- Chairman
Ibrahim Usman Shehu	- Managing Director/Chief Executive Officer
Sabiu Bello Abubakar	- Executive Director (Operations & Training) Resigned October 22, 2020
Sheikh Adam Abdullah Idoko	- Member-Died in October 14, 2020
Hajiya Zainab Abdurrahman	- Member
Garba Abubakar Muhammad	- Member
Dr. Imam Abdullahi Shuaib	- Member
Alhaji Ahmadu Hamman Sambo	- Member (Appointed September 15,2020)

Advisory Council Of Experts (ACE) Members

Prof. Mohammad Nasirudden Maiturare	- Chairman
Prof.Muhammad Bello Uthman	- Member.
Prof.Sulaiman Abdullahi Karwai.	- Member

Management Team:

Ibrahim Usman Shehu	- Managing Director/CEO
Sabiu Bello Abubakar	- Executive Director (Operations & Training) Resigned October 22, 2020
Shehu Mustapha	- Head of Marketing
Abdulrahman Abubakar	- Head of Finance and Accounts
Raji Isiaka	- Head of General Takaful
Abdulkarim Yahya	- Head of Audit/Chief Compliance Officer
Anas Ibrahim Zango	- Head of Corporate Services
Omenka Daniel Okache	- Head of Information Technology
Abiodun Aliu Agbabiaka	- Head of Family Takaful
Umar Jibril	- Company Secretary/Legal Adviser

Chairman's Statement

Dear Shareholders and Invited Guests,

It gives me great pleasure to welcome you to the 4th Annual General Meeting of our company, and to present to you our statement of affairs and reports for the year ended 31st December, 2020

Operating Environment

The outbreak of the coronavirus (Covid-19) had posed a significant threat to global growth and crude oil prices as public concerns over the virus will trigger travel restrictions and cause industrial activities and supply chains to shut down. Although international crude oil prices were expected to remain at record-low, OPEC and its partners agreed on reducing supply. The global financial market was projected to remain in turmoil, which will increase the preference for safe-haven currencies and dampen sentiments for emerging market economies. The outbreak of this virus had the potential to and it indeed deepened exchange rates with the USD official rate at N305 and N360/365 in the Parallel Market. Disruptions and pressures to companies in the Oil & Gas, Manufacturing and Consumer Goods sectors were also anticipated.

In view of these and in compliance with global practices, it was expected that the CBN will roll out monetary stimulus measures to ameliorate the effect of Covid-19 on the domestic economy. In spite of the stimulus, the effect of the pandemic posed a significant threat to the achievement of the projected GDP growth rate, which the International Monetary Fund (IMF) revised downwards to 2% from an earlier projection of 2.5%, owing to depressed crude oil prices. The state-owned oil company has positioned itself to compensate for the prevailing downturn in crude oil prices by increasing its Liquefied Natural Gas (LNG) production from 22 million tonnes per annum (MTPA) to 30 MTPA, with the commencement of the \$10billion 'train 7 project'. Growth from the Non-Oil sector is expected to be propelled by increased credit to the private sector and low-interest rates on commercial lending. Furthermore, we expect the implementation of the new national minimum wage to bolster consumer spending, which will, in turn, support economic growth, particularly in the trade and manufacturing sectors. Despite the threats to growth, the Company will take advantage of opportunities presented in the coming financial year, in order to sustain earnings and profitability, improve asset quality and deliver competitive returns to our esteemed shareholders. As a company that is focused on ensuring the long-term success of our business, we will continue to build strong, value adding relationships with our customers, stakeholders and the communities in which we operate. This strategy has served us well throughout our half decade of existence, and I believe that it will continue to serve us well into the future.

Insurance Industry

In the 2019 financial year, the Insurance Industry in Nigeria generated gross premium income (GPI) of ₦489 billion, approximately 34% higher than the preceding year's GPI. Major growth drivers were the regulatory support by the National Insurance Commission (NAICOM) through inclusive insurance initiatives such as bancassurance, slightly improved macroeconomic fundamentals following a rebound from a recession, the commencement of major infrastructural projects and an increasing awareness of the benefits of insurance.

Jaiz Takaful Insurance Plc

Financial Statements for the Year Ended 31st December, 2020

Chairman's Statement

The structure of the Nigerian Insurance Industry was set to change in the short term on account of a recapitalisation exercise that was expected to conclude on or before 31 December 2020. Besides the anticipated growth in the industry's size, a decline in the total number of operators and significant changes in ownership structure, following the recapitalization as also anticipated.

Future Outlook

Our Company is evolving and all the indices point towards growth direction. Whilst we brace up for developmental changes. The Commitment to our vision and mission remains on course whilst sound fiscal discipline which will enhance our profitability will be pursued.

The Company produced a total of N940,992,336 in the year 2020 compared to N 531,636,797 in the year 2019 representing 77% increase.

SUMMARY	YEAR 2020	YEAR 2019	% INCREASE
General Takaful	735,553,564	441,203,369	67
Family Takaful	189,441,882	86,293,108	234
Agric Takaful	15,996,890	4,140,320	24
TOTAL	940,992,336	531,636,797	77

From the table above, it could be seen that both the General and family takaful classes of insurance recorded geometric growth from the performance recorded in 2019 when compared to 2020. The Agric takaful class recorded an unprecedented high increase from the performance in 2019 compared to the amount achieved in 2020.

In all, the company has recorded remarkable increase in performance in 2020 when compared to 2019 generation. An increase of 67%, 24% and 286% for General, Family and Agric Takaful businesses respectively. Overall, the percentage growth recorded was 50%.

Conclusion

I wish to conclude by expressing our appreciation to our esteemed customers, brokers, agents and every other stakeholder who has contributed immensely to our growth these past two years.

I thank and commend the supportive Management team and the entire staff of this great Company for their resilience and commitment in the achievement of these positive results.

Lastly, to God be all the Glory. He has kept us all through the years by His grace; He will continue to keep us all.

God bless you all.

Jaiz Takaful Insurance Plc

Financial Statements for the Year Ended 31st December, 2020

Report of the Board of Directors

The Directors have the pleasure in presenting their report on the affairs of Jaiz Takaful Insurance Plc together with the audited financial statement and auditors' report for the year ended 31st December, 2020.

1 Legal form

Jaiz Takaful Insurance Plc was incorporated 31st January, 2014 by the Corporate Affairs Commission. On 19 August 2016, the National Insurance Commission granted the company license to engage in composite TAKAFUL operations. Furthermore, on 9th January, 2017 and 10th July 2017, it was granted approval to commence business on the following general and family products respectively.

GENERAL PRODUCTS:

Marine cargo Takaful	Machinery breakdown Takaful
Burglary Takaful	Group prosomal accident Takaful
Fidelity guarantee Takaful	Public liability Takaful
Professional indemnity Takaful	Money Takaful
Employers liability Takaful	All risk Takaful
Fire & allied perils Takaful	Erection all risk Takaful
Motor (commercial) Takaful	Contractors plant machinery Takaful
Motor (private) Takaful	Consequential loss Takaful

FAMILY PRODUCTS:

Jaiz Group Family Takaful Plan
 Jaiz Educational Takaful Plan
 Jaiz Non-Interest Loan Protection Plan
 Jaiz Group Mortgage Family Takaful

During the course of business, the Company saw the need to introduce additional products to the market, thus, the approval for the following products was sought and granted by the National Insurance Commission (NAICOM) on the 17th May, 2018:

GENERAL PRODUCT:

Jaiz Household Takaful Plan

FAMILY PRODUCTS:

Jaiz Comfort-Plus Family Takaful Plan
 Jaiz Comfort Family Takaful Plan
 Jaiz Hajj and Umrah Family Takaful Plan
 Jaiz Comflux Family Takaful Plan
 Jaiz Comfort-Save Family Takaful Plan
 Jaiz Mortgage Family Takaful Plan
 Jaiz Hajj and Umrah Travel Policy

2(a) Operating results:

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

	2020	2019	Changes	%
Gross Contribution Written	1,132,042,558	753,038,045	379,004,513	50
Gross Contribution Earned	994,303,729	636,944,547	357,359,182	56
Retakaful Contribution	(168,146,844)	(79,974,037)	(88,172,807)	-110
Fee & Commission Income	47,856,137	21,001,889	26,854,248	128
Investment Income	39,132,154	22,086,778	17,045,376	77
Wakalah Fee Income	294,736,306	177,087,876	117,648,430	66
Profit/(loss) after Zakat and Tax	151,064,661	(102,840,569)	253,905,230	247

Jaiz Takaful Insurance Plc
Financial Statements for the Year Ended 31st December, 2020

Report of the Board of Directors

(b) Impact of Covid -19

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our staff & stakeholders (such as social distancing and working from home).

The impact on our business and results has been positive. As we operate in Financial Service Industry (Takaful-Insurance) we have found increased demand for our services and expect this to continue. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardizing the health of our people.

3 Statement of Director's Responsibility on the Financial Statements

Section 377 and 378 of the Companies and Allied Matters Act 2020 (as amended); require the directors to prepare financial statements for each financial year that give a true and fair view of the state of the financial affairs of the company at the end of each financial year and its profit or loss and cash flows.

The directors are also to ensure that the statements comply with the provision of the Insurance Act 2003 and the Companies and Allied Matter Act 2020 (as amended).

These responsibilities include ensuring that the company:

- a. Keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company and comply with requirements of the Companies and Allied Matters Act of 2020.(As Amended)
- b. Establishes adequate internal controls to safeguard its assets and to prevent fraud and other irregularities;
- c. Prepares its financial statements using suitable accounting policies supported by the reasonable and prudent judgments.

The directors accept responsibility for the annual statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with:

- International Accounting Standard
- Relevant guideline issued by NAICOM
- The requirement of Insurance Act 2003
- The requirements of the Companies and Allied Matters Act

The directors are of the opinion that the financial statement gives a true and fair view of the state of the financial affairs of the company and of its profit for the year. The directors also accept responsibility of the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate systems of internal control.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.

4 Directors/Advisers

The following directors served during the year ended 31st December, 2020:

Alhaji Abidu R. Yazid, (OON)	-	Chairman
Ibrahim Usman Shehu	-	Managing Director/CEO
Garba Abubakar Muhammad	-	Non-Executive Director
Hajiya Zainab Abdurrahman	-	Non-Executive Director
Dr. Imam Abdullahi Shuaib	-	Non-Executive Director
Sheikh Adam Abdullah Idoko	-	Non-Executive Director (Died in October 14, 2020)
Sabiu Bello Abubakar	-	Executive Director (Operations & Training) Resigned in October 22,2020
Alhaji Ahmadu Hamman sambo	-	Non Executive Director-Appointed September 15, 2020

Jaiz Takaful Insurance Plc
Financial Statements for the Year Ended 31st December, 2020

Report of the Board of Directors

Changes on the Board.

A new Director, Alhaji Ahmadu Hamman Sambo was appointed on 15th September, 2020 while our amiable director Sheikh Adam Abdullah Idoko passed on in the financial year October 14, 2020. Alhaji Sabiu Bello Abubakar, Executive Director (operations & Training) also resigned his appointment on October, 22 2020.

Advisory Council of Experts (ACE) members:

Prof. Mohammad Nasiruddeen Maiturare

Chairman

Prof. Muhammed Bello Uthman

Member

Prof. Sulaiman Abdullahi Karwai

Member

Umar Jibril

Company Secretary/Legal adviser:

Registered Office:

Auditors:

Plot 1054, O.P Fingesi street,

Sada, Idris & Co.

Off Obafemi Awolowo way,

Chartered accountants,

Utako district, Abuja.

2nd Floor, B wing, FMBN Building,

Central Business District, Abuja

5 Directors' Interests

a Directors Shareholding

The direct and indirect interest of the directors in the issued share capital of the company as recorded in the register of directors' shareholding and/or as notified by the directors for the purpose of section 301 and 302 of the Companies and Allied Matters Act 2020 (As amended) and listing requirements of the Nigerian stock exchange as of 31 December, 2020 are as follows:

S/N	DIRECTORS	2020	2019
		No of Shareholders	No. of Shares
1	Garba Abubakar Muhammad	1	1
	TOTAL	1	1

b Ownership structure

The called-up and fully paid-up shares of the Company as at 31 December 2020 were beneficially held as follows:

	2020	2020	2019	2019
	No of Shareholders	% Holding	No of Shareholders	% Holding
Jaiz Charity Development & Foundation	2,460,579,971	100%	2,460,579,971	100%
Garba Abubakar Muhammad	1	0%	1	0%
	2,460,579,972	100%	2,460,579,972	100%

c Analysis of Shareholding

The analysis of the distribution of the shares of the Company at the end of the financial year is as follows:

31 December, 2020

Share range

Local Shareholder

1-1,000,000,000

1,000,000,001-3,000,000,000

No. of Shares	% Holding	No. of Holding
1	0%	1
1	100%	2,460,579,971
2	100%	2,460,579,972

31 December, 2019

Share range

Local Shareholder

1-1,000,000,000

1,000,000,001-3,000,000,000

No. of Shares	% Holding	No. of Holding
1	0%	1
1	100%	2,460,579,970
2	100%	2,460,579,972

Jaiz Takaful Insurance Plc
Financial Statements for the Year Ended 31st December, 2020

Report of the Board of Directors

d Share Capital History

As at December, 2020, the Company Authorized Share Capital was ₦1,300,000,000.00 divided into 2,600,000,000 ordinary shares of 50k each. The initial capital upon incorporation and subsequent changes therein are as follows:

	Increase	Cumulative
2014	300,000,000	300,000,000
2017	700,000,000	1,000,000,000
2017	1,600,000,000	2,600,000,000

6 Directors Interest in Contracts

None of the directors has notified the company of the purpose of section 303 of the Companies and Allied Matter Act, 2020 (As amended) of any declarable interest in contracts in which the company was involved during the year ended December, 2020

7 Acquisition of own shares

The company did not acquire any of its shares during the year ended 31st December, 2020

8 Human Resources

a Employment of Disabled Persons

It is the policy of the company that there is no discrimination in considering applications for employment including those of physically challenged persons. All employees whether physically challenged or not are given equal opportunities to develop their knowledge and to qualify for promotion in furtherance of their careers.

b Employees involvement and training

The company is committed to keeping employees fully informed as much as possible regarding the company's performance and progress. views of employees are sought, where practicable, on matters which particularly affect them as employees. The company runs an open door management policy.

Management, professional and technical expertise are the company's major assets and investment in developing such skills is continuous.

c Gender Analysis

The average number and percentage of male and female employees during the year ended 31st December, 2020 vis-à-vis total work force is provided below:

	Number			Percentage	
	Male	Female	Total	Male	Female
Executive Director	1	0	1	100%	0%
Management Staff	8	1	9	89%	11%
Non-Management Staff	18	7	25	72%	28%
Total	27	8	35	77%	23%

Gender Analysis of the Board for the year ended 31st December, 2020 is as follows:

	Number			Percentage	
	Male	Female	Total	Male	Female
Board	5	1	6	83%	17%

The average number and percentage of male and female employees during the year ended 31st December, 2019 vis-à-vis total work force is provided below:

	Number			Percentage	
	Male	Female	Total	Male	Female
Executive Director	2	0	2	100%	0%
Management Staff	8	1	9	89%	11%
Non-Management Staff	15	7	22	68%	32%
Total	25	8	33	76%	24%

Gender Analysis of the Board for the year ended 31st December, 2019 is as follows:

	Number			Percentage	
	Male	Female	Total	Male	Female
Board	6	1	7	86%	14%

Jaiz Takaful Insurance Plc
Financial Statements for the Year Ended 31st December, 2020

Report of the Board of Directors

d Employees' Health, Safety and Welfare at Work

The company maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. Financial provision is also made for all employees in respect of transportation, housing, medical expenses and meals.

The company operates a contributory pension plan for the benefit of its employees.

9 Property, Plant and Equipment

a Movements in property, plant and equipment are shown in note 9 on page 55 of the financial statements

b Intangible assets – Computer Software

Movements in intangible assets-computer software are shown in note 8 on page 54 of the financial statements.

10 Audit Committee

In accordance with section 404(2) of the companies and allied matters Act,2020 the audit committee members of the company are as follows:

Hajiya Zainab Abdurrahman	-	Chairman
Sheikh Adam Abdullah Idoko	-	Non-Executive Director
Dr. Imam Abdullahi Shuaib	-	Non-Executive Director
Garba Abubakar Muhammad	-	Non-Executive Director
Ahmadu Hamman Sambo	-	Non-Executive Director

The function of the audit committee is as stated in section 404(7) of the Companies and Allied Matters Act, 2020 (As amended)

11 Auditors

Messrs' Sada, Idris & Co. (Chartered Accountants) have been re-appointed as statutory auditors in 2020 as required by the relevant section of the company and allied matters Act 2020(as amended).



Umar Jibril
Company Secretary
FRC/2017/NBA/00000015983

Jaiz Takaful Insurance Plc
Financial Statements for the Year Ended 31st December, 2020

Corporate Governance Report

1 Introduction

The Board of directors have pleasure in presenting the Corporate Governance Report of Jaiz Takaful Insurance Plc together with the audited financial statements and the auditor's report for the year ended December 31, 2020.

2 The Board of Directors

Jaiz Takaful Insurance Plc. Is governed by the board of directors and they have the ultimate responsibility to provide entrepreneurial leadership for the company within a framework of prudent and effective controls, sets the company's strategic direction, objectives, values and standards and ensure that the necessary financial, material and human resources are in place for the company to meet its objectives and review management performance and ensure that its obligations to shareholders and other stakeholders are understood and met.

Responsibilities of the Board of Directors

- Determine board structure, size and composition, including appointment and removal of directors, succession planning for the board
- Approval of resolutions and corresponding documentation for shareholders in general meeting(s), shareholders circulars, prospectus and principal
- Approval of the company's strategy, medium and short term plan
- Approval of mergers and acquisitions, branch expansion and establishment of subsidiaries
- Approval of policy documents on significant issues including enterprise risk management, human resources, corporate governance
- Approval of remuneration policy and packages of the company
- Approval of quarterly, half-yearly and full year financial statements (whether audited or unaudited) and any significant change in accounting senior management and board committee membership; anti – money laundering; regulatory filings with the regulators; structure or its status as a public limited company; policies and/or practices,
- Recommendation to shareholders of the appointment, removal and the remuneration of auditors.

The above responsibilities of the board of directors are discharged primarily through committees of the board, namely:

Board Committee on Finance, General Purpose & Governance;
Board Committee on Audit and Compliance

i. Committee on Finance, General Purpose & Governance

- Alhaji Abidu R. Yazid - Chairman
- Dr. Imam Abdullahi Shuaib
- Garba Abubakar Muhammad

The functions of the **FINANCE, GENERAL PURPOSE & GOVERNANCE COMMITTEE** include

- a) Setting the long-term financial objectives of the Company.
- b) Advising the Board on all aspects of the Company's finances.

Jaiz Takaful Insurance Plc
Financial Statements for the Year Ended 31st December, 2020

Corporate Governance Report

- c) Reviewing the annual budget and making recommendations to the Board.
- d) Reviewing the Management of the Company's exposure to financial risk.
- e) Reviewing and approving all capital expenditure of the Company subject to ratification by the Board.
- f) Considering, in depth, any other matter referred to it by the Board of Directors.
- g) Consideration, review and report on the periodic management accounts of the Company.
- h) Overseeing and recommending all recruitments into senior positions within the Company subject to ratification by the Board.
- i) Advising the Board of Directors on the company's policy related to grants, loans or other payments to staff within limit to be agreed.
- j) Consideration and recommendation on financial procedures, capitalization and treasury management policies.
- k) Review, consideration and recommendation on employment policy, personnel policies, etc.
- l) Advising the Board generally on borrowings.

ii. Committee on Audit & Compliance

- Hajiya Zainab Abdurrahman - Chairman
- Ahmadu HammanSambo
- Garba Abubakar Muhammad
- Dr. Imam Abdullahi Shuaib.
- Sheikh Adam Abdullah idoko

The functions to be managed by the **AUDIT COMMITTEE** include

- a) Be responsible for the review of the integrity of the data and information provided in the Audit and /or Financial Reports.
- b) Provide oversight functions with regard to both the Company's Financial Statements and its internal Control and risk management functions.
- c) Review the terms of engagement and recommend the appointment or re-appointment and compensation of External Auditors to the Board and the Shareholders.
- d) Review the procedures put in place to encourage honest Whistle blowing.
- e) Meet at least once with the External Auditors.
- f) Investigate the circumstance relating to the resignation or removal of an External Auditor and ensure prompt actions are taken to mitigate any identified risks to the integrity of the Financial Reporting process.
- g) At least on an annual basis, obtain and review a report by the Internal Auditor stating the strength and quality of internal controls including any issue or recommendations for improvement, raised by the most recent internal control review of the Company.

Jaiz Takaful Insurance Plc
Financial Statements for the Year Ended 31st December, 2020

Corporate Governance Report

- h) Review with the External Auditor, any audit scope, limitations or problems encountered and Management responses to same.
- i) Review the independence of the External Auditors and ensure that where non-audit services are provided by the External Auditors, there is no conflict of interest.
- j) Consider any related party transactions that may arise within the Company.
- k) Invoke its authority to investigate any matter within its terms of reference for which purpose the Company must make available the resources to the Internal Auditors with which to carry out this function, including access to external advice where necessary.
- l) Report regularly to the Board.
- m) Evaluating, approving and monitoring the adequacy of the company's internal and external audit processes, functions and related programs;
- n) Making recommendations to the Board on the appointment, remuneration and monitoring of the effectiveness and independence of the internal and external auditor;
- o) Reviewing any significant disagreement between Management and the external auditors or the Internal Audit department;
- p) Reviewing and approving the internal audit plans and internal audit reports/conclusions with regard to internal controls.
- q) Advising the company in maintaining adequate internal control measures and procedures;
- r) Participating, together with the Human Resources, in the selection, appointment and or removal of the Company's Internal Auditor;
- s) Participating, together with the Human Resources, in the design and periodic review of the responsibilities of the Internal Auditor;
- t) Preparing and reviewing along with the Board, an annual performance evaluation of the Committee, which evaluation shall include a comparison of the performance of the Committee with the requirements of this document; and
- u) Carrying out such other functions as the Board of the company may from time to time determine.

Without prejudice to the roles of these committees, the full board retains ultimate responsibility for the management of risks of the organization and the committees meet at least once in a quarter and present their reports to the board.

Jaiz Takaful Insurance Plc
Financial Statements for the Year Ended 31st December, 2020

Corporate Governance Report

BOARD MEETINGS ATTENDANCE

The following table shows the frequency of the meeting of the Board of Directors during the financial year ended 31st December, 2020

S/N	Directors	15th January, 2020	29th June, 2020	15th September, 2020
1	Alhaji Abidu R. Yazid (OON)	√	√	√
2	Engr .Garba Abubakar Muhammad	√	√	√
3	Hajiya Zainab Abdurrahman	√	√	√
4	Sheikh Adam Abdullah Idoko	√	√	√
5	Ibrahim Usman Shehu	√	√	√
6	Dr. Imam Abdullahi Shuaib	x	√	√
7	Alhaji Ahmadu Hamman Sambo	N/A	N/A	√

* A new Director, Alhaji Ahmadu Hamman Sambo was appointed on the 15th September, 2020 while amiable Director, Sheikh Adam Abdullah Idoko passed on in the financial year October 14, 2020. Alhaji Sabiu Bello Abubakar, Executive (Operations & Training)also resigned his appointment on October 22, 2020.

3 Accountancy and Audit

a. Financial reporting

The Board of Directors is responsible for the preparation of financial statements of the company and ensures that the financial statements are prepared in accordance with statutory requirements and applicable financial reporting standards. They also ensure timely publication of the financial statements to enhance accurate and continuous disclosure of information to all stakeholders.

Management provides the board of directors with regular financial updates to enable them give a balanced and understandable assessment of the company's position.

b. The Internal Control and Risk Management

The board of directors is responsible for reviewing the effectiveness of the company's internal controls and ensuring that the controls are functional and effective.

4 Management Committee

The management Committee comprise the senior management of the company and has been established to identify, analyse, and make recommendation on risks arising from day-to-day activities. The also ensure that risk limit as contained in the Board and Regulatory policies are complied with. Members of the management committee make contributions to the respective Board Committee and also ensure that recommendation of the Board Committee are effectively and efficiently implemented. They meet Quaterly and frequently as the need arises.

Corporate Governance Report

5 Company Secretary/Legal Adviser

The secretary plays a role in the company's corporate governance and is responsible to the board of directors in respect of compliance with the board procedures and ensuring good information flows within and between the board members and management.

6 Certification

The Board of Directors accepts responsibility for the annual financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with the Accounting & Auditing Organization for Islamic Financial Institutions Standard (AAOIFIs), International Financial Reporting Standards (IFRS), National Insurance Act, 1997 and the Insurance Act, 2003.

The Board of Directors also accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate system of internal financial control.

The board of directors are of the opinion that the financial statements give a true and fair view of the state of the financial position of the company and of its statement of incorporation and pre-operational cost.

Nothing has come to the attention of the board of directors to indicate that the company will not remain a going concern for at least twelve months from the date of this statement.

Jaiz Takaful Insurance Plc

Financial Statements for the Year Ended 31st December, 2020


Statement of Directors' Responsibilities

The Directors accept responsibility for the preparation of the annual consolidated financial statements that give a true and fair view of the statement of financial position of the company at the end of the year and of its comprehensive income as required by the Company and Allied Matter Act Nigeria and Insurance Act of Nigeria. The responsibilities include ensuring that the Group:

- 1 Keep proper accounting records that disclose with reasonable accuracy, the financial position
- 2 Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities
- 3 Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, which are all consistently applied.
- 4 The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in conformity With:
 - Accounting & Auditing Organization for Islamic Financial Institutions Standard (AAOIFIs)
 - International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board
 - The requirements of the Insurance Act:
 - Relevant guidelines and circulars issued by the National Insurance Commission (NAICOM)
 - The requirements of the Companies and Allied Matters Act.
 - Financial Reporting Council Act of Nigeria

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements. Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least twelve months from the date of this statement.

By order of the Board



Alhaji Abidu R. Yazid (OON)
Chairman
FRC/2020/003/00000020934



Ibrahim Usman Shehu
Managing Director/CEO
FRC/2018/CIIN/00000018368

Jaiz Takaful Insurance Plc

Financial Statements for the Year Ended 31st December, 2020

Report of the Audit Committee

We have examined the Auditor's Report for the year ended 31st December, 2020 in accordance with the provisions of Section 404 of the Companies and Allied Matters Act 2020 (As amended)

It is our opinion that the Audit report is consistent with our view and scope of planning of the Audit. The Management Letter prepared by the External Auditors has received adequate and satisfactory responses from the Company's Management. Furthermore, we are satisfied that the Company's Accounting Policies are in conformity with the statutory requirement and agreed ethical practices.



Garba Abubakar Muhammad
FRC/2017/IODN/00000017242
For: Chairman, Board Audit Committee

Members of the Audit Committee

Hajiya Zainab Abdurrahman	- Chairman
Alhaji Ahmadu Hamman Sambo.	- Member
Garba Abubakar Muhammad	- Member
Dr. Imam Abdullahi Shuaib	- Member

Jaiz Takaful Insurance Plc
Financial Statements for the Year Ended 31st December, 2020

Report of the Advisory Council of Experts

We, the members of Jaiz Takaful Insurance Advisory Council of Experts (ACE) hereby witness that in line with the code of conduct guiding our advisory function, we have reviewed all the activities, policies and transactions made by Jaiz Takaful Insurance Plc during the year ending 31st December, 2020 and confirm same to be in compliance with Shariah principles. The Jaiz Takaful Insurance has committed itself to the principles and rules of the Sharia in their decisions, directives and management.

Discharge of Management Responsibility

Furthermore, we hereby affirm that the Jaiz Insurance Management have discharged their responsibilities towards ACE as enshrined in the NAICOM Takaful Operational Guidelines 2013.

Work carried out during the year

We have carried out the following assignments during the year under review and resolved as follows:

- i The Approval of 2019 Financial Statement
- ii The ACE reiterated the need to translate the Takaful Fatwa's book from Arabic to English Language
- iii Ensured that activities of Jaiz Takaful Insurance Plc were carried out in line with the Takaful Guideline issued by the National Insurance Commission

It is worthy of note that activities of the ACE were largely affected by the lockdown declared by the government due to the COVID-19 pandemic.

The Internal (Sharia) Compliance Unit of Jaiz Takaful had given us all the information and explanation which we considered necessary to provide us with sufficient evidence and reasonable assurance that all transactions by Jaiz Takaful Insurance did not violate the provisions of the rules and principles of Islamic Sharia.

The ACE wishes to thank the Board of Directors, Management and Staff of Jaiz Takaful for their co-operation with the ACE, and their commitment to the ideals of Takaful practices. The ACE prays to Almighty Allah to grant Jaiz Takaful Insurance Plc every success .

Dated: 31st December, 2020.

Prof. Muhammad Nasirudeen Maiturare

Chairman



Prof. Muhammed Bello Uthman

Member



Prof. Sulaiman Abdullahi Karwai

Member



Jaiz Takaful Insurance Plc

Financial Statements for the Year Ended 31st December, 2020

Management's Discussion and Analysis

The following Management's Discussion and Analysis ("MD&A") of the consolidated operating performance and financial condition of Jaiz Takaful Insurance Plc ("Jaiz Takaful", the "Company", "we", "us", or "our") for the year ended December 31, 2020, should be read in conjunction with the December 31, 2020 Financial Statement and related notes thereto, the December 31, 2019 Financial Statement and related notes thereto. Additional information relating to Jaiz Takaful is available in the Company's website at www.jaiztakafulinsurance.com. The information presented in this MD&A, including information relating to comparative period in 2019, is presented in accordance with Sharia Principles and various Accounting Standards.

Management's Discussion and Analysis is provided to assist readers in understanding our financial performance during the periods presented and significant trends which may impact our future performance. This discussion should be read in conjunction with our Financial Statements and the related notes thereto included elsewhere in this Annual Report.

It is intended to enhance the understanding of the audited financial statements and accompanying notes and should therefore be read in conjunction with these documents.

Business Objective and Strategy

The Company is registered and incorporated in Nigeria as a Takaful Insurance which is based on the Islamic profit sharing of Mudarabah principles. The Company provides both General and Family Takaful Products in Nigeria with the insight of expansion in West Africa as International Leader in Takaful insurance. To achieve this, it is the company's wish to strengthen service delivery through the deployment of modern Information Technology techniques and branch/agency network expansion. Intensification of direct and indirect marketing activities by awareness creation amongst others will also contribute to the achievement of target.

Our Vision Statement

To be the Leader in Ethical and Wealth Management

Our Mission Statement

Providing a Bond beyond Insurance - A Company That Cares, Shares and above all grows with its employees and stakeholders; Ethically covering all Insurable risks and basis of mutual benefits

Core Values

- | | | | |
|-----|----------------|------|----------------|
| i | Ethical | vi | Responsibility |
| ii | Prudence | vii | Transparency |
| iii | Mutuality | viii | Cordially |
| iv | Integrity | ix | Partnership |
| v | Accountability | | |

Jaiz Takaful Insurance Plc
Financial Statements for the Year Ended 31st December, 2020

Management's Discussion and Analysis

Operating Results

Items	Current Period 2020 N'000	Prior Period 2019 N'000	% Change
Gross Contribution Written	940,992	531,636	77
Gross Contribution Earned	803,253	636,945	26
Retakaful Expenses	(168,147)	(79,974)	(110)
Net Contribution Income	635,107	556,961	14
Fees & Commission Income	47,856	21,002	128
Net Underwriting Income	405,364	(52,571)	(871)
Investment Income	39,132	22,087	77
Participants' Surplus/Deficit	121,410	(18,607)	752
Profit or loss	29,655	(84,233)	135

Financial Position

	2020 N'000	2019 N'000	Changes %
ASSETS			
Cash and Cash Equivalent	904,549	595,263	52
Investment in Sukuk	100,000	0	100
Trade Receivable	59,285	27,415	116
Retakaful Asset	115,716	115,878	(0)
Deffered Acquisition Cost	62,871	34,910	80
Other Receivables & Prepayment	2,092	2,141	(2)
Intangible Assets	28	5,649	(99)
Property, Plant & Equipment	11,215	30,230	(63)
Statutory Deposits	200,000	200,000	0
TOTAL ASSETS	1,455,756	1,011,487	44
LIABILITIES			
Takaful Contract Liabilities	615,454	409,368	50
Investment Contract Liabilities	357,866	282,341	27
Trade Payables	81,734	49,238	66
Provisions & Other Payables	30,986	60,052	(48)
Income Tax Liabilities	9,665	1,500	544
TOTAL LIABILITIES	1,095,705	802,499	37

For the year ended December 31, 2020, we generated Gross Contribution (written) of ₦ 1,132 billion, as compared to ₦753 million in December 31, 2019 or 50% increased in gross contribution written. Although, investment linked policies declined from ₦256.9 million in 2019 to ₦254.8 in 2020. This may be partly due to the outbreak of COVID - 19 pandemic which reduces the purchasing power of the participants. However, this decreased was offset by ₦307 million or 69% and ₦74 million or 147% increases in both general and group family takaful policies respectively.

This increased was achieved by the retention of substantial numbers of old policyholders and addition of new policyholders in the year.

Jaiz Takaful Insurance Plc

Financial Statements for the Year Ended 31st December, 2020

Management's Discussion and Analysis

We achieved a Participants' Surplus of ₦121.4 million in 2020, compared to a deficit of ₦ 18.6 million in 2019. Participants' Surplus improved by ₦140 million or 752%. Profit after tax also increased by 135% from a loss of ₦84 million in 2019 to a profit of ₦29million in 2020.

Total assets at December 31, 2020, increased by ₦444 million, or 44%, this is primarily due to increases in cash & cash equivalent, Retakaful Asset, Trade Receivable & Deffered Acquisition Cost and investment in FGN Sukuk. Though we have a reduction in the values of intangible assets and property plant & equipment (PPE) & Other receivable and Prepayment. Intangible Assets & PPE are partially offset by reductions in amortization and depreciation respectively charged for the year.

Cash and cash equivalents as at December 31, 2020 were ₦ 904.5 million, reflecting a ₦ 309.2 million or 52% increase from the ₦595.2 million held as at December 31, 2019. Please refer to the Statement of Cash Flows sections of this document for a detailed explanation of the change in cash working capital.

Total liabilities increased by ₦296.3 million, or 37% in 2020 primarily due to increases in Participants' reserves partially offset by decreases in separate account liabilities.

In 2020, participants' reserves (Takaful Contract Liabilities & Investment Contract Liabilities) increased by ₦281.6 million primarily due to normal business growth and expansion.

Trade Payable in 2020 increased to ₦81.7 million from ₦49.2 million in 2019. This is largely as a result of business growth and expansion. On the other hand, Provision & Other Payables declined by ₦29.0 million or (48%) in financial year 2020.

Liquidity, Capital Resources & Risk Factors

Our objectives in managing capital are to ensure that we have sufficient liquidity to pursue growth objectives, while maintaining a prudent amount of financial leverage. Capital is composed of equity of the Jaiz Takaful as well as the Participants Risks Funds. Our primary uses of capital are to finance operations, execute growth strategies and fund capital expenditure programs.

The Company's cash investment continues to be in accordance with its investment policy and complies with the regulatory requirements. The Company's investment strategy is supported by a focus on highly liquid Islamic financial instrument such as mudarabah term deposit. We expect our investment income to grow considerably in the coming years as we are poised to taken advantage of the other investment product in Islamic financing such as sukuk etc. We expect our investment income to grow considerably in the coming years as we are poised totake advantage of the other investment product in Islamic financing

Internal Control over Financial Reporting

Management is also responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standard (IFRS).

Jaiz Takaful Insurance Plc

Financial Statements for the Year Ended 31st December, 2020

Management's Discussion and Analysis

It should be recognized that due to inherent limitations, any controls, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and may not prevent or detect misstatements. Projections of any evaluations of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Additionally, management is required to use judgement in evaluating controls and procedures.

Risk Analysis and Evaluation

Risk analysis helps in making informed decisions with respect to which risk response to adopt and what method to use. The Company consider risks based on the combination of the consequence of occurrence (severity) and likelihood of occurrence (frequency), respectively. Risk evaluation involves comparing the level of risk found during the analysis process with the risk criteria established.

The Company Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company has exposure to the following risks from its use of financial instruments:

- i Insurance risk
- ii Credit risk
- iii Liquidity risk
- iv Market risk
- v Operational risk
- vi Sharia risk
- vii Compliance risk

Accounting Policies

The discussion and analysis of financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with International Financial Accounting Standards (IFRS) & Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, contributions and expenses, and related disclosures. We evaluate our estimates on an on-going basis, based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

Jaiz Takaful Insurance Plc

Financial Statements for the Year Ended 31st December, 2020

Management's Discussion and Analysis

Forward Looking Statements

Certain information contained in this discussion is or may be considered forward-looking. Forward-looking statements are those not based on historical information, but rather, relate to future operations, strategies, financial results, or other developments, and contain terms such as "may," "expects," "should," "believes," "anticipates," "intends," "estimates," "projects," "goals," "objectives" or similar expressions.

Forward-looking Statements are based upon estimates and assumptions. These statements may change due to business uncertainties, economic uncertainties, competitive uncertainties and other factors, many of which are beyond our control. Additionally, our business decisions are also subject to change. We do not publicly update or revise any forward-looking statements as a result of new information, future developments or otherwise.

Global Pandemics

We remain focused on managing through the unprecedented global challenges of the COVID-19 pandemic and historic decline in oil prices as well as high rate of inflation in our country. As the duration and magnitude of the financial impact of these events on the company continue to evolve, we have put in place plans and mitigation strategies that prioritize the safety of our people and stakeholders first, and ensure we maintain a resilient business. Given the speed at which developments are occurring in our markets and communities, we will defer commentary on our 2021 outlook until the release of our financial results for year 2021.

Performance Management

The company will continue with its quarterly nationwide performance review as a means of focusing and driving marketing activities. This will also aid in monitoring and matching actual performance with budget.

Independent Auditors' Report
to the Members of Jaiz Takaful Insurance Plc
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Jaiz Takaful Insurance Plc, which comprise the statements of financial position as at 31st December 2020, the statements of financial performance and other comprehensive income and statement of cash flows for the year ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of Jaiz Takaful Insurance Plc as at 31st December 2020, and its financial performance and cash flows for the year then ended in accordance with the International Accounting Standards as issued by the International Accounting Standards Board (IASB), Companies and Allied Matters Act CAP C20 LFN 2004 and the Financial Reporting Council of Nigeria Act No. 6, 2011.

Basis of 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 to the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of Jaiz Takaful Insurance Plc. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of Jaiz Takaful Insurance Plc. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters (KAM)

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement in the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



Key Audit Matters	How the matters was addressed in the audit
	Our audit procedures amongst others include:
The Company sold a fully depreciated status car and a laptop to the outgoing Executive Director	♦ We discussed it with the management and we were able to obtained extract of minutes from Board meeting authorising the sale.
There was a disdrepancy in the leave allowance of a staff (Mustapha Shehu).The appointment letter in the staff file had N 193,437 per anum but he was paid N 379,594 in 2020	♦ We drew the attention of the management to it,and were told that the staff was entitled to a pro-rated allowance in the previous year which was not paid and all the entitlement was paid in 2020

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, Corporate Governance Report, and Report of the Audit Committee as required by the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. 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.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the relevant standards issued by the Financial Reporting Council of Nigeria, the provisions of the Companies and Allied Matters, CAP C20 Laws of the Federation of Nigeria 2004 and for such internal control as the Directors determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement 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 Company's internal control.



- ☐ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ☐ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ☐ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Funds 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 entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the funds audit. We remain solely responsible for our audit opinion.

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

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

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


Report on other legal and regulatory requirements

In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, we confirm that:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii. In our opinion, proper books of account have been kept by the Fund, so far as appears from our examination of those books;
- iii. The Company's statements of financial position and statement of financial performance and other comprehensive income are in agreement with the books of account.



Date: 20/05/2021


Nkem Onyekawa
FRC/2013/ICAN/00000001804
For: Sada, Idris & Co.
Chartered Accountants
Abuja, Nigeria

Jaiz Takaful Insurance Plc

Financial Statements for the year ended 31st December, 2020

Statement of Significant Accounting Policies

1.0 Reporting Entity

Jaiz Takaful Insurance Plc ('The Company') is a Public Liability Company incorporated in January 31, 2014 with Corporate Affairs Commission (CAC) to carry out the business of Takaful Insurance operations. The Company on August 19, 2016, was given approval by National Insurance Commission (NAICOM) as composite Takaful Operator to transact both Family & General insurance businesses.

The Company however, commenced business activities after receiving approval of its general takaful products in January 09, 2017 and introduced nineteen general takaful insurance products into the Nigeria market. The Commission after reviewing the Company submission on Family products, approved four products on July 10, 2017.

The Head office of the company is situated at Plot 1054 Fingesi Street, off Obafemi Awolowo Way, Utako district, Federal Capital Territory, Abuja.

The principal activities of the Company include the provision of both General & Family Takaful Insurance services, claim settlement, undertaking investment activities as well as profit sharing to the participants.

The Contract of Takaful as a business venture is based on the Islamic profit sharing of Mudarabah principle. In this regard, clients of Takaful known as Participants shall be entitled to earn returns on the Contributions (premium) paid in consideration for their participation in Takaful products provided by Jaiz Takaful Insurance Plc subject to the declaration of profit at the end of the financial year.

The following is a summary of the significant accounting policies adopted by the Company in the preparation of its financial statements.

1.1 Basis of Accounting

The financial statements have been prepared in accordance with:

- International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).
- Financial Reporting Council of Nigeria Act,
- The Insurance Act of Nigeria
- National Insurance Commission (NAICOM) guidelines and circulars.
- Accounting and Auditing Organization for Islamic Financial Institution Standards (AAOIFI)
- The Requirements of the Companies and Allied Matters Act.

1.2 Going Concern

These financial statements have been prepared using appropriate accounting policies, supported by reasonable judgments and estimates. The directors have a reasonable expectation, based on an appropriate assessment of a comprehensive range of factors, that the Company has adequate resources to continue as going concern for the foreseeable future.

1.3 Reporting Currency

These financial statements are presented in Nigerian Naira (₦), which is the Company's functional and presentation currency.

Jaiz Takaful Insurance Plc

Financial Statements for the year ended 31st December, 2020

Statement of Significant Accounting Policies

1.4 Basis of Measurement

These financial statements have been prepared under the historical cost convention, as modified by the valuation of investment property, available-for-sale financial assets, insurance liabilities, and financial assets and liabilities designated at fair value.

1.5 Takaful Insurance Model and Contract Adopted

The Company chosen model is hybrid which is based on Al-Mudarabah (Partnership) and Al-Wakalah (Agency). This model promotes the cooperative risk sharing among Participants whilst the Company earns a fee for the services provided as agent or "Wakil" of participant. In other words, the Company derives part of its revenue from upfront deductible fee on the contributions.

In addition, there is profit sharing on Al-Mudarabah on the investment of the Takaful fund between the Company and the Participants. Underwriting surplus of the Takaful pool will be shared among Participants that have not incurred any losses.

The Following are the fee Earn by the Operator on each products of General and Family Takaful

Business and the Profits Sharing on Al-Mudarabah between the operator and the Participants:

Product Class	AL- Wakalah (Agency)	AL-Mudarabah (Partnership)
1 Motor Takaful	30%	50%
2 General Takaful	30%	50%
3 Agricultural Takaful	30%	50%
4 Marine Takaful	30%	50%
5 Fire Takaful	30%	50%
6 Engineering Takaful	30%	50%
7 Group Family	30%	50%
8 Education Takaful	10%	30%
9 Jaiz Comfort	5%	10%
10 Non- Interest Loan Protection	30%	50%
11 Jaiz Comfort Save	2.5%	10%
12 Hajj & Umrah	2.5%	10%
13 Jaiz Group Mortgage	30%	50%
14 Jaiz Comfort Plus	10%	30%

1.6 Use of Estimates and Judgement

The preparation of financial statements is in conformity with IFRSs which requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Statement of Significant Accounting Policies

Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in note to the financial statements.

1.7 Property, Plant and Equipment

i Recognition and Measurement

Items of property and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

ii Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual value using the straight-line method over the estimated useful lives, and is generally recognised in profit or loss. The estimated useful lives of significant items of property and equipment for current and comparative periods are as follows:

Category	Depreciable Life(%)
Vehicles	4 Years (25%)
Computer Equipments	3 Years (33 1/3%)
Building	50 Years (2%)
Furniture & Fittings	7 Years (14%)
Plant and Equipment	7 Years (14%)

iii De-recognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

iv Reclassification to Investment Property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve. Any loss is recognised in profit or loss.

Statement of Significant Accounting Policies

1.8 Intangible Assets

Intangible assets comprise computer software (including cost of software underdevelopment) and are stated at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets are amortised from the date that they are available for use. Software under development is not amortised until the assets are ready for its intended use.

Amortisation is recognised in profit and loss on a straight- line basis over the expected useful economic life of computer software of between 1 to 3 years.

Amortisation methods, useful lives and residual values are reviewed at the end of each period and adjusted, as appropriate.

1.9 Takaful Receivables

Takaful receivables are recognized when due and measured on initial recognition at the fair value of the consideration received or receivable. Subsequently to initial recognition, takaful receivables are measured at amortized cost, using the effective profit method.

1.10 Deferred Acquisition Costs (DAC)

Commissions and other acquisition costs that vary with and are related to securing new contracts and renewing existing contracts are capitalized as an intangible asset (DAC). All other costs are recognized as expenses when incurred. The DAC is subsequently amortized over the life of the contracts as follows:

For long-term insurance contracts with fixed and guaranteed terms, DAC is amortized in line with premium revenue using assumptions consistent with those used in calculating future policy benefit liabilities; and

For long-term insurance contracts without fixed terms, DAC is amortized over the expected total life of the contract Company as a constant percentage of estimated gross profit margins (including investment income) arising from these contracts. The pattern of expected profit margins is based on historical and anticipated future experience and is updated at the end of each accounting period. The resulting change to the carrying value of the DAC is charged to revenue.

1.11 Liability Adequacy Test

At each end of the reporting period, liability adequacy tests are performed to ensure the adequacy of the contract liabilities net of related Deffered Acquisition Cost (DAC) and Value of Business Acquisition (VOBA) assets. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately charged to profit or loss initially by writing off DAC or VOBA and by subsequently establishing a provision for losses arising from liability adequacy tests (the unexpired risk provision).

Statement of Significant Accounting Policies

As set out in (a) above, long-term insurance contracts with fixed terms are measured based on assumptions set out at the inception of the contract. When the liability adequacy test requires the adoption of new best estimate assumptions, such assumptions (without margins for adverse deviation) are used for the subsequent measurement of these liabilities.

1.12 Other Assets

Receivables and other sundry debtors are classified as other assets and are stated at cost less allowances for doubtful amounts. Allowances and write offs are recognized when a receivable is deemed not collectable based on the original terms of the contract. Subsequent recoveries are credited to the statement of comprehensive income. Prepayments are stated at cost net of amortization.

1.13 Cash and Cash Equivalent

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Company in the management of their short term commitments.

1.14 Investments

Investments comprise of investments carried at amortized cost, investments carried at fair value through profit or loss and investments at fair value through equity.

All investments, are initially recognised at cost, being the fair value of the consideration given including acquisition charges associated with the investment, except in the case of investments carried at fair value through profit or loss.

Investments carried at amortized cost

Investments which have fixed or determinable payments and where the Window has both the intent and ability to hold to maturity are classified as investments carried at amortized cost. Such investments are carried at amortised cost, less provision for impairment in value. Amortised cost is calculated by taking into account any premium or discount on acquisition. Any gain or loss on such instruments is recognised in the statement of comprehensive income when the instruments are de-recognised or impaired.

Investments at fair value through equity

Subsequent to acquisition, equity type instruments are remeasured at fair value, with unrealized gains and losses recognised in a separate component of equity until the investment is derecognized or the investment is determined to be impaired. On derecognition or impairment, the cumulative gain or loss previously recorded in equity is recognised in the statement of comprehensive income for the year.

Impairment losses on equity type instruments carried at fair value through equity are not reversed through the statement of comprehensive income and increases in their fair value after impairment are recognised directly in owners' equity.

Statement of Significant Accounting Policies

Investments carried at fair value through profit or loss

These are subsequently re-measured at fair value. All related realised and unrealized gains or losses are included in the statement of comprehensive income.

Fair values

Fair value is determined for each financial asset individually in accordance with the valuation policies set out below:

- (i) For investments that are traded in organized financial markets, fair value is determined by reference to the quoted market bid prices prevailing on the statement of financial position date.
- (ii) For unquoted investments, fair value is determined by reference to recent significant buy or sell transactions with third parties that are either completed or are in progress. Where no recent significant transactions have been completed or are in progress, fair value is determined by reference to the current market value of similar investments. For others, the fair value is based on the net present value of estimated future cash flows, or other relevant valuation methods.
- (iii) For investments that have fixed or determinable cash flows, fair value is based on the net present value of estimated future cash flows determined by the Window using current profit rates for investments with similar terms and risk characteristics.
- (iv) Investments which cannot be remeasured to fair value using any of the above techniques are carried at cost, less accumulated impairment, if any.

1.15 Statutory Deposit

Statutory deposit represent a minimum deposit maintained by Takaful Operator, Jaiz Takaful Insurance PLC. The amount is held by CBN (Central Bank of Nigeria) pursuant to Section 10(3) of the Insurance Act 2003. Statutory deposit is measured at cost.

1.16 Takaful Product Classification

Takaful contracts are contracts under which the General Takaful Fund and Family Takaful Fund (collectively referred to as "the fund") underwrite/accept significant risks (by pooling the risks in a risk fund) from Participants of the funds ("the participant") by agreeing to compensate the participant or other beneficiary if a specified uncertain future event ("the insured event") adversely affects the participant or other beneficiary. Takaful risk is risk other than financial risk. Financial risk is the risk of possible future change in one or more of a specified financial or non-financial variable. The takaful operator does not sell financial risk contracts.

Contracts where insignificant takaful risks are accepted by the funds are classified as either investment contracts or service contracts. There are currently no such contracts in the funds' portfolios.

Statement of Significant Accounting Policies

Once a contract has been classified as a takaful risk contract, it remains a takaful contract for the remainder of its lifetime, even if the takaful risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.

1.17 i. General Takaful Fund

The General Takaful Fund is maintained in accordance with the requirement of the NAICOM guideline and consists of accumulated surplus/deficit and actuarial reserves. Any actuarial deficit in the General Takaful Fund will be made good by the Takaful Operator via a Qard. Surplus arising in each financial year is distributable in accordance with the terms and conditions prescribed by the surplus distribution policy, endorsed by the Shariah Committee and Board of Directors and approved by NAICOM.

The General Takaful underwriting results are determined for each class of the business after taking into account retakaful, contributions liabilities, claims liabilities and wakalah fees. To determine the surplus distributable from risks fund, the Qard repayment as well as Contingency Reserve is taken into consideration.

ii Contribution Income

Contribution for direct and co-takaful business is recognised in respect of risk assumed during the particular financial year as soon as the amount can be reliably measured, based on issuance of certificates, and in accordance with the principles of Shariah as advanced by the Company's Shariah Committee. Contributions in respect of risks incepted before the reporting date for which accrued for at the reporting date.

Inward retakaful contributions are accounted for upon notification by the ceding companies or upon receipts of the statement of accounts.

Outward retakaful contributions are recognised in the same financial year as the original certificate to which the retakaful relates

1.18 Family Takaful Fund

The family takaful underwriting results are determined after taking into account contributions, retakaful costs, net benefits incurred and wakalah fees.

The family takaful fund is maintained in accordance with the requirements of the NAICOM Takaful guidelines 2013 and includes the amount attributable to participants.

The family takaful fund surplus/deficit is determined by an annual actuarial valuation of the family takaful fund. Any actuarial deficit in the family takaful fund will be made good by the shareholder's fund via a benevolent loan or Qard.

Surplus distributable to the participants is determined after deducting benefits paid and payable, retakaful, provisions, reserves, wakalah fees, taxation and surplus administration charge transferred to the shareholder's fund. The surplus may be distributed to the shareholder and participants in accordance with the terms and conditions prescribed by the Company's ACE.

Statement of Significant Accounting Policies

Family takaful revenue consists of gross contributions and investment income. Revenue is accounted for on accrual basis and as approved by the Company Shariah Committee. Unrealised income is deferred and receipts in advance are treated as liabilities on the statements of financial position.

i. Contribution Recognition

Contribution is recognised as soon as the amount of contribution can be reliably measured in accordance with the principles of Shariah. First year contribution is recognised on assumption of risks and subsequent contributions are recognised on due dates. Contributions outstanding at the reporting date are recognised as income for the period provided they are within the grace period allowed for payment and there are sufficient funds available in the participants' accounts to cover such contributions due.

ii. Provision for Outstanding Claims

Claims and settlement costs that are incurred during the financial year are recognised when a claimable event occurs and/or the Company is notified.

Claims and provisions for claims arising on family takaful certificates, including settlement costs, are accounted for using the case basis method, and for this purpose, the benefits payable under a takaful certificates are recognised as follows:

- a. Maturity or other certificate benefit payments due on specified dates are treated as claims payable on those due dates; and

1.19 Qard

Any deficits arising in the Takaful funds are made good via a benevolent loan, or Qard, granted by the Takaful Operator to the Takaful funds. Qard is stated at cost less any provision for impairment losses. In the Takaful funds, the Qard is stated at cost. The Qard shall be repaid from future surpluses of the Takaful funds.

Qard receivables are assessed by Takaful Operator at each reporting date whether there is any indication of impairment. An impairment loss of Qard is recognised if its carrying amount exceeds its recoverable amount.

The recoverable amount is the net surplus of the Participants' Risk Fund (PRF) or part of the Participants' Risk Fund where the Participants' Risk Fund is managed under smaller sub-funds (PRF). The net surplus of the PRF is the amount of the PRF less the best estimate value of liabilities calculated according to valuation methods prescribed via Guidelines on Valuation Basis of Liabilities for General Takaful Business and Guidelines on Valuation Basis of Liabilities for Family Takaful Business). In deriving the net surplus of the PRF, the value of the PRF should be as at that point in time and there should not be assumption of growth of the PRF.

Impairment losses are recognised in profit or loss. Impairment losses are subsequently reversed in profit or loss if objective evidence exists that the Qard receivable is no longer impaired.

Statement of Significant Accounting Policies

1.20 Provision for Outstanding Claims

A liability for outstanding claims is recognised in respect of direct takaful business. The amount of outstanding claims is the best estimate of the expenditure required together with related expenses less recoveries, if any, to settle the present obligation at the end of the reporting period. Any difference between the current estimated cost and subsequent settlement is dealt with in the takaful statement of profit or loss and other comprehensive income of the Company in the year in which the settlement takes place.

Provision is also made for the cost of claims (together with related expenses) and Incurred But Not Reported Claims (IBNR) at the end of the reporting period, by adding 10% of outstanding claims amount.

1.21 Contribution Liabilities

The unearned contribution reserves ("UCR") represent contributions received after wakalah fee deduction for risks that have not yet expired. Generally, the reserve is released over the term of the contract and is recognized in the statement of profit and loss and other comprehensive income of General Takaful Fund.

In determining the UCR at the reporting date, the most prevalent method, 1/365 method, is used. At each reporting date, the Company reviews its unexpired risk reserve to determine whether there is any overall excess of expected claims over unearned contributions at portfolio level. This calculation uses current estimation of future contractual losses (taking into consideration current loss ratios) prior to taking account of the investment return expected to arise on assets relating to the relevant General Takaful technical provisions.

1.22 Investment Contracts

Investment contracts are those contracts that transfer financial risk with no significant insurance risk. Investment contracts are measured at amortized cost.

The Participants Investment Funds (PIF) refers to the fund in which a portion of the contributions paid by takaful participants for a takaful certificate is allocated for the purpose of saving and/or investment. The PIF is individually owned by the participants. In managing the PIF, the Company adopted the appropriate investment and management strategies to achieve returns that are inline with the participants' reasonable expectations and where relevant, to ensure the availability of funds for future tabarru' apportionment into the PRF. The investment risk exposures for the PIF are borne by the participants.

1.23 Commission and Acquisition Cost

Commission and acquisition costs are borne by the Takaful Participants in their statement of comprehensive income for each certificate underwritten. This is in accordance with the principles of wakalah as approved by the shariah Committee and is as agreed between the Participants and the Company.

Gross commission and agency expenses, which are costs directly incurred in securing contributions on takaful certificates, and income derived from retakaful companies in the course of ceding contributions to retakaful are charged to participant account in the period in which they are incurred.

Statement of Significant Accounting Policies

1.24 Wakalah Fee

The wakalah fee is an income to the Takaful Operator and is charged to the General and Family Takaful Funds and correspondingly recognized as an expense in the respective funds' profit or loss at an agreed percentage for each takaful certificate underwritten. This is in accordance with the principles of the Shariah Committee and is agreed between the participants and the Company.

1.25 Mudarib Share

The Investment of participants are managed by the Company for a mudarib share in the investment income on the basis of mudaraba model. Mudarib share is recognised as expenses in the statement of participants' statement of income and as income in shareholders' statement of income.

1.26 Retakaful

The Company enters into retakaful treaties in the normal course of business for the purpose of limiting its net loss potential and to reduce significantly the new business strain of the credit-related block of business. Retakaful arrangements do not relieve the Company from its obligations to participants. Retakaful contributions and claim recoveries are presented in profit or loss and statement of financial position.

The company also assumes co-takaful risk in the normal course of business for its General Takaful contracts. Contributions and claims on assumed co-takaful are recognized as revenue or expenses in the same manner as they would be if the co-takaful were considered direct business, taking into account the product classification of the business undertaken. Retakaful assets comprise of the retakaful share of contributions and claims obligations. The assets are subject to impairment test.

1.27 Re-takaful Claims Recoveries

Re-takaful recoverable are estimated in manner consistent with the outstanding claims provision and claims incurred associated with the re-insurer's policies and are in accordance with the related insurance contract. They are measured at their carrying amount less impairment charges. Amounts recoverable under re-takaful contracts are assessed for impairment at each reporting date. If there is objective evidence of impairment, the company reduces the carrying amount of its insurance assets to its recoverable amount.

1.28 Trade Payables

Trade payables are recognised when due and measured on initial recognition at the fair value of the consideration received less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest rate method. Trade payables are recognised as financial liabilities.

Statement of Significant Accounting Policies

1.29 Impairments

Financial Assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

In assessing collective impairment the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment 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 trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized 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.

1.30 Actuarial Valuation

Actuarial valuation of the life fund is conducted annually to determine the net liabilities on the existing policies and the adequacy of the assets representing the insurance fund as at the date of valuation. All deficits arising there from are charged to the statement of profit or loss and other comprehensive income while the surplus is appropriated to the participants and credited to the statement of profit or loss and other comprehensive income.

1.31 Employee Benefits/Personnel Expenses

i Short-term Benefits

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

Statement of Significant Accounting Policies

ii Post Employment Benefits

The company operates a defined contributory retirement scheme as stipulated in the pension reform act 2014. Under the defined contribution scheme, the company pays fixed contributions of 10% to a separate entity – pension fund administrators; employees also pay a fixed contribution of 8% to the same entity. Once the contributions have been paid, the company retains no legal or constructive obligation to pay further contributions if the fund does not hold enough assets to finance benefits accruing under the retirement benefit plan. The company's obligations are recognized in the statement of Profit or Loss and Other Comprehensive Income.

1.32 Payables & Accruals

Liabilities are recognised for amounts to be paid in the future for services received, whether billed by the provider or not

1.33 Profit & Investment Income

Profit & investment income is recognized on a time proportion basis.

1.34 Earnings Prohibited by Sharia'a

The Company is committed to avoid recognizing any income generated from non-Sharia'a Compliant. Accordingly, all non-Sharia'a Compliant income is credited to a charity account where the Company uses these funds for charitable purposes.

1.35 Management Expenses

Management expenses are expenses other than claims, investments and underwriting expenses. They include salaries and wages, depreciation charges and other non-operating expenses. Management expenses are charged to the Takaful Operator Statement of Comprehensive Incomes in the accounting period in which they are incurred.

1.36 Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, 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 and the Company's activities. The Company, 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.

Statement of Significant Accounting Policies

The Company Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company has exposure to the following risks from its use of financial instruments:

- Insurance risk
- Credit risk
- Liquidity risk
- Market risk
- Operational risk
- Shariah risk
- Compliance risk

i Insurance Risk

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

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

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio. The Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

ii Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Key areas where the Company is exposed to credit risk are:

- i Retakaful Company's share of insurance liabilities;
- ii Amounts due from reinsurers in respect of claims already paid;
- iii Amounts due from insurance contract holders;
- iv Amounts due from insurance intermediaries;

Statement of Significant Accounting Policies

- v Amounts due from loans and receivables;
- vi Amounts due from investment securities; and
- vii Amounts due from money market and cash positions.

The Company structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or Company of counterparties, and to geographical and industry segments. Such risks are subject to an annual or more frequent review. Limits on the level of credit risk by category and territory are approved quarterly by the Board of Directors.

iii **Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company'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 Company's reputation.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The Company does not maintain any lines of credit as it does not envisage any liquidity stress that would stretch its liquidity position:

iv **Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company'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 optimizing the return.

v **Operational Risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company'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 Company's operations. The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company'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 each business unit. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

Statement of Significant Accounting Policies

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

Compliance with Company standards is supported by a programmed of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and senior management of the Company.

vi **Shariah Risk**

Shariah risk is defined as potential Shariah non-compliance that contributes to adverse reputation, financial losses and opportunity costs resulting from ineffective governance, incompetent employees and improper transactional and operational execution. The Company mitigates such risk by initiating, monitoring and responding to a robust Shariah control framework which includes the establishment of a Shariah Compliance unit and/or Shariah Compliance Officer/ACE Secretary for monitoring and oversight purpose.

vii **Compliance Risk**

Compliance risk is the risk of legal or regulatory sanctions, financial loss or reputational damage which a financial institution may suffer as a result of its failure to comply with legal and regulatory requirements applicable to its activities.

Consequently, the exposure to this risk can damage the Company's reputation, lead to legal or regulatory sanctions and/or financial loss.

The Company has employed a Chief compliance officer to oversee and monitor all compliance aspects in observing the regulatory requirements. In this respect, the Company has developed a Compliance framework and other relevant internal policies and procedures to ensure compliance with all applicable laws and guidelines issued by the regulatory authorities.

1.37 **Capital Management**

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the company defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

Jaiz Takaful Insurance Plc

Financial Statements for the year ended 31st December, 2020

Statement of Significant Accounting Policies

The consolidated solvency margin for the company as at 31st December, 2020 is as follows:

	31st December, 2020	31st December, 2019
	RM	RM
Assets		
Cash and cash equivalents	904,549,033	595,262,725
Investment in Sukuk	100,000,000	
Trade Receivable	59,285,476	27,414,869
Retakaful Asset	115,715,522	115,877,891
Deferred Acquisition Cost	62,871,333	34,910,083
Other Receivables & Prepayment	2,091,856	2,141,430
Intangible Assets	28,478	5,649,115
property, Plant & Equipment	11,214,510	30,230,490
Statutory Deposits	200,000,000	200,000,000
	<u>1,455,756,208</u>	<u>1,011,486,604</u>
Liabilities		
Takaful Contract Liabilities	615,454,289	409,367,801
Investment Contract Liabilities	357,865,667	282,341,479
Trade Payables	81,733,995	49,237,532
Provisions & Other Payables	30,985,821	60,052,449
Income Tax Liabilities	9,664,709	1,500,000
Total Liabilities	<u>1,095,704,482</u>	<u>802,499,262</u>
Excess of admissible assets over liabilities:	360,051,727	208,987,342

1.38 Segment Reporting

A segment is a distinguishable component of the Company that is engaged in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company's primary format for segment reporting is based on business segments.

1.39 Related Parties

These represent transactions with related parties, i.e. parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions and directors of the Company and companies of which they are key management personnel. Related parties comprise the shareholders, directors, key management personnel and business entities in which they are interested or have the ability to control or exercise significant influence in financial and operating decisions. The transactions are entered into on terms and conditions which the directors consider to be comparable with those adopted for arm's length transactions with third parties.

Statement of Significant Accounting Policies

1.40 Sharia Supervisory Board

The Company business activities are subject to the supervision of a Sharia supervisory Board consisting of three members appointed by the Board of Directors. The Sharia Supervisory Board performs a supervisory role in order to determine whether the operations of the Company are conducted in accordance with Islamic Sharia rules and principles.

1.41 Events Occuring After the Reporting Period

There were no events that occurred subsequent to the reporting date that require adjustment or disclosures in the financial statements.

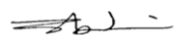
Jaiz Takaful Insurance Plc


Financial Statements for the year ended 31st December, 2020

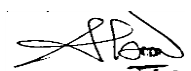
Statement of Financial Position

ASSETS	Notes	SHARE HOLDER FUNDS		GENERAL TAKAFUL FUNDS		FAMILY TAKAFUL FUNDS		CONSOLIDATED	
		DECEMBER 31, 2020	DECEMBER 31, 2019	DECEMBER 31, 2020	DECEMBER 31, 2019	DECEMBER 31, 2020	DECEMBER 31, 2019	DECEMBER 31, 2020	DECEMBER 31, 2019
		N	N	N	N	N	N	N	N
Cash and cash Equivalents	2	3,137,126	1,652,835	466,715,948	274,946,279	434,695,960	318,663,611	904,549,033	595,262,725
Investment in Sukuk	3	0	0	50,000,000	0	50,000,000	0	100,000,000	0
Trade Receivable	4	59,285,476	27,414,869	0	0	0	0	59,285,476	27,414,869
Retakaful Asset	5	0	0	110,772,525	105,584,768	4,942,997	10,293,123	115,715,522	115,877,891
Deffered Acquisition Cost	6	0	0	52,721,994	29,313,086	10,149,339	5,596,997	62,871,333	34,910,083
Other Receivables & Prepayment	7	2,091,856	2,141,430	0	0	0	0	2,091,856	2,141,430
Intangible Assets	8	28,478	5,649,115	0	0	0	0	28,478	5,649,115
Property, Plant & Equipment	9	11,214,510	30,230,490	0	0	0	0	11,214,510	30,230,490
Statutory Deposits	10	200,000,000	200,000,000	0	0	0	0	200,000,000	200,000,000
TOTAL ASSETS		275,757,446	267,088,739	680,210,467	409,844,133	499,788,296	334,553,733	1,455,756,208	1,011,486,603
		=====	=====	=====	=====	=====	=====	=====	=====
LIABILITIES									
Takaful Contract Liabilities	11	0	0	565,268,011	374,671,141	50,186,279	34,696,661	615,454,289	409,367,801
Investment Contract Liabilities	12	0	0			357,865,667	282,341,479	357,865,667	282,341,479
Trade Payables	13	0	0	63,258,593	32,365,081	18,475,402	16,872,451	81,733,995	49,237,532
Provisions & Other Payables	14	29,361,093	58,512,039	1,520,693	1,435,497	104,035	104,914	30,985,822	60,052,449
Income Tax Liabilities	15	9,664,709	1,500,000	0	0	0	0	9,664,709	1,500,000
TOTAL LIABILITIES		39,025,802	60,012,039	630,047,297	408,471,719	426,631,383	334,015,505	1,095,704,482	802,499,261
		-----	-----	-----	-----	-----	-----	-----	-----
PARTICIPANT'S FUND									
General Takaful Fund	16	0	0	50,163,171	1,372,414	0	0	50,163,171	1,372,414
Family Takaful Fund	16	0	0	0	0	73,156,913	538,227	73,156,913	538,227
		0	0	50,163,171	1,372,414	73,156,913	538,227	123,320,084	1,910,641
		-----	-----	-----	-----	-----	-----	-----	-----
EQUITY									
Issued and Paid Up Share Capital	17	1,230,289,986	1,230,289,986	0	0	0	0	1,230,289,986	1,230,289,986
Retained Earnings	18	(993,558,343)	(1,023,213,286)	0	0	0	0	(993,558,343)	(1,023,213,286)
TOTAL EQUITY		236,731,643	207,076,700	0	0	0	0	236,731,643	207,076,700
		-----	-----	-----	-----	-----	-----	-----	-----
TOTAL LIABILITIES, EQUITY & PARTICIPANT'S FUNDS		275,757,446	267,088,739	680,210,467	409,844,133	499,788,296	334,553,733	1,455,756,208	1,011,486,603
		=====	=====	=====	=====	=====	=====	=====	=====

The Financial Statements were approved by the Board of Directors at their meeting on, 2021 and signed on its behalf by:


 Ibrahim Usman Shehu
 Managing Director/CEO
 FRC/2018/CIIN/00000018368


 Alhaji Abidu R. Yazid (OON)
 Chairman
 FRC/2020/003/00000020934


 Abdulrahman Abubakar, FCA
 Ag. Chief Finance Officer
 FRC/2013/ICAN/00000000949

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

Jaiz Takaful Insurance Plc
Financial Statements for the year ended 31st December, 2020

Statement of Profit or Loss and other Comprehensive Income

		Share Holder Funds		General Takaful Funds		Family Takaful funds		Consolidated	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	Notes	₦	₦	₦	₦	₦	₦	₦	₦
Gross Contribution Written	19 a	0	0	751,550,453	445,343,689	189,441,882	86,293,106	940,992,335	531,636,795
		=====	=====	=====	=====	=====	=====	=====	=====
Gross Contribution Earned	19 c	0	0	619,069,557	328,556,935	184,183,949	86,986,363	803,253,506	636,944,548
Retakaful Contribution	21	0	0	(138,150,949)	(62,337,254)	(29,995,895)	(17,636,783)	(168,146,845)	(79,974,037)
		-----	-----	-----	-----	-----	-----	-----	-----
Net Contribution		0	0	480,918,607	266,210,681	154,188,053	69,349,580	635,106,661	556,961,511
Fee & Commission Income	22	0	0	42,014,989	15,865,778	5,841,148	5,136,111	47,856,137	21,001,889
		-----	-----	-----	-----	-----	-----	-----	-----
Underwriting Income		0	0	522,933,596	282,085,459	160,029,201	74,485,691	682,962,798	367,641,212
Wakalah Fee Income	27	294,736,306	177,087,876	0	0	0	0	294,736,306	177,087,876
Acquisition Expenses	23	0	0	(94,476,791)	(43,374,515)	(8,644,805)	(5,279,197)	(103,121,597)	(52,802,466)
Claim Expenses Incurred	24	0	0	(162,703,719)	(128,088,894)	(38,558,489)	(34,781,045)	(201,262,208)	(376,904,520)
Wakalah Fee Expense (Agency Fee)	28	0	0	(225,465,136)	(133,603,107)	(42,486,354)	(33,990,265)	(267,951,490)	(167,593,372)
		-----	-----	-----	-----	-----	-----	-----	-----
Underwriting Profit		294,736,306	177,087,876	40,287,950	(22,981,057)	70,339,553	435,184	405,363,809	(52,571,269)
Investment Income	25	15,857,773	8,934,451	9,770,188	5,921,619	2,800,035	954,119	28,427,996	15,810,189
Other Income	26	4,657,877	0	3,107,403	0	1,128,914	0	8,894,193	0
Amortisation of other receivables	29	(263,820)	(6,906,868)	0	0	0	0	(263,820)	(6,906,868)
Management Expenses	30	(277,168,485)	(263,348,642)	0	0	0	0	(277,168,485)	(263,348,642)
Other Expenses	31	0	0	(4,374,509)	(2,089,910)	(1,649,815)	(847,341)	(6,024,324)	(2,937,252)
		-----	-----	-----	-----	-----	-----	-----	-----
Profits/(Loss) before Taxation		37,819,651	(84,233,182)	48,791,033	(19,149,348)	72,618,686	541,962	159,229,370	(102,840,569)
Taxation		(8,164,709)	0	0	0	0	0	(8,164,709)	0
		-----	-----	-----	-----	-----	-----	-----	-----
Participants Surplus/(Deficit) for the Year		29,654,942	(84,233,183)	48,791,033	(19,149,348)	72,618,686	541,962	151,064,661	(102,840,569)
		=====	=====	=====	=====	=====	=====	=====	=====

Jaiz Takaful Insurance Plc
Financial Statements for the year ended 31st December, 2020

Statement of Profit or Loss and other Comprehensive Income

	Share Holder Funds		General Takaful Funds		Family Takaful funds		Consolidated	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Notes	₦	₦	₦	₦	₦	₦	₦	₦
Profit for the year from continuing operations	29,654,942	(84,233,183)	0	0	0	0	29,654,942	(84,233,183)
Other Comprehensive Income:								
Items that may be reclassified subsequently to profit or loss	0	0	0	0	0	0	0	0
Fair value adjustment on FVOCI debt instruments	0	0	0	0	0	0	0	0
	-----	-----	-----	-----	-----	-----	-----	-----
	0	0	0	0	0	0	0	0
Items that will not reclassified subsequently to profit or loss:								
Gain on revaluation of property, plant and equipment	0	0	0	0	0	0	0	0
Fair value adjustment on equities at FVOCI	0	0	0	0	0	0	0	0
	-----	-----	-----	-----	-----	-----	-----	-----
	0	0	0	0	0	0	0	0
Total Comprehensive Income for the year	29,654,942	(84,233,183)	0	0	0	0	29,654,942	(84,233,183)
	=====	=====	=====	=====	=====	=====	=====	=====
Profit for the year, attributable to:								
Non-controlling interests	0	0	0	0	0	0	0	0
Owners' of the Company	29,654,942	(84,233,183)	0	0	0	0	29,654,942	(84,233,183)
	-----	-----	-----	-----	-----	-----	-----	-----
	29,654,942	(84,233,183)	0	0	0	0	29,654,942	(84,233,183)
	=====	=====	=====	=====	=====	=====	=====	=====
Total Comprehensive Income, attributable to:								
Non-controlling interests	0	0	0	0	0	0	0	0
Owners' of the Company	29,654,942	(84,233,183)	0	0	0	0	29,654,942	(84,233,183)
	-----	-----	-----	-----	-----	-----	-----	-----
	29,654,942	(84,233,183)	0	0	0	0	29,654,942	(84,233,183)
	=====	=====	=====	=====	=====	=====	=====	=====
Earnings/(Loss) Per Share	32	1	(3)				6	(4)

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

Jaiz Takaful Insurance PLC

Financial Statements for the year ended 31st December, 2020

Statement of Changes in Equity

	Paid up Share Capital	Retained Earnings	Total Operator's Funds	General Participants' Funds	Family Participants' Funds	Total Funds
	N	N	N	N	N	N
Balance as at January 1, 2020	1,230,289,986	(1,023,213,286)	207,076,700	1,372,414	538,228	208,987,342
Surplus Received From Retakaful	0	0	0	0	0	0
Surplus/Deficit for the Period	0	0	0	48,791,033	72,618,686	121,409,719
Profit/(Loss) for the period	0	29,654,942	29,654,942	0	0	29,654,942
Balance at December 31st, 2020	<u>1,230,289,986</u> =====	<u>(993,558,344)</u> =====	<u>236,731,642</u> =====	<u>50,163,447</u> =====	<u>73,156,914</u> =====	<u>360,052,003</u> =====
Balance as at January 1, 2019	1,230,289,986	(938,980,103)	291,309,883	15,192,396	(3,734)	306,498,545
Surplus Received From Retakaful	0	0	0	5,329,365	0	5,329,365
Surplus/Deficit for the Period	0	0	0	(19,149,348)	541,962	(18,607,386)
Profit/(Loss) for the period	0	(84,233,183)	(84,233,183)	0	0	(84,233,183)
Balance at December 31st, 2019	<u>1,230,289,986</u> =====	<u>(1,023,213,286)</u> =====	<u>207,076,700</u> =====	<u>1,372,414</u> =====	<u>538,228</u> =====	<u>208,987,342</u> =====

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

Jaiz Takaful Insurance PLC

Financial Statements for the year ended 31st December, 2020

Statement of Cash Flows

	Share Holder Funds December 31, 2020 N	December 31, 2019 N	General Takaful Funds December 31, 2020 N	December 31, 2019 N	Family takaful funds December 31, 2020 N	December 31, 2019 N	Consolidated December 31, 2020 N	December 31, 2019 N
CASH FLOW FROM OPERATING ACTIVITIES.								
Contribution Received from Participants	0	0	751,550,453	445,343,689	174,822,969	86,293,106	926,373,422	531,636,795
Contribution Received from Participants (Investment products)		0	0	0	205,669,136	221,401,250	205,669,136	221,401,250
Fee & Commission Received (Wakala & others)	0	0	43,891,459	20,811,644	6,702,320	4,770,971	50,593,780	25,582,616
Wakalah Fee Income	262,865,699	161,786,795	0	0	0	0	0	0
Re-takaful Received in respect of Claims	0	0	68,284,950	45,773,647	4,479,133	0	72,764,083	45,773,647
Wakalah Fee Paid	0	0	(194,426,657)	(126,940,105)	(68,439,042)	(34,846,689)	0	0
Other operating Cash Receipts	15,857,773	8,934,451	9,770,188	11,250,984	13,504,193	7,230,708	39,132,154	27,416,143
Retakaful Contribution Paid	0	0	(151,992,100)	(85,014,413)	(30,268,568)	(21,344,873)	(182,260,668)	(106,359,286)
Withdrawal from Participant Investment Fund	0	0	0	0	(93,124,566)	(20,703,393)	(93,124,566)	(20,703,393)
Payments to Intermediaries to Acquire Takaful	0	0	(120,843,119)	(56,419,724)	(22,052,975)	(11,586,120)	(142,896,094)	(68,005,844)
Insurance Benefits and Claims Paid	0	0	(210,090,998)	(107,875,045)	(73,610,438)	(31,642,968)	(283,701,436)	(139,518,013)
Cash paid to and on behalf of Employees	(181,078,680)	(151,484,539)	0	0	0	0	(181,078,680)	(151,484,539)
Other Operation Cash payment	(88,092,685)	(52,327,632)	(4,374,509)	(2,089,910)	(1,649,815)	(847,341)	(102,184,825)	(55,264,884)
NET CASH FLOW FROM OPERATING ACTIVITIES	9,552,107	(33,090,925)	191,769,669	144,840,767	116,032,348	198,724,651	309,286,307	334,761,589
CASH FLOW FROM INVESTING ACTIVITIES								
Disposal of Property Plant & Equipment	1,350,000	0	0	0	0	0	1,350,000	0
Purchase of Intangible Asset	0	0	0	0	0	0	0	0
Statutory Deposit payment	0	0	0	0	0	0	0	0
NET CASH FLOW FROM INVESTING ACTIVITIES	1,350,000	0	0	0	0	0	1,350,000	0
CASH FLOW FROM FINANCING ACTIVITIES								
Qard Hassan	(9,417,816)	31,846,622	0	0	0	0	(9,417,816)	31,846,622
Proceeds from issuance of Shares	0	0	0	0	0	0	0	0
NET CASH FLOW FROM FINANCING ACTIVITIES	(9,417,816)	31,846,622	0	0	0	0	(9,417,816)	31,846,622
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,484,291	(1,244,302)	191,769,669	144,840,767	116,032,348	223,011,746	309,286,307	366,608,211
Cash & Cash Equivalents as at 31st December, 2019	1,652,835	2,897,137	274,946,279	130,105,512	318,663,611	95,651,865	595,262,725	228,654,514
Cash & Cash Equivalents as at 31st December, 2020	3,137,126	1,652,835	466,715,948	274,946,279	434,695,960	318,663,611	904,549,033	595,262,725
Cash and Cash Equivalents is represented by:								
Bank and cash balances	3,137,126	1,652,835	39,715,948	23,907,652	19,815,960	8,573,476	62,669,033	34,133,963
Mudarabah Bank deposits	0	0	427,000,000	251,038,627	414,880,000	310,090,135	841,880,000	561,128,762
	3,137,126	1,652,835	466,715,948	274,946,279	434,695,960	318,663,611	904,549,033	595,262,725

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

Jaiz Takaful Insurance PLC
Financial Statements for the year ended 31st December, 2020

Notes to Financial Statements

Note	Share Holder N	General Takaful N	Family Takaful N	Consolidated N
<u>December, 2020</u>				
2 Cash & Cash equivalent				
This Comprises of:				
Cash balances	213,250	0	0	213,250
Bank Balances	2,923,876	39,715,948	19,815,960	62,455,783
Mudaraba Deposits	0	427,000,000	414,880,000	841,880,000
	<u>3,137,126</u>	<u>466,715,948</u>	<u>434,695,960</u>	<u>904,549,033</u>
	=====	=====	=====	=====
<u>December, 2019</u>				
2 Cash & Cash equivalent				
This Comprises of:				
Cash balances	256,457	0	0	256,457
Bank Balances	1,396,379	23,907,652	8,573,476	33,877,506
Mudaraba Deposits	0	251,038,627	310,090,135	561,128,762
	<u>1,652,835</u>	<u>274,946,279</u>	<u>318,663,611</u>	<u>595,262,725</u>
	=====	=====	=====	=====
3 <u>December, 2020</u>				
The Company Invested the sum of One Hundred Million Naira, =N= 50 Million Each of Family & General Takaful Funds in =N= 150 Billion 7-years 11.20% FGN Sovereign Ijara Sukuk. The Sukuk was issued on June 16, 2020 and the Maturity date is June 16, 2027 with a Bi- annual Rental Income payment at the rate of 11.20%. The carrying amount as at December 31st, 2020 is as follows:				
Investment in Sukuk	0	50,000,000	50,000,000	100,000,000
Fair Value Gain or (Loss)	0	0	0	0
Carrying Amount	<u>0</u>	<u>50,000,000</u>	<u>50,000,000</u>	<u>100,000,000</u>
	=====	=====	=====	=====
<u>December, 2020</u>				
4 Trade Receivable				
This Comprises of contribution/Wakala fee receivable from the following:				
Wakala Receivable from Family Takaful	12,203,714	0	0	12,203,714
Wakala Receivable from General Takaful	47,081,761	0	0	47,081,761
Due from Insurance Brokers	0	0	0	0
Takaful & Insurance companies	0	0	0	0
	<u>59,285,476</u>	<u>0</u>	<u>0</u>	<u>59,285,476</u>
Impairment	0	0	0	0
	<u>59,285,476</u>	<u>0</u>	<u>0</u>	<u>59,285,476</u>
	=====	=====	=====	=====
<u>December, 2019</u>				
4 Trade Receivable				
This Comprises of contribution/Wakala fee receivable from the following;				
Wakala Receivable from Family Takaful	11,371,586	0	0	11,371,586
Wakala Receivable from General Takaful	16,043,282	0	0	16,043,282
Due from Insurance Brokers	0	0	0	0
Takaful & Insurance companies	0	0	0	0
	<u>27,414,869</u>	<u>0</u>	<u>0</u>	<u>27,414,869</u>
Impairment	0	0	0	0
	<u>27,414,869</u>	<u>0</u>	<u>0</u>	<u>27,414,869</u>
	=====	=====	=====	=====

Jaiz Takaful Insurance PLC
Financial Statements for the year ended 31st December, 2020

Notes to Financial Statements

Note	Share Holder ₹	General Takaful ₹	Family Takaful ₹	Consolidated ₹
The age analyses of Trade Receivable as at the end of the year December 31, 2020 is as follows:				
0 - 30 Days	59,285,476	0	0	59,285,476
Above 30 Days	0	0	0	0
Above 180 Days	0	0	0	0
	<u>59,285,476</u>	<u>0</u>	<u>0</u>	<u>59,285,476</u>
The age analyses of Trade Receivable as at the end of the year December 31, 2019 is as follows:				
0 - 30 Days	27,414,869	0	0	27,414,869
Above 30 Days	0	0	0	0
Above 180 Days	0	0	0	0
	<u>27,414,869</u>	<u>0</u>	<u>0</u>	<u>27,414,869</u>
The Company trade receivables are to be settled on demand and the carrying amount is not significantly different from the fair value. As at December 31 st 2020 the Company had no insurance receivable that were past due or impaired.				
<u>December, 2020</u>				
5 Retakaful Asset				
This is analysed as follows:				
Prepaid Retakaful	0	57,271,472	3,198,389	60,469,861
Claims Recovery	0	53,501,053	1,744,608	55,245,661
	<u>0</u>	<u>110,772,525</u>	<u>4,942,997</u>	<u>115,715,522</u>
<u>December, 2019</u>				
5 Retakaful Asset				
This is analysed as follows:				
Prepaid Retakaful	0	42,409,143	10,293,123	52,702,266
Claims Recovery	0	63,175,625	0	63,175,625
	<u>0</u>	<u>105,584,768</u>	<u>10,293,123</u>	<u>115,877,891</u>
5. (a) Movement in Retakaful Prepaid Retakaful as follows				
Balance as at January 1	0	42,409,143	10,293,123	52,702,266
Increase/(Decrease) during the year (Note 21 (a))	0	14,862,329	0	14,862,329
Increase/(Decrease) during the year (Note 21 (b))	0	0	(7,094,734)	(7,094,734)
Balance as at December 31	<u>0</u>	<u>57,271,472</u>	<u>3,198,389</u>	<u>60,469,861</u>
5 (b) Movement in Retakaful share of Claims reserves:				
Balance as at January 1	0	63,175,625	0	63,175,625
Increase/(Decrease) during the year (Note 24 (a))	0	(9,674,572)	0	(9,674,572)
Increase/(Decrease) during the year (Note 24 (b))	0	0	1,744,608	1,744,608
Balance as at December 31	<u>0</u>	<u>53,501,053</u>	<u>1,744,608</u>	<u>55,245,661</u>

Jaiz Takaful Insurance PLC
Financial Statements for the year ended 31st December, 2020

Notes to Financial Statements

Note	Share Holder ₦	General Takaful ₦	Family Takaful ₦	Consolidated ₦
<u>December, 2020</u>				
6 Deferred Acquisition Cost	0	52,721,994	10,149,339	52,721,994
	=====	=====	=====	=====
Movement in DAC during the year				
Balance as at January 1	0	29,313,086	5,596,997	34,910,083
Increase/(Decrease)during the year(Note 23 a&b)	0	23,408,908	4,552,342	27,961,250
	-----	-----	-----	-----
Balance as at December 31	0	52,721,994	10,149,339	62,871,333
	=====	=====	=====	=====
<u>December, 2019</u>				
6 Deferred Acquisition Cost	0	29,313,086	5,596,997	29,313,086
	=====	=====	=====	=====
Movement in DAC during the year				
Balance as at January 1	0	12,744,859	4,767,217	17,512,076
Increase/(Decrease)during the year(Note 23 a&b)	0	16,568,227	829,780	17,398,007
	-----	-----	-----	-----
Balance as at December 31	0	29,313,086	5,596,997	34,910,083
	=====	=====	=====	=====
Deferred acquisition costs represent commissions on unearned contribution relating to the unexpired risk.				
<u>December, 2020</u>				
7 Other Receivables & Prepayment				
The Balance is analysed as:				
7.1 Prepayment	0	0	0	0
7.2 Staff Debtors	221,667	0	0	221,667
7.3 Sundry Debtors	4,640,411	0	0	4,640,411
7.4 Inventory	527,640	0	0	527,640
	-----	-----	-----	-----
Balance as at January 1, 2019	5,389,718	0	0	5,389,718
Addition during the Period				
Recovery during the period (Note 7.5) below	(3,034,042)	0	0	(3,034,042)
Amortisation Charges (Note 28)	(263,820)	0	0	(263,820)
	-----	-----	-----	-----
Balance as at 31st December, 2019	2,091,856	0	0	2,091,856
	=====	=====	=====	=====
7.2 Staff Debtors				
Balance as at January 1	221,667	0	0	221,667
Repayment During the year	(109,167)	0	0	(109,167)
	-----	-----	-----	-----
Balance as at December 31	112,500	0	0	112,500
	=====	=====	=====	=====
7.3 Sundry Debtors				
Balance as at January 1	4,640,411	0	0	4,640,411
Impairment Charges	(3,248,287)	0	0	(3,248,287)
Reversal of Impairment	3,248,287	0	0	3,248,287
Repayment During the year	(2,924,875)	0	0	(2,924,875)
	-----	-----	-----	-----
Balance as at December 31	1,715,536	0	0	1,715,536
	=====	=====	=====	=====
Sundry Debtors Represent the carrying amount of vehicle taken over by our former ED Corporate Services				
7.4 Inventory				
Balance as at January 1	527,640	0	0	527,640
Amortisation during the year	(263,820)	0	0	(263,820)
	-----	-----	-----	-----
Balance as at December 31	263,820	0	0	263,820
	=====	=====	=====	=====

Jaiz Takaful Insurance PLC
Financial Statements for the year ended 31st December, 2020

Notes to Financial Statements

Note	Share Holder ₦	General Takaful ₦	Family Takaful ₦	Consolidated ₦
7.5 Recoveries				
Staff Debtors	109,167	0	0	109,167
Sundry Debtors	2,924,875	0	0	2,924,875
	3,034,042	0	0	3,034,042
	=====	=====	=====	=====
The movement in impairment charge is as follow;				
Balance as at January 1	3,248,287	0	0	3,248,287
Write Back	(3,248,287)	0	0	(3,248,287)
Balance, end of period	0	0	0	-
	=====	=====	=====	=====
<u>December, 2019</u>				
7 Other Receivables & Prepayment				
The Balance is analysed as:				
7.1 Prepayment	2,427,420	0	0	2,427,420
7.2 Staff Debtors	221,667	0	0	221,667
7.3 Sundry Debtors	4,640,411	0	0	4,640,411
7.4 Inventory	1,758,800	0	0	1,758,800
	9,048,298	0	0	9,048,298
Balance as at January 1, 2019	9,048,298	0	0	9,048,298
Addition during the Period	0	0	0	0
Recovery during the period	0	0	0	0
Amortisation & impairment Charges	(6,906,868)	0	0	(6,906,868)
Balance as at 31st December, 2019	2,141,430	0	0	2,141,430
	=====	=====	=====	=====
Staff Debtors				
Balance as at January 1	1,400,378	0	0	1,400,378
Addition during the year	900,000	0	0	900,000
Repayment During the year	(2,078,711)	0	0	(2,078,711)
Balance as at December 31	221,667	0	0	221,667
	=====	=====	=====	=====
Prepayment				
Balance as at January 1	2,427,420	0	0	2,427,420
Amortisation during the year	(2,427,420)	0	0	(2,427,420)
Balance as at December 31	-	0	0	0
	=====	=====	=====	=====
Sundry Debtors				
Balance as at January 1	4,640,411	0	0	4,640,411
Impairment During the year	(3,248,288)	0	0	(3,248,288)
Balance as at December 31	1,392,123	0	0	1,392,123
	=====	=====	=====	=====
Sundry Debtors Represent the carrying amount of vehicle taken over by our former ED Corporate Services				
Inventory				
Balance as at January 1	1,758,800	0	0	1,758,800
Amortisation during the year	(1,231,160)	0	0	(1,231,160)
Balance as at December 31	527,640	0	0	527,640
	=====	=====	=====	=====

Jaiz Takaful Insurance PLC
Financial Statements for the year ended 31st December, 2020

Notes to Financial Statements

Note	Share Holder ₹	General Takaful ₹	Family Takaful ₹	Consolidated ₹
8 Intangible Assets				
Cost				
As at January 1, 2020	111,309,118	0	0	111,309,118
Addition during the period	0	0	0	0
As at December 31, 2020	111,309,118	0	0	111,309,118
Accumulated Amortisation/impairment				
As at January 1, 2020	105,660,003	0	0	105,660,003
Amortisation charges/impairment	5,620,637	0	0	5,620,637
As at December 31, 2020	111,280,640	0	0	111,280,640
Carrying Amount December 31, 2020	28,478	0	0	28,478
The Intangible Asset represents computer software licences acquired and cost of wide and local area network (WAN & LAN) as part of the total asset of the Company.				
December, 2019				
8 Intangible Assets				
Cost				
As at January 1, 2019	111,309,118	0	0	111,309,118
Addition during the period	0	0	0	0
As at December 31, 2019	111,309,118	0	0	111,309,118
Accumulated Amortisation/impairment				
As at January 1, 2019	85,369,901	0	0	85,369,901
Amortisation charges/impairment	20,290,102	0	0	20,290,102
As at December 31, 2019	105,660,003	0	0	105,660,003
Carrying Amount December 31, 2019	5,649,115	0	0	5,649,115
The Intangible Asset represents computer software licences acquired and cost of wide and local area network (WAN & LAN) as part of the total asset of the Company.				

Jaiz Takaful Insurance PLC
Financial Statements for the year ended 31st December, 2020
Notes to Financial Statements

Note

Share
Holder
₹

General
Takaful
₹

Family
Takaful
₹

Consolidated
₹

Jaiz Takaful Insurance PLC

Financial Statements for the year ended 31st December, 2020

Notes to the Financial Statements

9 PROPERTY, PLANT & EQUIPMENT

	Motor Vehides ₹	Office Equipment ₹	Computer Equipment ₹	Furniture & Fittings ₹	Total ₹
Cost					
At as January 1, 2020	89,480,878	7,379,084	29,369,186	17,460,405	143,689,553
Additions	0	0	0	0	0
Disposals	(11,500,000)	0	(442,000)	0	(11,942,000)
As at December 31, 2020	77,980,878	7,379,084	28,927,186	17,460,405	131,747,553
Depreciation					
At as January 1, 2020	72,829,203	3,796,535	29,012,004	7,821,320	113,459,062
Charges during the period	15,462,096	1,034,217	134,354	2,385,314	19,015,981
Eliminated on disposals	(11,500,000)	0	(442,000)	0	(11,942,000)
As at December 31, 2020	76,791,299	4,830,752	28,704,358	10,206,634	120,533,043
Net Book Value:					
As at December 31, 2020	1,189,579	2,548,332	222,828	7,253,771	11,214,510
At as December 31, 2019	16,651,675	3,582,549	357,182	9,639,085	30,230,491

Jaiz Takaful Insurance PLC
Financial Statements for the year ended 31st December, 2020

Notes to Financial Statements

Note	Share Holder ₦	General Takaful ₦	Family Takaful ₦	Consolidated ₦
<u>December, 2020</u>				
10 Statutory Deposit	200,000,000 =====	0 =====	0 =====	200,000,000 =====
<u>December, 2019</u>				
10 Statutory Deposit	200,000,000 =====	0 =====	0 =====	200,000,000 =====
This represent amount deposited with the Central Bank of Nigeria (CBN) pursuant to Section 10(3) of the Insurance Act 2003. The deposit is not available for the use by the Company on a normal day-to-day business.				
<u>December, 2020</u>				
11 Takaful Contract Liabilities				
11.1 Unearned Contributions Reserve (UCR)	0	341,704,675	18,384,138	360,088,813
11.2 Outstanding Claims Reported (OCR)	0	160,725,077	693,716	161,418,792
11.3 Claims Incurred But Not Reported (IBNR)	0	62,838,259	22,164,924	85,003,183
11.4 Individual Family Unearned Contribution(UCR)	0	0	8,943,501	8,943,501
General Takaful Contract Liabilities	0 =====	565,268,011 =====	50,186,279 =====	615,454,289 =====
Movement in Takaful Contract Liabilities for the year is as follows:				
11.1 Movement in Unearned Contribution Reserve (UCR) is as follows:				
Balance as at January 1	0	209,223,778	9,784,656	219,008,434
Increase/(decrease) in UCR (Note 19 b)	0	132,480,897	8,599,482	141,080,379
Balance as at December 31	0 =====	341,704,675 =====	18,384,138 =====	360,088,813 =====
11.2 Movement in Outstanding Claims Reported is as follows:				
Balance as at January 1	0	122,704,200	2,587,859	125,292,059
Increase/(decrease) in OCR (Note 24 a & b)	0	38,020,876	(1,894,143)	36,126,734
Balance as at December 31	0 =====	160,725,077 =====	693,716 =====	161,418,792 =====
Outstanding claims represents the estimated cost of settling all claims arising from incidents occurring as at the reporting date. The liability adequacy test for outstanding claims liability as at 31 December 2020 and the comparative periods were done by O.O Okapise for Ernst &Young Nigeria Limited (FRC/2012/NAS/00000000738).				
11.3 Movement in Claims Incurred but not Reported is as follows:				
Balance as at January 1	0	42,743,163	10,039,096	52,782,259
Increase/(decrease) in IBNR (Note 24 a & b)	0	20,095,096	12,125,828	32,220,924
Balance as at December 31	0 =====	62,838,259 =====	22,164,924 =====	85,003,183 =====
11.4 Movement in Individual Family Takaful UCR is as follows:				
Balance as at January 1	0	-	12,285,050	12,285,050
Increase/(decrease) in Individual Family Takaful (24 b)	0	-	(3,341,549)	(3,341,549)
Balance as at December 31	0 =====	- =====	8,943,501 =====	8,943,501 =====

Jaiz Takaful Insurance PLC
Financial Statements for the year ended 31st December, 2020

Notes to Financial Statements

Note	Share Holder ₹	General Takaful ₹	Family Takaful ₹	Consolidated ₹
The aging analysis of the outstanding claims for the General Takaful Business for the year ended December 31, 2020 is as follows:				
Days			AMOUNT (=N=)	
0 - 90 days			64,977,319	
91 - 180 days			24,828,127	
181 - 360 days			46,311,482	
360 days above			24,608,148	
Total			160,725,077	
Outstanding claims above 90 days are those that are awaiting relevant documentations to facilitate settlement. Sufficient funds has been set aside to meet those obligations				
For The Year Ended December, 2020				
Analysis of claims reported and IBNR by class for general takaful business presented below:				
	Claim Reported	IBNR	Total	
General Accident Takaful	94,103,967	17,782,892	111,886,859	
Fire Takaful	5,669,106	9,562,967	15,232,073	
Motor Takaful	56,009,136	27,677,022	83,686,158	
Engineering Takaful	0	3,497,513	3,497,513	
Marine Cargo Takaful	4,942,868	3,705,285	8,648,153	
Agric Takaful	0	612,580	612,580	
Total	160,725,077	62,838,259	223,563,336	
The aging analysis of the outstanding claims for the Family Takaful Business for the year ended December 31, 2020 is as follows:				
Days			AMOUNT (=N=)	
0 - 90 days			693,716	
91 - 180 days			0	
181 - 360 days			0	
360 days above			0	
Total			693,716	
For The Year Ended December, 2020				
Analysis of claims reported and IBNR by class for family takaful business is presented below:				
	Claim Reported	IBNR	Total	
Individual Takaful	693,716	0	693,716	
Group Family Takaful	0	22,164,924	22,164,924	
	693,716	22,164,924	22,858,640	
December, 2019				
11 Takaful Contract Liabilities				
11.1 Unearned Contributions Reserve	0	209,223,778	9,784,656	219,008,434
11.2 Outstanding Claims Provision	0	122,704,200	2,587,859	125,292,059
11.3 Claims Incured But Not Reported	0	42,743,163	10,039,096	52,782,259
11.4 Individual Family UCR	0	0	12,285,050	12,285,050
General Takaful Contract Liabilities	0	374,671,142	34,696,661	409,367,802

Jaiz Takaful Insurance PLC
Financial Statements for the year ended 31st December, 2020

Notes to Financial Statements

Note	Share Holder ₹	General Takaful ₹	Family Takaful ₹	Consolidated ₹
The aging analysis of the outstanding claims for the General Takaful Business for the year ended December 31, 2019 is as follows:				
Days				
0 - 90 days			64,868,436	
91 - 180 days			12,397,791	
181 - 360 days			25,392,947	
360 days above			20,045,027	
Total			122,704,200	
For The Year Ended December, 2019				
Analysis of claims reported and IBNR by class for general takaful business is presented below:				
	Claim Reported	IBNR	Total	
General Accident Takaful	79,592,687	15,283,697	94,876,384	
Fire Takaful	2,000,000	5,804,416	7,804,416	
Motor Takaful	41,111,513	16,555,848	57,667,361	
Engineering Takaful	0	2,293,151	2,293,151	
Marine Cargo Takaful	0	2,652,848	2,652,848	
Agric Takaful	0	153,203	153,203	
Total	122,704,200	42,743,163	165,447,363	
The aging analysis of the outstanding claims for the Family Takaful Business for the year ended				
Days				
0 - 90 days		2,587,859		
91 - 180 days		0		
181 - 360 days		0		
360 days above		0		
Total		2,587,859		
For The Year Ended December, 2019				
Analysis of claims reported and IBNR by class for family takaful business is presented below:				
	Claim Reported	IBNR	Total	
Individual Takaful	0	0	0	
Group Family Takaful	2,587,859	10,039,096	12,626,955	
	2,587,859	10,039,096	12,626,955	
<u>December, 2020</u>				
12 Investment Contract Liabilities				
Movement in investment contract liabilities is as shown below				
Balance, at the beginning of the year	0	0	282,341,479	282,341,479
Contribution Received during the year	0	0	191,050,223	191,050,223
Wakala Fee	0	0	(26,784,815)	(26,784,815)
Commission Paid	0	0	(6,320,812)	(6,320,812)
Mudaraba Investment Income	0	0	10,704,158	10,704,158
Withdrawal	0	0	(93,124,566)	(93,124,566)
Balance, end of the year	0	0	357,865,667	357,865,667

Jaiz Takaful Insurance PLC
Financial Statements for the year ended 31st December, 2020

Notes to Financial Statements

Note	Share Holder ₹	General Takaful ₹	Family Takaful ₹	Consolidated ₹
Life saving plans are received from individual of a saving in nature. They are treated as liabilities in the company's statements of financial position.				
The maturity profile of the Investment Contract Liabilities for year ended December 31st, 2020 is as follows:				
Within 12 Months			139,255,000	
After 12 Months			218,610,667	
			<u>357,865,667</u>	
			=====	
<u>December, 2019</u>				
12 Investment Contract Liabilities				
Movement in investment contract liabilities is as shown below				
Balance, at the beginning of the year	0	0	72,010,292	72,010,292
Contribution Received during the year	0	0	221,401,250	221,401,250
Wakala Fee	0	0	(9,494,505)	(9,494,505)
Commission Paid	0	0	(4,148,755)	(4,148,755)
Mudaraba Investment Income	0	0	6,276,589	6,276,589
Withdrawal	0	0	(3,703,393)	(3,703,393)
	<u>0</u>	<u>0</u>	<u>282,341,479</u>	<u>282,341,479</u>
	=====	=====	=====	=====
Balance, end of the year				
Life Saving Plans are received from individual of a saving in nature. They are treated as liabilities in the Company's statement of financial position.				
The maturity profile of the Investment Contract Liabilities for year ended December 31st, 2019 is as follows:				
Within 12 Months			93,122,012	
After 12 Months			189,219,467	
			<u>282,341,479</u>	
			=====	
<u>December, 2020</u>				
13 Trade Payables				
Wakala Payable to Shareholders	0	47,081,761	12,203,714	59,285,476
Deferred Commission Income	0	12,702,071	3,485,207	16,187,278
Commission Payable	0	137,108	89,898	227,006
Retakaful Payables	0	3,337,653	2,696,583	6,034,236
	<u>0</u>	<u>63,258,593</u>	<u>18,475,402</u>	<u>81,733,995</u>
	=====	=====	=====	=====

Jaiz Takaful Insurance PLC
Financial Statements for the year ended 31st December, 2020

Notes to Financial Statements

Note	Share Holder ₹	General Takaful ₹	Family Takaful ₹	Consolidated ₹
Movement in Deffered Commission Income (DCI)				
Balance as at January 1	0	10,825,601	2,624,034	13,449,635
Increase/(Decrease) in DCI (22a & b)	0	1,876,470	861,172	2,737,642
Balance as at December 31	0	12,702,071	3,485,207	16,187,278
Fee & Commission Received (Shareholders)				
Balance as at January 1	5,457,025			
Wakala fee received for the year	294,736,306			
Less Outsatndng as at December 31	(37,870,607)			
Cash Flow Statement	262,865,699			
<u>December, 2019</u>				
13 Trade Payables				
Wakala Payable to Shareholders	0	16,043,282	11,371,586	27,414,869
Deferred Commission Income	0	10,825,601	2,624,034	13,449,635
Commission Payable	0	3,179,724	1,596,411	4,776,135
Retakaful Payables	0	2,316,474	1,280,419	3,596,893
Retakaful Recoveries	0	0	0	0
	0	32,365,081	16,872,451	49,237,532
<u>December, 2020</u>				
14 Provision & Other Payables				
Accrued Expense	8,578,200	0	0	8,578,200
Due to Charity	9,763	0	0	9,763
Withholding Tax	254,222	1,520,693	104,035	1,878,950
14.1 Qard Hassan	19,304,409	0	0	19,304,410
National Housing Fund	43,435	0	0	43,434
Staff Pension	123,993	0	0	123,993
Staff PAYE	1,047,071	0	0	1,047,071
	29,361,093	1,520,693	104,035	30,985,821
14.1 Qard Hassan is the amount granted by the Parent Company, Jaiz Charity & Foundation Development in 2019 for the payment of outstanding liabilities. The Movement in Qard Hassan for the year 2020 is as follows:				
Balance as at January 1	28,722,225	0	0	28,722,225
Repayment during the year	(9,417,816)	0	0	(9,417,815)
Balance as at December 31	19,304,409	0	0	19,304,410
<u>December, 2019</u>				
14 Provision & Other Payables				
Accrued Expense	6,290,000	0	0	6,290,000
Due to Charity	9,763	0	0	9,763
Withholding Tax	293,410	1,435,497	104,914	1,833,822
Staff Wages	6,614,790	0	0	6,614,790
14.1 Qard Hassan	28,722,225	0	0	28,722,225
National Housing Fund	24,318	0	0	24,318
Staff Pension	5,423,983	0	0	5,423,983
Staff PAYE	11,133,549	0	0	11,133,549
	58,512,039	1,435,497	104,914	60,052,449

Jaiz Takaful Insurance PLC
Financial Statements for the year ended 31st December, 2020

Notes to Financial Statements

Note	Share Holder ₦	General Takaful ₦	Family Takaful ₦	Consolidated ₦
<u>December, 2020</u>				
15 Provision for Tax Payable				
Balance January 1st 2020	1,500,000	0	0	1,500,000
Company Income Tax	6,488,760	0	0	6,488,760
Education Tax	1,297,752	0	0	1,297,752
Information Technology Development Levy	378,197	0	0	378,197
	=====	=====	=====	=====
	9,664,709	0	0	9,664,709
<u>December, 2019</u>				
15 Provision for Tax Payable				
Company Income Tax	0	0	0	0
Education Tax	0	0	0	0
Information Technology Development Levy	0	0	0	0
Provision for Tax	1,500,000	0	0	1,500,000
	=====	=====	=====	=====
	1,500,000	0	0	1,500,000
<u>December, 2020</u>				
16 Participants' Funds				
a As at January 1, 2020	0	1,372,138	538,227	1,910,365
Surplus received from Retakaful	0	0	0	0
Surplus/deficit during the period	0	48,791,033	72,618,686	121,409,719
	=====	=====	=====	=====
As at December 31, 2020	0	50,163,171	73,156,913	123,320,084
<u>December, 2019</u>				
b Distribution of Surplus				
The Board of Directors, compliance with sections 5.9 and 5.10 proposed an 80% surplus distribution to qualifying participants on based on the surplus declared in the financial year on each portfolio and the remaining 20% in each portfolio will be retained as reserves to provide a cushion against any deficit which may occur in future financial period. Below are the summary details of proposed surplus distribution:				
Surplus as at December 31	0	50,163,171	73,156,913	123,320,084
Proposed Surplus distribution	0	(39,032,826)	(58,094,949)	(97,127,775)
	=====	=====	=====	=====
Surplus retained in Participant's Risk Fund	0	11,130,344	15,061,964	26,192,309
<u>December, 2019</u>				
16 Participants' Funds				
As at January 1, 2019	0	15,192,397	(3,735)	15,188,662
Surplus received from Retakaful	0	5,329,365	0	5,329,365
Surplus/deficit during the period	0	(19,149,348)	541,962	(18,607,386)
	=====	=====	=====	=====
As at December 31, 2019	0	1,372,414	538,227	1,910,641
<u>December, 2020</u>				
17 Share Capital				
a Authorised				
As at January 1, 2020	1,300,000,000	0	0	1,300,000,000
Addition during the Period	0	0	0	0
	=====	=====	=====	=====
Ordinary Shares at =N= 0.50k/share	1,300,000,000	0	0	1,300,000,000
<u>December, 2019</u>				
b Issued & Fully Paid Share Capital				
As at January 1, 2020	1,230,289,986	0	0	1,230,289,986
Addition during the Period	0	0	0	0
	=====	=====	=====	=====
Ordinary Shares at =N= 0.50k/share	1,230,289,986	0	0	1,230,289,986

Jaiz Takaful Insurance PLC
Financial Statements for the year ended 31st December, 2020

Notes to Financial Statements

Note	Share Holder ₹	General Takaful ₹	Family Takaful ₹	Consolidated ₹
<u>December, 2019</u>				
17 Share Capital				
a Authorised				
As at January 1, 2019	1,300,000,000	0	0	1,300,000,000
Addition during the Period	0	0	0	0
Ordinary Shares at =N= 0.50k/share	1,300,000,000	0	0	1,300,000,000
	=====	=====	=====	=====
b Issued & Fully Paid Share Capital				
As at January 1, 2019	1,230,289,986	0	0	1,230,289,986
Addition during the Period	0	0	0	0
Ordinary Shares at =N= 0.50k/share	1,230,289,986	0	0	1,230,289,986
	=====	=====	=====	=====
<u>December, 2020</u>				
18 Retained Earning				
Balance as at Beginning of the period	(1,023,213,286)	0	0	(1,023,213,286)
Profit and loss for the period	29,654,943	0	0	29,654,943
Balance as at the end of period	(993,558,343)	0	0	(993,558,343)
	=====	=====	=====	=====
<u>December, 2019</u>				
18 Retained Earning				
Balance as at Beginning of the period	(938,980,103)	0	0	(938,980,103)
Profit and loss for the period	(84,233,183)	0	0	(84,233,183)
Balance as at the end of period	(1,023,213,286)	0	0	(1,023,213,286)
	=====	=====	=====	=====
<u>December, 2020</u>				
19 Gross Contribution Earned				
The contributions received from general takaful participant is analysed below:				
Agric Takaful Contribution	0	15,996,890	0	15,996,890
Motor Takaful Contribution	0	307,304,463	0	307,304,463
Fire Takaful Contribution	0	126,720,732	0	126,720,732
Engineering Takaful Contribution	0	67,159,795	0	67,159,795
General Accident Takaful Contribution	0	181,214,591	0	181,214,591
Marine Takaful Contribution	0	51,217,452	0	51,217,452
	0	749,613,922	0	749,613,922
Inward Contribution				
Motor Takaful Contribution	0	0	0	0
Fire Takaful Contribution	0	0	0	0
Engineering Takaful Contribution	0	1,459,937	0	1,459,937
Marine Takaful Contribution	0	476,594	0	476,594
a Gross Contribution written	0	751,550,453	0	751,550,453
Changes in Unearned Contribution				
Agric Takaful Contribution	0	3,745,281	0	3,745,281
Motor Takaful Contribution	0	49,290,292	0	49,290,292
Fire Takaful Contribution	0	44,030,230	0	44,030,230
Engineering Takaful Contribution	0	37,418,145	0	37,418,145
General Accident Takaful Contribution	0	(11,320,900)	0	(11,320,900)
Marine Takaful Contribution	0	9,317,851	0	9,317,851
b Increase/(Decrease in UCR	0	132,480,897	0	132,480,897
	=====	=====	=====	=====
c Gross Contribution Earned	0	619,069,557	0	619,069,557
	=====	=====	=====	=====

Jaiz Takaful Insurance PLC
Financial Statements for the year ended 31st December, 2020

Notes to Financial Statements

Note	Share Holder ₦	General Takaful ₦	Family Takaful ₦	Consolidated ₦
19 The contributions received from family takaful participant is analysed below:				
Group FamilyTakaful	0	0	125,627,454	125,627,454
Individual Family Takaful	0	0	63,814,428	63,814,428
	-----	-----	-----	-----
Inward Contribution	0	0	189,441,882	189,441,882
	-----	-----	0	0
a Gross Contribution written	0	0	189,441,882	189,441,882
	-----	-----	-----	-----
Changes in Family Takaful Unearned Contribution	0	0	189,441,882	189,441,882
Group FamilyTakaful	0	0	8,599,482	8,599,482
Individual Family Takaful	0	0	(3,341,549)	(3,341,549)
	-----	-----	-----	-----
b Changes in UCR	0	0	5,257,933	5,257,933
	-----	-----	-----	-----
c Gross Contribution Earned	0	0	184,183,949	184,183,949
	=====	=====	=====	=====
19 <u>December, 2019</u>				
Gross Contribution				
The contributions received from general takaful participant is analysed below:				
Agric Takaful Contribution	0	4,140,320	0	4,140,320
Motor Takaful Contribution	0	192,549,615	0	192,549,615
Fire Takaful Contribution	0	44,884,570	0	44,884,570
Engineering Takaful Contribution	0	12,217,002	0	12,217,002
General Accident Takaful Contribution	0	168,185,316	0	168,185,316
Marine Takaful Contribution	0	20,151,988	0	20,151,988
	-----	-----	-----	-----
Inward Contribution	0	442,128,810	0	442,128,810
Motor Takaful Contribution	0	576,245	0	576,245
Fire Takaful Contribution	0	202,088	0	202,088
Engineering Takaful Contribution	0	576,000	0	576,000
Marine Takaful Contribution	0	1,860,546	0	1,860,546
	-----	-----	-----	-----
a Gross Contribution written	0	445,343,689	0	445,343,689
	-----	-----	-----	-----
Changes in Unearned Contribution				
Agric Takaful Contribution	0	2,608,288	0	2,608,288
Motor Takaful Contribution	0	68,014,884	0	68,014,884
Fire Takaful Contribution	0	4,713,130	0	4,713,130
Engineering Takaful Contribution	0	(2,315,442)	0	(2,315,442)
General Accident Takaful Contribution	0	36,557,830	0	36,557,830
Marine Takaful Contribution	0	7,208,062	0	7,208,062
	-----	-----	-----	-----
b Increase/(decrease in UCR	0	116,786,754	0	116,786,754
	-----	-----	-----	-----
c Gross Contribution Earned	0	328,556,935	0	328,556,935
	=====	=====	=====	=====
19 The contributions received from family takaful participant is analysed below:				
Group FamilyTakaful	0	0	50,761,459	50,761,459
Individual Family Takaful	0	0	35,531,647	35,531,647
	-----	-----	-----	-----
a Gross Contribution written	0	0	86,293,106	86,293,106
	-----	-----	-----	-----

Jaiz Takaful Insurance PLC
Financial Statements for the year ended 31st December, 2020

Notes to Financial Statements

Note	Share Holder ₦	General Takaful ₦	Family Takaful ₦	Consolidated ₦
Changes in Family Takaful Unearned Contribution				
Group FamilyTakaful	0	0	(11,859,674)	(11,859,674)
Individual Family Takaful	0	0	11,166,417	11,166,417
b Increase/(decrease in UCR	0	0	(693,257)	(693,257)
c Gross Contribution Earned	0	0	86,986,363	86,986,363
	=====	=====	=====	=====
<u>December, 2020</u>				
21 Retakaful Contribution				
a General Takaful				
This is analysed as follows:				
Motor Re-Takaful	0	5,040,000	0	5,040,000
Agric Re-Takaful	0	3,830,999	0	3,830,999
Fire Re-Takaful	0	43,171,907	0	43,171,907
Engineering Re-Takaful	0	22,363,781	0	22,363,781
Marine Re-Takaful	0	30,553,429	0	30,553,429
General Accident Re-Takaful	0	48,053,162	0	48,053,162
	0	153,013,278	0	153,013,278
	=====	=====	=====	=====
Changes in Retakaful Contribution:				
Motor Re-Takaful	0	1,140,000	0	1,140,000
Agric Re-Takaful	0	2,022,750	0	2,022,750
Fire Re-Takaful	0	1,300,896	0	1,300,896
Engineering Re-Takaful	0	9,216,289	0	9,216,289
Marine Re-Takaful	0	3,057,643	0	3,057,643
General Accident Re-Takaful	0	(1,875,249)	0	(1,875,249)
Increase/(Decrease) During the Year (Note 5a)	0	14,862,329	0	14,862,329
	0	138,150,949	0	138,150,949
	=====	=====	=====	=====
<u>December, 2020</u>				
b Family Takaful				
This is analysed as follows:				
Individual Family	0	0	6,664,670	6,664,670
Group Family	0	0	16,236,491	16,236,491
	0	0	22,901,161	22,901,161
	=====	=====	=====	=====
Changes in Retakaful Contribution:				
Individual Family	0	0	(6,251,889)	(6,251,889)
Group Family	0	0	(842,845)	(842,845)
Increase/(Decrease) During the Year (Note 5a)	0	0	(7,094,734)	(7,094,734)
	=====	=====	=====	=====
Retakaful Contribution	0	0	29,995,895	29,995,895
	=====	=====	=====	=====

Jaiz Takaful Insurance PLC
Financial Statements for the year ended 31st December, 2020

Notes to Financial Statements

Note	Share Holder ₹	General Takaful ₹	Family Takaful ₹	Consolidated ₹
<u>December, 2019</u>				
21 Retakaful Contribution				
a General Takaful				
This is analysed as follows:				
Motor Re-Takaful	0	3,900,000	0	3,900,000
Fire Re-Takaful	0	28,809,081	0	28,809,081
Engineering Re-Takaful	0	4,601,941	0	4,601,941
Marine Re-Takaful	0	6,279,673	0	6,279,673
General Accident Re-Takaful	0	35,213,417	0	35,213,417
	0	78,804,112	0	78,804,112
Changes in Retakaful Contribution:				
Motor Re-Takaful	0	2,384,170	0	2,384,170
Fire Re-Takaful	0	3,239,782	0	3,239,782
Engineering Re-Takaful	0	169,095	0	169,095
Marine Re-Takaful	0	(259,446)	0	(259,446)
General Accident Re-Takaful	0	10,933,257	0	10,933,257
	0	16,466,858	0	16,466,858
Retakaful Contribution	0	62,337,254	0	62,337,254
	=====	=====	=====	=====
b Family Takaful				
This is analysed as follows:				
Individual Family			13,005,167	13,005,167
Group Family	0	0	8,406,566	8,406,566
	0	0	21,411,733	21,411,733
Changes in Retakaful Contribution:				
Individual Family	0	0	6,911,687	6,911,687
Group Family	0	0	(3,136,737)	(3,136,737)
	0	0	3,774,950	3,774,950
Retakaful Contribution	0	0	17,636,783	17,636,783
	=====	=====	=====	=====
<u>December, 2020</u>				
22 Fee & Commission Income				
a. General Takaful				
Fee & Commission Income comprises commission receivable from Retakaful Companies for the ceded business during the financial year				
Agric Commission Income	0	766,200	0	766,200
Fire Commission Income	0	15,141,289	0	15,141,289
General Accident Commission Income	0	12,521,620	0	12,521,620
Marine Commission Income	0	8,753,216	0	8,753,216
Engineering Commission Income	0	6,709,134	0	6,709,134
	0	43,891,459	0	43,891,459
Movement in deferred commission income				
Agric Commission Income	0	404,550	0	404,550
Fire Commission Income	0	243,617	0	243,617
General Accident Commission Income	0	(694,787)	0	(694,787)
Marine Commission Income	0	910,097	0	910,097
Engineering Commission Income	0	1,012,993	0	1,012,993
	0	1,876,470	0	1,876,470
	0	42,014,989	0	42,014,989
	=====	=====	=====	=====

Jaiz Takaful Insurance PLC
Financial Statements for the year ended 31st December, 2020

Notes to Financial Statements

Note	Share Holder ₹	General Takaful ₹	Family Takaful ₹	Consolidated ₹
b Family Takaful				
Individual Family Takaful	0	0	2,893,453	2,893,453
Group Family Takaful	0	0	3,808,868	3,808,868
	0	0	6,702,320	6,702,320
	=====	=====	=====	=====
Movement in deferred commission income				
Individual Family Takaful	0	0	36,464	36,464
Group Family Takaful	0	0	824,708	824,708
	0	0	861,172	861,172
	0	0	5,841,148	5,841,148
	=====	=====	=====	=====
<u>December, 2019</u>				
22 Fee & Commission Income				
a. General Takaful				
Fee & Commission Income comprises commission receivable from Retakaful Companies for the ceded business during the financial year				
Fire Commission Income	0	10,102,624	0	10,102,624
General Accident Commission Income	0	7,716,584	0	7,716,584
Marine Cargo Commission Income	0	1,726,910	0	1,726,910
Engineering Commission Income	0	1,265,525	0	1,265,525
	0	20,811,644	0	20,811,644
	=====	=====	=====	=====
Movement in deferred commission income				
Fire Commission Income	0	1,634,749	0	1,634,749
General Accident Commission Income	0	3,269,401	0	3,269,401
Marine Cargo Commission Income	0	211,002	0	211,002
Engineering Commission Income	0	(169,286)	0	(169,286)
	0	4,945,866	0	4,945,866
	0	15,865,778	0	15,865,778
	=====	=====	=====	=====
b. Family Takaful				
Individual Family Takaful	0	0	2,669,330	2,669,330
Group Family Takaful	0	0	2,101,641	2,101,641
	0	0	4,770,971	4,770,971
	=====	=====	=====	=====
Movement in deferred commission income				
Individual Family Takaful	0	0	1,468,131	1,468,131
Group Family Takaful	0	0	(1,833,271)	(1,833,271)
	0	0	(365,140)	(365,140)
	0	0	5,136,111	5,136,111
	=====	=====	=====	=====

Jaiz Takaful Insurance PLC
Financial Statements for the year ended 31st December, 2020

Notes to Financial Statements

Note	Share Holder ₹	General Takaful ₹	Family Takaful ₹	Consolidated ₹
<u>December, 2020</u>				
23 Acquisition Cost				
a. General Takaful				
Acquisition cost paid during the period are analysed as follows:				
Agric Takaful	0	2,526,960	0	2,526,960
Motor Takaful	0	35,884,569	0	35,884,569
Fire Takaful	0	24,451,181	0	24,451,181
G/Accident Takaful	0	31,031,567	0	31,031,567
Marine Takaful	0	10,288,956	0	10,288,956
Engineering Takaful	0	13,702,466	0	13,702,466
	0	117,885,699	0	117,885,699
	=====	=====	=====	=====
Movement in deferred acquisition cost				
Agric Takaful	0	475,500	0	475,500
Motor Takaful	0	10,272,203	0	10,272,203
Fire Takaful	0	8,661,827	0	8,661,827
G/Accident Takaful	0	(5,489,618)	0	(5,489,618)
Marine Takaful	0	1,993,082	0	1,993,082
Engineering Takaful	0	7,495,914	0	7,495,914
Increase/(Decrease) for the year (Note 6)	0	23,408,908	0	23,408,908
	=====	=====	=====	=====
Acquisition expenses	0	94,476,791	0	94,476,791
	=====	=====	=====	=====
b. Family Takaful				
This is analysed as follows:				
Group Family	0	0	12,407,045	12,407,045
Individual Family	0	0	790,102	790,102
	0	0	13,197,147	13,197,147
	=====	=====	=====	=====
Movement in deferred acquisition cost				
Group Family	0	0	5,048,091	5,048,091
Individual Family	0	0	(495,750)	(495,750)
Increase/(Decrease) for the year (Note 6)	0	0	4,552,342	4,552,342
	=====	=====	=====	=====
Acquisition expenses	0	0	8,644,805	8,644,805
	=====	=====	=====	=====
<u>December, 2019</u>				
23 Acquisition Cost				
a. General Takaful				
Acquisition cost paid during the period are analysed as follows:				
Agric Takaful	0	226,966	0	226,966
Motor Takaful	0	12,215,656	0	12,215,656
Fire Takaful	0	2,672,502	0	2,672,502
G/Accident Takaful	0	40,632,337	0	40,632,337
Marine Takaful	0	3,979,404	0	3,979,404
Engineering Takaful	0	215,877	0	215,877
	0	59,942,742	0	59,942,742
	=====	=====	=====	=====

Jaiz Takaful Insurance PLC
Financial Statements for the year ended 31st December, 2020

Notes to Financial Statements

Note	Share Holder ₹	General Takaful ₹	Family Takaful ₹	Consolidated ₹
Movement in deferred acquisition cost				
Agric Takaful	0	186,977	0	186,977
Motor Takaful	0	3,790,156	0	3,790,156
Fire Takaful	0	880,457	0	880,457
G/Accident Takaful	0	10,735,006	0	10,735,006
Marine Takaful	0	1,288,699	0	1,288,699
Engineering Takaful	0	(313,068)	0	(313,068)
Increase/(Decrease) for the year (Note 6)	0	16,568,227	0	16,568,227
Acquisition expenses	0	43,374,515		43,374,515
b Family Takaful				
This is analysed as follows:				
Group Family	0	0	2,551,950	2,551,950
Individual Family	0	0	3,567,027	3,567,027
	0	0	6,118,977	6,118,977
Changes in deferred acquisition cost				
Group Family	0	0	(2,491,419)	(2,491,419)
Individual Family	0	0	3,331,199	3,331,199
Increase/(Decrease) for the year (Note 6)	0	0	839,780	839,780
Acquisition expenses	0	0	5,279,197	5,279,197
<u>December, 2020</u>				
24 Claims Expense				
a This is analysed as follows:				
Direct Claim Paid:				
Motor Takaful	0	41,971,656	0	41,971,656
Fire Takaful	0	8,394,109	0	8,394,109
Engineering Takaful	0	0	0	0
G/Accident Takaful	0	121,971,389	0	121,971,389
Marine Takaful	0	111,670	0	111,670
Agric Takaful	0	423,872	0	423,872
Changes in Outstanding Claims	0	58,115,973	0	58,115,973
Claim Recovery (See 24.1 below)	0	(68,284,950)	0	(68,284,950)
	0	162,703,719	0	162,703,719
b This is analysed as follows:				
Claims Paid	0	0	34,550,483	34,550,483
Changes in Outstanding Claims	0	0	10,231,747	10,231,747
Retakaful Claim Recovery (See 24.1 below)	0	0	(6,223,741)	(6,223,741)
	0	0	38,558,489	38,558,489
24.1 Retakaful Claims Recovery				
Claims recovered from retakaful	0	77,959,522	4,479,133	77,959,522
Increase/(Decrease) during the year (Note 5b)	0	(9,674,572)	0	(9,674,572)
Increase/(Decrease) during the year (Note 5b)	0	0	1,744,608	0
	0	68,284,950	6,223,741	68,284,950

Jaiz Takaful Insurance PLC
Financial Statements for the year ended 31st December, 2020

Notes to Financial Statements

Note	Share Holder ₹	General Takaful ₹	Family Takaful ₹	Consolidated ₹
<u>December, 2019</u>				
24 Claims Expense				
a This is analysed as follows:				
Direct Claim Paid:				
Motor Takaful	0	41,463,866	0	41,463,866
Fire Takaful	0	4,588,784	0	4,588,784
Engineering Takaful	0	3,612,664	0	3,612,664
G/Accident Takaful	0	42,446,179	0	42,446,179
Marine Takaful	0	18,795	0	18,795
Changes in Outstanding Claims	0	129,163,121	0	129,163,121
Claim Recovery	0	(93,204,515)	0	(93,204,515)
	=====	=====	=====	=====
	0	128,088,894	0	128,088,894
Claims Expense				
b This is analysed as follows:				
Gross Benefits & claims paid	0	0	36,499,470	36,499,470
Changes in Outstanding Claims	0	0	(295,660)	(295,660)
Retakaful Claim Recovery	0	0	(1,422,765)	(1,422,765)
	=====	=====	=====	=====
	0	0	34,781,045	34,781,045
<u>December, 2020</u>				
25 Investment Income				
Mudarabah Investment Income Received	0	19,540,376	8,887,620	28,427,996
Share of Investment Income	15,857,773	(9,770,188)	(6,087,585)	0
	=====	=====	=====	=====
	15,857,773	9,770,188	2,800,035	28,427,996
<u>December, 2019</u>				
25 Investment Income				
Mudarabah Investment Income Received	130,836	11,843,237	3,836,115	15,810,188
Share of Investment Income	8,803,615	(5,921,619)	(2,881,997)	0
	=====	=====	=====	=====
	8,934,451	5,921,619	954,119	15,810,188
<u>December, 2020</u>				
26 Other Income				
26.1 Profit Commission	0	3,107,403	1,128,914	4,236,317
26.2 Profit from Disposal of Assets	1,350,000	0	0	1,350,000
26.3 Reversal of Impairment	3,248,287	0	0	3,248,287
26.4 Other Income	59,589	0	0	59,589
	=====	=====	=====	=====
	4,657,877	3,107,403	1,128,914	8,894,193
26.1 This is profit commission received from our Retakaful Company for having good and profitable underwriting year on the risks ceded to the Retakaful				
26.2 Profit on Disposal of Assets				
this is analysed as follows:				
Cost:				
Motor Vehicle	11,500,000			
Computer Equipment (Laptop)	442,000			
	=====			
Total Cost	11,942,000			
Less Accumulated Depreciation	(11,942,000)			
	=====			
	0			
Sales Proceed	1,350,000			
	=====			
Profit from Disposal	1,350,000			
	=====			

Jaiz Takaful Insurance PLC
Financial Statements for the year ended 31st December, 2020

Notes to Financial Statements

Note	Share Holder ₹	General Takaful ₹	Family Takaful ₹	Consolidated ₹
This Includes Motor Vehicle and Laptop sold to our Former staff in which the amount was netted off from his final entitlement				
26.3 Reversal of Impairment				
Balance as at January 1	3,248,287			
written Back	(3,248,287)			
Balance as at December 31	0			
26.4 Other Income	=====			
This represent amount recovered by the Company.				
<u>December, 2020</u>				
27 Wakalah Fee Income				
The Wakala fee received from general Takaful is as follows:				
Agric Takaful Contribution	4,799,067	0	0	4,799,067
Motor Takaful Contribution	92,191,339	0	0	92,191,339
Fire Takaful Contribution	38,016,220	0	0	38,016,220
Engineering Takaful Contribution	20,585,920	0	0	20,585,920
General Accident Takaful Contribution	54,364,377	0	0	54,364,377
Marine Takaful Contribution	15,508,214	0	0	15,508,214
	225,465,136	0	0	225,465,136
The Wakala fee received from family takaful is as follows:				
Group Family Takaful	37,688,236	0	0	37,688,236
Individual Family Takaful	4,798,119	0	0	4,798,119
Individual Investment Takaful	26,784,815			26,784,815
	69,271,170	0	0	69,271,170
Wakalah Fee Income	294,736,306	0	0	294,736,306
	=====	=====	=====	=====
Wakalah fee is 30% & 10% - 2.5% of Gross Contribution for general and family takaful respectively as agreed between the participants and the operator at the inception of the takaful contract				
<u>December, 2019</u>				
27 Wakalah Fee Income				
The Wakala fee received from general Takaful is as follows:				
Agric Takaful Contribution	1,242,096			1,242,096
Motor Takaful Contribution	57,937,758	0	0	57,937,758
Fire Takaful Contribution	13,525,997	0	0	13,525,997
Engineering Takaful Contribution	3,837,900	0	0	3,837,900
General Accident Takaful Contribution	50,455,595	0	0	50,455,595
Marine Takaful Contribution	6,603,760	0	0	6,603,760
	133,603,107	0	0	133,603,107
	=====	=====	=====	=====
The Wakala fee received from family takaful is as follows:				
Group Family Takaful	15,228,438	0	0	15,228,438
Individual Family Takaful	18,761,827	0	0	18,761,827
Individual Investment Takaful	9,494,505			9,494,505
	43,484,769	0	0	43,484,769
Wakalah Fee Income	177,087,876	0	0	177,087,876
	=====	=====	=====	=====

Jaiz Takaful Insurance PLC
Financial Statements for the year ended 31st December, 2020

Notes to Financial Statements

Note	Share Holder ₹	General Takaful ₹	Family Takaful ₹	Consolidated ₹
Wakalah fee is 30% & 2.5% - 30% of Gross Contribution for general and family takaful respectively as agreed between the participants and the operator at the inception of the takaful contract.				
<u>December, 2020</u>				
28 Wakalah Fee Expenses (Agency Fee)				
The wakalah fee charged in respect to the general takaful contract is analysed below:				
Agric Takaful Contribution	0	4,799,067	0	4,799,067
Motor Takaful Contribution	0	92,191,339	0	92,191,339
Fire Takaful Contribution	0	38,016,220	0	38,016,220
Engineering Takaful Contribution	0	20,585,920	0	20,585,920
General Accident Takaful Contribution	0	54,364,377	0	54,364,377
Marine Takaful Contribution	0	15,508,214	0	15,508,214
	0	225,465,136	0	225,465,136
	=====	=====	=====	=====
The wakalah fee charged in respect to the family takaful contract is analysed below:				
Group Family Takaful	0	0	37,688,236	37,688,236
Individual Family Takaful	0	0	4,798,118	4,798,118
	0	0	42,486,354	42,486,354
	=====	=====	=====	=====
<u>December, 2019</u>				
28 Wakalah Fee Expenses (Agency Fee)				
The wakalah fee charged in respect to the general takaful contract is analysed below:				
Agric Takaful Contribution		1,242,096	0	1,242,096
Motor Takaful Contribution	0	57,937,758	0	57,937,758
Fire Takaful Contribution	0	13,525,997	0	13,525,997
Engineering Takaful Contribution	0	3,837,900	0	3,837,900
General Accident Takaful Contribution	0	50,455,595	0	50,455,595
Marine Takaful Contribution	0	6,603,760	0	6,603,760
	0	133,603,107	0	133,603,107
	=====	=====	=====	=====
The wakalah fee charged in respect to the family takaful contract is analysed below:				
Group Family Takaful			15,228,438	15,228,438
Individual Family Takaful	0	0	18,761,827	18,761,827
	0	0	33,990,265	33,990,265
	=====	=====	=====	=====
<u>December, 2020</u>				
29 Amortisation and Impairment Charges				
Amortisation & Impairment Charges for the year is as follow:				
Prepayment (note 7.1)	263,820	0	0	263,820
Balance, end of period	263,820	0	0	263,820
	=====	=====	=====	=====
29 Amortisation and Impairment Charges				
Amortisation & impairment charge during the year is as follow;				
Prepayment (note 7.1)	2,427,420	0	0	2,427,420
Sundry Debtors (Note 7.4)	3,248,288	0	0	3,248,288
Inventory (Note 7.4)	1,231,160	0	0	1,231,160
	6,906,868	0	0	6,906,868
	=====	=====	=====	=====

Jaiz Takaful Insurance PLC
Financial Statements for the year ended 31st December, 2020

Notes to Financial Statements

Note	Share Holder ₦	General Takaful ₦	Family Takaful ₦	Consolidated ₦
<u>December, 2020</u>				
30 Management Expenses				
Staff Salary & Allowances	140,217,209	0	0	140,217,209
Other Staff Costs	18,879,328	0	0	18,879,328
Directors' Expenses	3,878,150	0	0	3,878,150
Shariah ACE Fee & Expenses	5,304,700	0	0	5,304,700
Legal & Professional Expenses	7,486,181	0	0	7,486,181
Marketing & Publicity	18,316,194	0	0	18,316,194
Transportation, Conferences & Meetings	981,199	0	0	981,199
30.1 Fines & Penalties	2,167,511	0	0	2,167,511
Printing & Stationary	2,502,970	0	0	2,502,970
Administration Expenses	47,174,099	0	0	47,174,099
Repairs & Maintenance	5,624,325	0	0	5,624,325
Depreciation & Amortisation	24,636,618	0	0	24,636,618
	277,168,485	0	0	277,168,485
	=====	=====	=====	=====
<u>December, 2019</u>				
30 Management Expenses				
Staff Salary & Allowances	139,060,615	0	0	139,060,615
Other Staff Costs	21,332,306	0	0	21,332,306
Directors' Expenses	2,159,445	0	0	2,159,445
Shariah ACE Fee & Expenses	1,083,000	0	0	1,083,000
Legal & Professional Expenses	6,073,260	0	0	6,073,260
Marketing & Publicity	9,975,476	0	0	9,975,476
Transportation, Conferences & Meetings	1,505,289	0	0	1,505,289
30.1 Fines & Penalties	190,158	0	0	190,158
Printing & Stationary	2,317,940	0	0	2,317,940
Administration Expenses	23,657,615	0	0	23,657,615
Repairs & Maintenance	2,934,906	0	0	2,934,906
Depreciation & Amortisation	53,058,633	0	0	53,058,633
	263,348,642	0	0	263,348,642
	=====	=====	=====	=====
<u>December, 2020</u>				
30.1 Fines & Penalties				
Fines & Penalties includes the following				
Penalties for Late Payment of 2018 1% Insurance Levy to the Commission				1,333,150
Fines for Breach of Financial Reporting Council of Nigeria Certification Requirement				834,361
				2,167,511
				=====
<u>December, 2019</u>				
30.1 Fines & Penalties				
Fines & Penalties includes the following				
Fines for Late Submission of 2018 Financial Statement to NAICOM				160,158
Fines for Filing Late Returns of 2018 Financial Statement with FIRS				30,000
				190,158
				=====
<u>December, 2020</u>				
31 Other Underwriting Expenses				
Vat on Commission	0	2,702,318	256,172	2,958,490
Bank Charges on Participant Account	0	1,672,191	1,393,643	3,065,834
	0	4,374,509	1,649,815	6,024,324
	=====	=====	=====	=====

Jaiz Takaful Insurance PLC
Financial Statements for the year ended 31st December, 2020

Notes to Financial Statements

Note	Share Holder ₦	General Takaful ₦	Family Takaful ₦	Consolidated ₦
<u>December, 2019</u>				
31 Other Underwriting Expenses				
Vat on Commission	0	1,224,786	42,821	1,267,607
Bank Charges on Participant Account	0	865,125	804,520	1,669,644
	0	2,089,910	847,341	2,937,252
	=====	=====	=====	=====

<u>December, 2020</u>				
32 Earning/(Loss) Per Share				
Basic earnings per share is calculated by dividing the profit/(Loss) attributable to shareholders by the number of shares.				
Profit /(Loss) attributable to shareholders	29,654,942	0	0	151,064,661
Number of Shares in issues	2,460,579,972	0	0	2,460,579,972
Earning/(Loss) per share (in kobo)	1	0	0	6
	=====	=====	=====	=====

The Company has no diluted earnings/(loss) per shares since there are no potential dilutive instrument

<u>December, 2019</u>				
32 Earning /(Loss)Per Share				
Basic earnings per share is calculated by dividing the profit /(Loss) attributable to shareholders by the number of shares.				
Profit /(Loss) attributable to shareholders	(84,233,183)	0	0	(102,840,569)
Number of Shares in issues	2,460,579,972	0	0	2,460,579,972
Loss per share (in kobo)	(3)	0	0	(4)
	=====	=====	=====	=====

The Company has no diluted earnings/(loss) per shares since there are no potential dilutive instrument

33 Prior Year Adjusment

The Company had re-instated the following figures in the 2019 Financial Statement:

- 1 Contribution Received of =N= 221,401,250 from Contribution to Investment Contract Liability
- 2 Wakala Fee paid of =N= 9,494,505 from wakala fee paid to Investment Contract Liability
- 3 Commission paid of =N=4,148,755 from Comission expense to Investment Contract Liability
- 4 Mudaraba Income of =N=6,276,589 from Mudaraba Investment Income to Investment Contract Liability
- 5 Withdrawal of =N=6,276,589 from Claims expense to Investment Contract Liability

The reinstatement of all figures did not have any significant effect on the result of the Family Takaful Financial Statement, The Statement of Financial Position did not also change.

Jaiz Takaful Insurance PLC
Financial Statements for the year ended 31st December, 2020

Statement of Value Added

	DECEMBER 31, 2020		December 31, 2019	
	N	%	N	%
Contribution Income	994,303,729		636,944,547	
Retakaful, Claims, Commission & Services	(746,959,868)		(562,515,362)	
	247,343,861		74,429,186	
Add:				
Investment and other income	95,882,485		43,088,667	
Value Added	343,226,346	100	117,517,853	100
Applied as Follow:				
To Pay Employee:				
Salaries, Wages and Other Staff Cost	159,096,538	46	160,392,921	136
To Pay Shareholders:				
Dividend	0		0	
To Pay Government:				
Taxation	8,164,709	2		
Earnings for the year				
Retained in the Business:				
Depreciation and Amortisation	24,900,438	7	59,965,501	51.0
Retained Profit (Loss) for the year	151,064,661	44	(102,840,569)	(88)
	343,226,346	100	117,517,853	100

Value added is the additional wealth the Company has been able to create by its own and its employees' effort. This statement shows the allocation of the wealth between employees, finance providers, government and that retained for the future creation of more wealth.

Jaiz Takaful Insurance Plc
Financial Statements for the year ended 31st December, 2020

Five Years Financial Summary

A. Statement of Financial Position

	DECEMBER 31, 2020 ₹	DECEMBER 31, 2019 ₹	DECEMBER 31, 2018 ₹	DECEMBER 31, 2017 ₹
ASSETS				
Cash and cash Equivalents	904,549,033	595,262,725	228,654,514	238,338,209
Investment in Sukuk	100,000,000	0	0	0
Trade Receivable	59,285,476	27,414,869	12,113,787	3,241,912
Retakaful Asset	115,715,522	115,877,891	40,787,428	12,179,219
Deffered Acquisition Cost	62,871,333	34,910,083	17,502,076	3,223,999.63
Other Receivables & Prepayment	2,091,856	2,141,430	9,667,010	40,338,109
Intangible Assets	28,478	5,649,115	25,939,244	61,109,703
Property, Plant & Equipment	11,214,510	30,230,490	62,930,021	104,598,903
Statutory Deposits	200,000,000	200,000,000	200,000,000	200,000,000
TOTAL ASSETS	1,455,756,208	1,011,486,603	597,594,081	663,030,055
	=====	=====	=====	=====
LIABILITIES				
Takaful Contract Liabilities	615,454,289	409,367,801	164,406,841	55,738,684
Investment Contract Liabilities	357,865,667	282,341,479	72,010,292	8,846,992
Trade Payables	81,733,995	49,237,532	32,268,784	19,035,875
Provisions & Other Payables	30,985,821	60,052,449	20,909,618	32,493,122
Income Tax Liabilities	9,664,709	1,500,000	1,500,000	1,500,000
TOTAL LIABILITIES	1,095,704,482	802,499,262	291,095,535	117,614,673
	=====	=====	=====	=====
PARTICIPANT'S FUND				
General Takaful Fund	50,163,171	1,372,414	15,192,396	(3,440,198)
Family Takaful Fund	73,156,913	538,227	(3,733)	(105,093)
	123,320,084	1,910,641	15,188,663	(3,545,291)
	=====	=====	=====	=====
EQUITY				
Issued and Paid Up Share Capital	1,230,289,986	1,230,289,986	1,230,289,986	200,000,000
Deposit for Shares	0	0	0	1,030,475,142
Retained Earnings	(993,558,343)	(1,023,213,286)	(938,980,104)	(681,514,468)
TOTAL EQUITY	236,731,643	207,076,700	291,309,882	548,960,674
	=====	=====	=====	=====
TOTAL LIABILITIES, EQUITY & PARTICIPANT'S FUNDS	1,455,756,208	1,011,486,603	597,594,081	663,030,055
	=====	=====	=====	=====

B. Statement of Comprehensive Income

Jaiz Takaful Insurance Plc
Financial Statements for the year ended 31st December, 2020

Five Years Financial Summary

	DECEMBER 31, 2020 ₹	DECEMBER 31, 2019 ₹	DECEMBER 31, 2018 ₹	DECEMBER 31, 2017 ₹
Gross Contribution Written	940,992,335 =====	531,636,795 =====	408,044,165 =====	118,288,784 =====
Gross Contribution Earned	803,253,506	636,944,548	336,783,466	74,973,911
Retakaful Contribution	(168,146,844) -----	(79,974,037) -----	(85,723,854) -----	(17,945,197) -----
Net Contribution	635,106,661	556,961,511	251,059,612	57,028,714
Fee & Commission Income	47,856,137 -----	21,001,889 -----	18,204,811 -----	4,009,259 -----
Underwriting Income	682,962,798	577,963,400	269,264,423	61,037,973
Acquisition Expenses	(103,121,597)	(52,802,466)	(28,488,377)	(9,191,709)
Claim Expenses Incurred	(201,262,208) -----	(376,904,520) -----	(120,684,889) -----	(23,071,089) -----
Underwriting Profit	378,578,993	148,256,414	120,091,157	28,775,175
Investment Income	28,427,996	15,810,189	12,082,966	5,295,688
Other Income	8,894,193	0	0	0
Wakalah Fee Income	294,736,306	177,087,876	106,256,362	33,273,210
Wakalah Fee Expense (Agency Fee)	(267,951,490)	(167,593,372)	(106,256,362)	(33,273,210)
Management Expenses	(277,432,305)	(270,255,509)	(371,635,544)	(717,166,780)
Other Expenses	(6,024,324) -----	(2,937,252) -----	(1,356,986) -----	(278,684) -----
Profits/(Loss) before Taxation	159,229,370	(102,840,569)	(240,818,407)	(683,374,601)
Taxation	(8,164,709)	0	0	(1,500,000)
Profits/(Loss) after Taxation	151,064,661 =====	(102,840,569) =====	(240,818,407) =====	(684,874,601) =====

Jaiz Takaful Insurance Plc

Financial Statements for the year ended 31st December, 2020

General Takaful Revenue Account

	AGRIC	ENGINEERING	FIRE	G/ACCIDENT	MARINE	MOTOR	TOTAL
<u>INCOME</u>	N	N	N	N	N	N	N
Direct Contribution	15,996,890	67,159,795	126,720,732	181,214,591	51,217,452	307,304,463	749,613,922
Inward Contribution	0	1,459,937	0	0	476,594	0	1,936,531
Gross Contribution Written	15,996,890	68,619,732	126,720,732	181,214,591	51,694,046	307,304,463	751,550,453
Changes in Contribution	3,745,281	37,418,145	44,030,230	(11,320,900)	9,317,851	49,290,292	132,480,899
Gross Contribution Earned	12,251,609	31,201,587	82,690,502	192,535,491	42,376,195	258,014,171	619,069,554
Gross Retakaful Contribution	(3,830,999)	(22,363,781)	(43,171,907)	(48,053,162)	(30,553,429)	(5,040,000)	(153,013,278)
Changes in Retakaful Contribution	2,022,750	9,216,289	1,300,896	(1,875,249)	3,057,643	1,140,000	14,862,329
Net Contribution Earned	10,443,360	18,054,095	40,819,491	142,607,080	14,880,409	254,114,171	480,918,605
Commission Received	766,200	6,709,134	15,141,289	12,521,620	8,753,216	0	43,891,459
Changes in Commission Income	(404,550)	(1,012,993)	(243,617)	694,787	(910,097)	0	(1,876,470)
Net Commission Earned	10,805,010	23,750,236	55,717,163	155,823,487	22,723,528	254,114,171	522,933,594
Investment Income	207,960	892,059	1,647,375	2,355,797	672,025	3,994,971	9,770,188
Other Income	77,800	454,165	876,738	975,867	620,481	102,353	3,107,403
Total Income	11,090,770	25,096,461	58,241,275	159,155,151	24,016,034	258,211,494	535,811,185
<u>EXPENSES</u>							
Gross Claims Paid	423,872	0	8,394,109	121,971,389	111,670	41,971,656	172,872,696
Increase/(Decrease) in provision for outstanding claims	459,377	1,204,362	7,427,657	17,010,475	5,995,305	26,018,797	58,115,973
Gross Claims Incurred	883,249	1,204,362	15,821,766	138,981,864	6,106,975	67,990,453	230,988,669
Retakaful Recoveries	(254,323)	(2,319,942)	(3,000,419)	(58,510,555)	0	(13,874,284)	(77,959,522)
Changes in Retakaful Recoveries	(153,145)	(403,566)	(336,433)	4,512,102	(45,380)	6,100,994	9,674,572
Net Claims Incurred	475,781	(1,519,146)	12,484,914	84,983,411	6,061,595	60,217,163	162,703,718
Gross Acquisition Cost	2,526,960	13,702,466	24,451,181	31,031,567	10,288,956	35,884,569	117,885,699
Movement in Deferred Acquisition cost	475,500	7,495,914	8,661,827	(5,489,618)	1,993,082	10,272,203	23,408,908
Net Acquisition Cost	2,051,460	6,206,552	15,789,354	36,521,185	8,295,874	25,612,366	94,476,791
Maintenance Expenses							
Management Fee (Wakalah Fee)	4,799,067	20,585,920	38,016,220	54,364,377	15,508,214	92,191,339	225,465,136
Other Underwriting Expenses	93,112	399,411	737,596	1,054,786	300,893	1,788,710	4,374,509
Other Expenses	4,892,179	20,985,331	38,753,816	55,419,163	15,809,107	93,980,049	229,839,645
Total Expenses	7,419,419	25,672,737	67,028,084	176,923,759	30,166,576	179,809,578	487,020,154
Underwriting Surplus/(Deficit)	3,671,351	(576,276)	(8,786,808)	(17,768,608)	(6,150,542)	78,401,916	48,791,031
Direct Contribution	4,140,320	12,217,002	44,884,570	168,185,316	20,151,988	192,549,615	442,128,810

Jaiz Takaful Insurance Plc

Financial Statements for the year ended 31st December, 2020

General Takaful Revenue Account

	AGRIC	ENGINEERING	FIRE	G/ACCIDENT	MARINE	MOTOR	TOTAL
<u>INCOME</u>	N	N	N	N	N	N	N
Inward Contribution	0	576,000	202,088	0	1,860,546	576,245	3,214,879
Gross Contribution Written	4,140,320	12,793,002	45,086,658	168,185,316	22,012,534	193,125,860	445,343,689
Changes in Contribution	2,608,288	(2,315,442)	4,713,130	36,557,830	7,208,062	68,014,884	116,786,754
Gross Contribution Earned	1,532,032	15,108,443	40,373,528	131,627,485	14,804,472	125,110,976	328,556,935
Gross Retakaful Contribution	0	(4,601,941)	(28,809,081)	(35,213,417)	(6,279,673)	(3,900,000)	(78,804,112)
Changes in Retakaful Contribution	0	169,095	3,239,782	10,933,257	(259,446)	2,384,170	16,466,858
Net Contribution Earned	1,532,032	10,675,597	14,804,229	107,347,326	8,265,353	123,595,145	266,219,681
Commission Received	0	1,265,525	10,102,624	7,716,584	1,726,910	0	20,811,644
Changes in Commission Income	0	169,286	(1,634,749)	(3,269,401)	(211,002)	0	(4,945,866)
Net Commission Earned	1,532,032	12,110,409	23,272,104	111,794,509	9,781,261	123,595,145	282,085,459
Investment Income	55,053	170,105	599,505	2,236,316	292,695	2,567,944	5,921,619
Total Income	1,587,084	12,280,514	23,871,609	114,030,825	10,073,956	126,163,089	288,007,078
<u>EXPENSES</u>							
Gross Claims Paid	0	3,612,664	4,588,784	42,446,179	18,795	41,463,866	92,130,288
Increase/(Decrease) in provision for outstanding claims	153,203	249,237	(1,233,871)	82,182,801	(2,199,212)	50,010,964	129,163,122
Gross Claims Incurred	153,203	3,861,901	3,354,913	124,628,980	(2,180,417)	91,474,830	221,293,410
Retakaful Recoveries	0	(645,688)	(649,360)	(60,137,795)	(819,435)	(30,952,236)	(93,204,515)
Net Claims Incurred	153,203	3,216,213	2,705,553	64,491,185	(2,999,852)	60,522,594	128,088,895
Gross Acquisition Cost	226,966	215,877	2,672,502	40,632,337	3,979,404	12,215,656	59,942,742
Movement in Deferred Acquisition cost	(186,977)	313,068	(880,457)	(10,735,006)	(1,288,699)	(3,790,156)	(16,568,227)
Net Acquisition Cost	39,989	528,945	1,792,045	29,897,331	2,690,705	8,425,500	43,374,515
Maintenance Expenses							
Management Fee (Wakalah Fee)	1,242,096	3,837,900	13,525,997	50,455,595	6,603,760	57,937,758	133,603,107
Other Underwriting Expenses	19,430	60,035	211,583	789,261	103,300	906,302	2,089,910
Other Expenses	1,261,526	3,897,936	13,737,580	51,244,855	6,707,061	58,844,060	135,693,017
Total Expenses	1,454,718	7,643,094	18,235,178	145,633,371	6,397,914	127,792,153	307,156,427
Underwriting Surplus/(Deficit)	132,367	4,637,420	5,636,432	(31,602,545)	3,676,042	(1,629,064)	(19,149,349)

Jaiz Takaful Insurance Plc

Financial Statements for the year ended 31st December, 2020

Segment Statement of Financial Position - General Takaful

	AGRIC	ENGINEERING	FIRE	G/ACCIDENT	MARINE	MOTOR	TOTAL
<u>INCOME</u>	N	N	N	N	N	N	N
Cash & Cash Equivalent	8,376,166	29,579,699	58,196,161	141,376,974	24,023,248	205,163,699	466,715,947
Investment in Sukuk	1,064,259	4,565,211	8,430,620	12,056,050	3,439,160	20,444,699	50,000,000
Retakaful Assets - Prepaid	2,022,750	11,074,139	16,519,528	17,780,410	4,834,645	5,040,000	57,271,472
Retakaful Assets - Claims Recovery	153,145	1,049,254	761,604	30,485,413	864,815	20,186,822	53,501,053
Deferred Acquisition Cost	662,477	8,103,877	12,238,121	12,305,744	4,211,431	15,200,253	52,721,903
Total Assets	12,278,797	54,372,181	96,146,034	214,004,591	37,373,299	266,035,473	680,210,375
	=====	=====	=====	=====	=====	=====	=====
Takaful Liabilities (UCR)	6,353,569	40,493,389	63,705,794	78,048,851	21,351,005	131,752,067	341,704,675
Provision for outstanding claims	0	0	5,669,106	94,103,967	4,942,868	56,009,136	160,725,077
Incurred But Not Reported (IBNR)	612,580	3,497,513	9,562,967	17,782,892	3,705,285	27,677,022	62,838,259
Deferred Commission Income	404,550	1,523,902	5,249,823	4,196,613	1,327,183	0	12,702,071
Wakala Payable	1,002,144	4,298,764	7,938,569	11,352,401	3,238,434	19,251,449	47,081,761
Commission Payable	2,918	12,519	23,118	33,060	9,431	56,063	137,108
Retakaful Payable	71,043	304,742	562,770	804,778	229,574	1,364,746	3,337,653
Provision & Other Liabilities	28,275	180,208	283,511	347,342	95,019	586,338	1,520,693
Total Liabilities	8,475,079	50,311,036	92,995,658	206,669,904	34,898,799	236,696,821	630,047,297
Participants Funds	3,803,718	4,061,144	3,150,376	7,334,687	2,474,500	29,338,746	50,163,171
Liabilities & Participants Funds	12,278,797	54,372,180	96,146,034	214,004,591	37,373,299	266,035,567	680,210,468
	=====	=====	=====	=====	=====	=====	=====
<u>Movement in Participants Funds</u>							
Balance at as January 1	132,367	4,637,420	11,937,184	25,103,295	8,625,042	(49,063,170)	1,372,139
Underwriting Profit for the year	3,671,351	(576,276)	(8,786,808)	(17,768,608)	(6,150,542)	78,401,916	48,791,032
Transfer to Contingency Reserves	0	0	0	0	0	0	0
Surplus Paid During the year	0	0	0	0	0	0	0
Jualah Fee Paid to Operator	0	0	0	0	0	0	0
Qard Hassan refund to Operator	0	0	0	0	0	0	0
Balance at as December 31	3,803,718	4,061,144	3,150,376	7,334,687	2,474,500	29,338,746	50,163,171
	=====	=====	=====	=====	=====	=====	=====

Jaiz Takaful Insurance Plc
Financial Statements for the year ended 31st December, 2020

Family Takaful Revenue Account

	DECEMBER 31, 2020			DECEMBER 31, 2019		
	GROUP N	INDIVIDUAL N	TOTAL N	GROUP N	INDIVIDUAL N	TOTAL N
<u>INCOME</u>						
Direct Contribution	125,627,454	63,814,428	189,441,882	50,761,459	35,531,647	86,293,106
Inward Contribution	0	0	0	0	0	0
Gross Contribution Written	125,627,454	63,814,428	189,441,882	50,761,459	35,531,647	86,293,106
Changes in Contribution	8,599,482	(3,341,549)	5,257,933	(11,859,674)	11,166,417	(693,257)
Gross Contribution Earned	117,027,972	67,155,977	184,183,949	62,621,133	24,365,230	86,986,363
Gross Retakaful Contribution	(16,236,491)	(6,664,670)	(22,901,161)	(8,406,566)	(13,005,167)	(21,411,733)
Changes in Retakaful Contribution	(842,845)	(6,251,889)	(7,094,734)	(3,136,737)	6,911,687	3,774,950
Net Contribution Earned	99,948,636	54,239,417	154,188,054	51,077,830	18,271,750	69,349,580
Commission Received	3,808,868	2,893,453	6,702,320	2,101,641	2,669,330	4,770,971
Changes in Commission Income	(824,708)	(36,464)	(861,172)	1,833,271	(1,468,131)	365,140
Net Commission Earned	102,932,795	57,096,405	160,029,202	55,012,743	19,472,948	74,485,691
Investment Income	1,190,147	1,609,889	2,800,035	410,569	543,550	7,230,708
Other Income	982,513	146,400	1,128,914	0	0	0
Total Income	105,105,455	58,852,694	163,958,150	55,423,312	20,016,498	81,716,399
<u>EXPENSES</u>						
Gross Claims Paid	34,041,483	509,000	34,550,483	34,860,340	1,639,130	36,499,470
Increase/(Decrease) in provision for outstanding claims	10,231,747	0	10,231,747	(295,660)	0	(295,660)
Gross Claims Incurred	44,273,230	509,000	44,782,230	34,564,680	1,639,130	36,203,810
Retakaful Recoveries	(6,223,741)	0	(6,223,741)	(1,422,765)	0	(1,422,765)
Net Claims Incurred	38,049,489	509,000	38,558,489	33,141,915	1,639,130	34,781,045
Gross Acquisition Cost	12,407,045	790,102	13,197,147	2,551,950	3,567,027	6,118,977
Movement in Deferred Acquisition cost	(5,048,091)	495,750	(4,552,342)	2,491,419	(3,331,199)	(839,780)
Net Acquisition Cost	7,358,954	1,285,851	8,644,805	5,043,368	235,828	5,279,197
Management Fee (Wakalah Fee)	37,688,236	4,798,119	42,486,355	15,228,438	18,761,826	43,484,769
Other Underwriting Expenses	544,721	1,105,094	1,649,815	139,789	707,552	847,341
Other Expenses	38,232,957	5,903,213	44,136,170	15,368,227	19,469,379	44,332,110
Total Expenses	83,641,401	7,698,064	91,339,464	53,553,510	21,344,337	84,392,353
Underwriting Surplus/(Deficit)	21,464,055	51,154,631	72,618,686	1,869,802	(1,327,839)	541,962

Jaiz Takaful Insurance Plc

Financial Statements for the year ended 31st December, 2020

Segment Statement of Financial Position - Family Takaful

	GROUP N	INDIVIDUAL N	TOTAL N
<u>INCOME</u>			
Cash & Cash Equivalent	53,978,454	380,717,506	434,695,960
Investment in Sukuk	10,000,000	40,000,000	50,000,000
Retakaful Assets - Prepaid	0	3,198,389	3,198,389
Retakaful Assets - Claims Recovery	0	1,744,608	1,744,608
Deffered Acquisition Cost	6,451,664	3,697,675	10,149,339
 Total Assets	 70,430,118 =====	 429,358,178 =====	 499,788,296 =====
Takaful Liabilities (UCR)	18,384,138	8,943,501	27,327,639
Investment Contract Liabilities	0	357,865,667	357,865,667
Provision for outstanding claims	0	693,716	693,716
Incurred But Not Reported (IBNR)	22,164,924	0	22,164,924
Deffered Commission Income	2,344,605	1,140,602	3,485,207
Wakala Payable	4,029,312	8,174,402	12,203,714
Commission Payable	0	89,898	89,898
Retakaful Payable	1,814,074	882,509	2,696,583
Provision & Other Liabilities	69,988	34,047	104,035
 Total Liabilities	 48,807,041 =====	 377,824,342 =====	 426,631,383 =====
 Participants Funds	 21,623,077 =====	 51,533,835 =====	 73,156,912 =====
 Total Liabilities & PRF	 70,430,118 =====	 429,358,177 =====	 499,788,295 =====
 <u>Movement in Participants Funds</u>			
Balance at as January 1	159,084	379,143	538,227
Underwriting Profit for the year	21,463,993	51,154,692	72,618,685
Transfer to Contingency Reserves	0	0	0
Surplus Paid During the year	0	0	0
Jualah Fee Paid to Operator	0	0	0
Qard Hassan refund to Operator	0	0	0
 Balance at as December 31	 21,623,077 =====	 51,533,835 =====	 73,156,912 =====

Jaiz Takaful Insurance Plc

Financial Statements for the year ended 31st December, 2020

Age Analysis of Outstanding Claims

The Age Analysis of outstanding claims reserves liabilities for general takaful as at 31st December, 2020

Outstanding Days	0 - 90 Days	91 - 180 Days	181 - 270 Days	271 - 360 Days	361 Days Above	Total
Claims per Claimant						
1 - 250,000	443,324	250,000	30,000	100,000	0	823,324
250,001 - 500,000	1,060,588	1,487,095	983,743	6,000,000	15,033,487	24,564,913
500,001 - 1,500,000	4,461,587	3,048,000	3,850,000	5,742,868	9,574,661	26,677,115
1,500,001 - 2,500,000	3,844,263	8,612,775	2,000,000	1,669,106	0	16,126,143
2,500,001 - 5,000,000	15,950,138	11,430,257	4,000,000	3,959,585	0	35,339,980
5,000,001 - Above	39,217,421	0	17,976,180	0	0	57,193,601
Total	64,977,319	24,828,127	28,839,923	17,471,559	24,608,148	160,725,077
	=====	=====	=====	=====	=====	=====

The Age Analysis of outstanding claims reserves liabilities for general takaful as at 31st December, 2019

Outstanding Days	0 - 90 Days	91 - 180 Days	181 - 270 Days	271 - 360 Days	361 Days Above	Total
Claims per Claimant						
1 - 250,000	448,336	592,396	295,719	0	180,425	1,516,876
250,001 - 500,000	1,154,863	1,533,195	823,213	0	940,474	4,451,745
500,001 - 1,500,000	20,028,967	10,272,199	7,499,760	7,155,784	11,768,343	56,725,054
1,500,001 - 2,500,000	0	0	0	0	0	0
2,500,001 - 5,000,000	12,951,329	0	0	0	0	12,951,329
5,000,001 - Above	30,284,941	0	16,774,255	0	0	47,059,196
Total	64,868,436	12,397,791	25,392,947	7,155,784	12,889,242	122,704,200
	=====	=====	=====	=====	=====	=====

The Age Analysis of outstanding claims reserves liabilities for family takaful as at 31st December, 2020

Jaiz Takaful Insurance Plc

Financial Statements for the year ended 31st December, 2020

Age Analysis of Outstanding Claims

Outstanding Days	0 - 90 Days	91 - 180 Days	181 - 270 Days	271 - 360 Days	361 Days Above	Total
Claims per Claimant						
1 - 250,000	0	0	0	0	0	0
250,001 - 500,000	0	0	0	0	0	0
500,001 - 1,500,000	693,716	0	0	0	0	693,716
1,500,001 - 2,500,000	0	0	0	0	0	0
2,500,001 - 5,000,000	0	0	0	0	0	0
5,000,001 - Above	0	0	0	0	0	0
	-----	-----	-----	-----	-----	-----
Total	693,716	0	0	0	0	693,716
	=====	=====	=====	=====	=====	=====

The Age Analysis of outstanding claims reserves liabilities for family takaful as at 31st December, 2019

Outstanding Days	0 - 90 Days	91 - 180 Days	181 - 270 Days	271 - 360 Days	361 Days Above	Total
Claims per Claimant						
1 - 250,000	0	0	0	0	0	0
250,001 - 500,000	0	0	0	0	0	0
500,001 - 1,500,000	0	0	0	0	0	0
1,500,001 - 2,500,000	0	0	0	0	0	0
2,500,001 - 5,000,000	2,587,859	0	0	0	0	2,587,859
5,000,001 - Above	0	0	0	0	0	0
	-----	-----	-----	-----	-----	-----
Total	2,587,859	0	0	0	0	2,587,859
	=====	=====	=====	=====	=====	=====

Jaiz Takaful Insurance Plc
Financial Statements for the year ended 31st December, 2020

Solvency Margin Computation

The solvency margin for the Operator (Shareholders' Fund) as at December 31, 2020 is as follows:

	December 31, 2020	December 31, 2019
	N	N
Cash and Bank balances	3,137,126	1,652,835
Mudarabah Deposit	0	0
Trade Receivable	59,285,476	27,414,869
Inventory	263,820	527,640
Other Receivables & Prepayment	1,715,535	1,392,123
Loan to Staff	112,500	221,667
Intangible Assets	28,478	5,649,115
Property, Plant & Equipment	11,214,509	30,230,490
Statutory Deposits	200,000,000	200,000,000
TOTAL ADMISSIBLE ASSETS	275,757,444	267,088,740
Provisions & Other Payables	29,361,093	58,512,039
Tax Payable	9,664,709	1,500,000
TOTAL ADMISSIBLE LIABILITIES	39,025,802	60,012,039
Solvency Margin	236,731,642	207,076,701
The Higher of 15% of net Contribution (Premium) income or Minimum Capital Base	200,000,000	200,000,000
Solvency Ratio	118%	103%

The solvency margin for the General Takaful Fund as at December 31, 2020 is as follows:

Jaiz Takaful Insurance Plc
Financial Statements for the year ended 31st December, 2020

Solvency Margin Computation

	December 31, 2020	December 31, 2019
	N	N
Cross contribution written	751,550,453	445,343,689
Total Retakaful Expenses	153,013,278	78,804,112
Admissible assets	516,715,948	274,946,279
Gross claim reserve	223,563,336	165,447,363
Unearned contribution reserve (UCR)	341,704,675	209,223,778
Total gross technical provisions	565,268,011	374,671,142
Unearned re-takaful contribution	(110,772,525)	(105,584,768)
Gross deferred acquisition cost (DAC)	(52,721,994)	(29,313,086)
Net technical provision	401,773,492	239,773,288
Other liabilities	64,779,286	33,800,578
Total liabilities	466,552,778	273,573,866
Net admissible assets value=assets less total liabilities	50,163,170	1,372,413
Net written contribution	598,537,175	366,539,577
15% Required minimum solvency margin(RMSM)	89,780,576	54,980,937
Solvency cover ratio	55%	2.5%

The solvency margin for the Family Takaful Fund as at December 31, 2020 is as follows:

Jaiz Takaful Insurance Plc
Financial Statements for the year ended 31st December, 2020

Solvency Margin Computation

	December 31, 2020	December 31, 2019
	N	N
Total takaful life cover and fund liabilities	408,051,946	317,038,140
Less re-takaful unearned contribution	(4,942,997)	(10,293,123)
Unearned gross DAC	(10,149,339)	(5,596,997)
Net total takaful life cover and fund liabilities	392,959,610	301,148,020
Other Liabilities	18,579,438	16,977,365
 Total admitted Liabilities	 411,539,047	 318,125,385
Total admissible Assets	484,695,960	318,663,611
Surplus/(Deficit)	73,156,912	538,227
 Gross takaful contribution earned	 380,492,105	 307,694,356
Retakaful contribution paid out	22,901,161	21,411,733
Net written contribution	357,590,944	286,282,623
15% of net takaful contribution earned	53,638,642	42,942,393
 Solvency capital cover ratio	 136%	 1.25%

Jaiz Takaful Insurance Plc
Financial Statements for the year ended 31st December, 2020

Statement of Investment Representing in Funds

Form L38

Statement of Investment Representing in Funds for December 31st, 2020

Under S. 26(1) (C) of the Insurance Act 2003

	Non Life			Life		
	Shareholders' Funds	Policyholders' Fund	Others	Shareholders' Funds	Policyholders' Fund	Others
Total						
1. FIXED ASSETS:						
Real Estate						
Investment Properties						
Motor Vehicle	1,189,579					
Furniture	7,253,771					
Others (a)	2,771,159					
2. OTHER INVESTMENT						
Mortgage Loan						
Loans to Policyholders						
Statutory Deposit	200,000,000					
Government Sukuk		50,000,000			50,000,000	
Quoted Securities						
Unquoted Securities						
Bank Placement (Mudaraba)	-	427,000,000			414,880,000	
Banks & Cash balances	3,137,126	39,715,948			19,815,960	
Related Companies' Securities						
Related Companies' Loan						
Other Investment (a)						
Investment in Subsidiary						
Investment in Associate						
3. OTHER ASSET	61,405,809	163,494,519			15,092,336	
Total	275,757,444	680,210,467			499,788,295	

Form L38

Statement of Investment Representing in Funds for December 31st, 2020

Under S. 26(1) (C) of the Insurance Act 2003

	Non Life			Life		
	Shareholders' Funds	Policyholders' Fund	Others	Shareholders' Funds	Policyholders' Fund	Others
Total						
1. FIXED ASSETS:						
Real Estate						
Investment Properties						
Motor Vehicle	16,651,675					
Furniture	9,639,085					
Others (a)	3,939,730					
2. OTHER INVESTMENT						
Mortgage Loan						
Loans to Policyholders						
Statutory Deposit	200,000,000					
Government Bonds						
Quoted Securities						
Unquoted Securities						
Bank Placement	-	251,038,627			310,090,135	
Banks & Cash balances	1,652,835	23,907,652			8,573,476	
Related Companies' Securities						
Related Companies' Loan						
Other Investment (a)						
Investment in Subsidiary						
Investment in Associate						
3. OTHER ASSET	35,205,414	134,897,854			15,890,121	
Total	267,088,739	409,844,133			334,553,733	