



AXA Mansard Insurance Plc and Subsidiary Companies

**Unaudited Financial Statements
31 December 2020**

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

We the undersigned hereby certify the following with regards to our financial statements for the period ended 30 September 2020 that:

- (a) We have reviewed the financial statement;
- (b) To the best of our knowledge, the financial statement does not contain:
 - (i) *Any untrue statement of a material fact, or*
 - (ii) *Omit to state a material fact, which would make the statements, misleading in the light of circumstances under which such statements were made;*
- (c) To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Company and its consolidated subsidiaries as of, and for the period presented in the report.
- (d) We:
 - (i) *Are responsible for establishing and maintaining internal controls.*
 - (ii) *Have designed such internal controls to ensure that material information relating to the Company and its consolidated subsidiaries is made known to such officers by others within those entries particularly during the year in which the periodic reports are being prepared;*
 - (iii) *Have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report;*
 - (iv) *Have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;*
- (e) We have disclosed to the auditors of the Company and Audit Committee:
 - (i) *All significant deficiencies in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weakness in internal controls, and*
 - (ii) *Any fraud, whether or not material, that involves management or other employees who have significant roles in the Company's internal controls;*
- (f) We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.



Mrs. Ngozi Ola-Israel
FRC/2017/ANAN/00000017349
Chief Financial Officer



Mr. Adekunle Ahmed
FRC/2017/CIIN/00000017019
Chief Executive Officer

Consolidated Statement of Financial Position


as at 31 December 2020


(All amounts in thousands of Naira)

	Notes	Group 31-Dec-20	Group 31-Dec-19	Parent 31-Dec-20	Parent 31-Dec-19
ASSETS					
Cash and cash equivalents	5	22,631,006	17,911,416	18,691,353	16,133,274
<i>Investment securities:</i>					
– Fair value through profit or loss	6.1	5,443,948	5,302,005	5,443,948	5,302,005
– Available-for-sale assets	6.2	31,232,533	27,836,825	27,868,706	22,032,646
Financial assets designated at fair value	6.3	4,056,112	4,154,695	4,056,112	4,154,695
Trade receivables	7	8,016,774	5,418,424	2,390,879	1,224,373
Reinsurance assets	8	8,373,606	8,974,246	8,201,216	8,895,612
Deferred acquisition cost	9	355,347	331,047	346,357	321,055
Other receivables	10	1,169,849	1,548,652	554,756	801,891
Loans and receivables	11	230,264	403,548	713,499	882,168
Investment properties	12	13,694,760	15,801,949	-	1,350,000
Investment in subsidiaries	13	-	-	1,652,000	3,537,247
Intangible assets	14	331,877	1,580,297	307,303	215,450
Property and equipment	15	2,405,146	1,989,781	2,156,958	1,784,543
Right of use		833,713	535,863	833,713	462,082
Statutory deposit	16	500,000	500,000	500,000	500,000
TOTAL ASSETS		99,274,935	92,288,748	73,716,800	67,597,041
LIABILITIES					
Insurance liabilities	17	29,811,011	25,162,941	19,763,653	17,491,746
<i>Investment contract liabilities:</i>					
– At amortised cost	18.1	5,129,700	4,275,765	5,129,700	4,275,765
– Liabilities designated at fair value	18.2	4,056,112	4,154,695	4,056,112	4,154,695
Trade payables	19	13,724,864	16,567,712	13,560,572	16,478,545
Other liabilities	20	3,475,330	3,305,822	1,739,844	1,894,835
Current income tax liabilities	21	1,675,006	935,546	182,171	203,650
Borrowings	22	3,044,806	6,965,804	-	-
Deferred tax liability	23	825,380	841,496	7,659	-
TOTAL LIABILITIES		61,742,209	62,209,781	44,439,711	44,499,236
EQUITY					
Share capital	24.1	18,000,000	5,250,000	18,000,000	5,250,000
Share premium	24.2	-	4,443,453	-	4,443,453
Contingency reserve	24.3	4,345,125	4,270,458	4,345,125	4,270,458
Other reserves	24.4	152,077	2,687,483	152,077	2,652,077
Treasury shares	24.5	(304,924)	(304,924)	(304,924)	(304,924)
Fair value reserves	24.6	5,333,112	1,080,718	5,227,692	923,562
Retained earnings	24.7	6,277,276	7,832,957	1,857,119	5,863,179
SHAREHOLDERS' FUNDS		33,802,666	25,260,145	29,277,089	23,097,805
Total equity attributable to the owners of the parent		33,802,666	25,260,145	29,277,089	23,097,805
Non-controlling interest in equity	25	3,730,060	4,818,822	-	-
TOTAL EQUITY		37,532,726	30,078,967	29,277,089	23,097,805
TOTAL LIABILITIES AND EQUITY		99,274,935	92,288,748	73,716,800	67,597,041

Signed on behalf of the Board of Directors on 29 January 2021


Mrs. Ngozi Ola-Israel
 FRC/2017/ANAN/00000017349
 Chief Financial Officer


Mr. Adekunle Ahmed
 FRC/2017/CIIN/00000017019
 Chief Executive Officer


Mr. Olusola Adeeyo
 FRC/2013/NIM/00000001919
 Chairman

Consolidated Statement of Comprehensive Income

for the period ended 31 December 2020

	Notes	Group 31-Dec-20	Group 31-Dec-19	Parent 31-Dec-20	Parent 31-Dec-19
Continuing operations					
Gross written premium	27	47,583,434	43,620,265	27,547,903	28,014,854
Gross premium income	27	45,512,810	41,609,412	27,062,077	27,867,055
Re-insurance expenses	27	(13,827,690)	(15,319,342)	(13,610,642)	(15,179,096)
Net premium income	27	31,685,120	26,290,070	13,451,435	12,687,959
Fee and commission on insurance contracts	28	1,657,815	1,875,748	1,657,815	1,875,748
Net underwriting income		33,342,935	28,165,818	15,109,250	14,563,707
<i>Claims:</i>					
Claims expenses (gross)	29	(20,921,864)	(18,614,268)	(8,308,840)	(7,887,283)
Claims expenses recovered from reinsurers	29	1,003,153	1,124,047	893,136	1,012,179
Underwriting expenses	30	(3,836,999)	(3,491,524)	(3,138,840)	(3,034,764)
Changes in individual life reserves	17.3	(1,201,462)	(742,809)	(1,201,462)	(742,809.00)
Changes in annuity reserves	17.4	(884,291)	(323,198)	(884,291)	(323,198.00)
Net underwriting expenses		(25,841,463)	(22,047,752)	(12,640,297)	(10,975,875)
Total underwriting profit		7,501,472	6,118,066	2,468,953	3,587,832
Investment income	32	5,229,161	5,640,376	2,671,052	4,006,523
Net gains/(losses) on financial instruments	33	2,859,165	311,973	1,807,392	311,441
Net gains on investment property	12	(2,279,051)	(404,575)	-	(390,000)
Disposal of shares in subsidiary	33b	829,572	-	1,093,924	2,939,873
Profit on investment contracts	34	258,112	380,846	258,112	380,846
Other income	35	204,196	379,309	8,145	54,550
Total investment income		7,101,155	6,307,929	5,838,625	7,303,233
Expenses for marketing and administration	36	(1,431,427)	(1,901,732)	(1,285,795)	(1,692,076)
Employee benefit expense	37	(2,914,524)	(2,779,139)	(1,529,383)	(1,188,516)
Other operating expenses	38	(3,575,423)	(3,369,000)	(3,059,858)	(2,953,481)
(Impairment)/writeback of other assets		-	(45,700)	-	(45,700)
(Impairment)/writeback of premium receivables	7.1	(113,388)	40,911	(14,860)	4,902
Results of operating activities		6,567,865	4,371,335	2,417,682	5,016,194
Finance cost	39	(697,439)	(443,835)	(80,942)	(37,275)
Profit before tax		5,870,426	3,927,500	2,336,740	4,978,919
Income tax expense	40	(1,574,836)	(1,019,228)	(135,506)	(139,589)
Profit for the year		4,295,590	2,908,272	2,201,234	4,839,330
Profit attributable to:					
Owners of the parent		4,600,781	2,708,674	2,201,234	4,839,330
Non-controlling interest	25	(305,191)	199,598	-	-
		4,295,590	2,908,272	2,201,234	4,839,330
<i>Other comprehensive income:</i>					
<i>Items that may be subsequently reclassified to the profit or loss account:</i>					
Changes in available-for-sale financial assets (net of taxes)	24.6	4,267,821	1,630,944	4,304,130	1,473,468.00
<i>Items that will not be subsequently reclassified to profit or loss account</i>					
		-	-	-	-
Other comprehensive income for the year		4,267,821	1,630,944	4,304,130	1,473,468
Total comprehensive income for the year		8,563,411	4,539,216	6,505,364	6,312,798
Attributable to:					
Owners of the parent		8,868,602	4,339,618	6,505,364	6,312,798
Non-controlling interests	25	(305,191)	199,598	-	-
Total comprehensive income for the year		8,563,411	4,539,216	6,505,364	6,312,798
<i>Earnings per share:</i>					
Basic (kobo)	41	20	26	10	47
Diluted (kobo)	41	20	26	9	46

Consolidated Statements of Changes in Equity

(All amounts in thousands of Naira unless otherwise stated)

Period ended 31 December 2020

	Share Capital	Share premium	Contingency reserve	Capital and other statutory reserves	Share scheme reserves	Treasury shares	Fair value reserves	Retained earnings	Total	Non Controlling interest	Total equity
Balance at 1 January 2020	5,250,000	4,443,453	4,270,458	2,535,406	152,077	(304,924)	1,080,718	7,832,957	25,260,145	4,818,822	30,078,967
<i>Total comprehensive income for the year</i>											
Profit for the year	-	-	-	-	-	-	-	4,600,781	4,600,781	(305,191)	4,295,590
Transfer to contingency reserves	-	-	74,667	-	-	-	-	(74,667)	-	-	-
Transfer to statutory reserves	-	-	-	17,315	-	-	-	(17,315)	-	-	-
Other comprehensive income											
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	-	4,267,821	-	4,267,821	-	4,267,821
Total comprehensive income for the year	-	-	74,667	17,315	-	-	4,267,821	4,508,799	8,868,602	(305,191)	8,563,411
Transactions with owners, recorded directly in equity											
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-
Equity-settled share-based payments expense	-	-	-	-	-	-	-	-	-	-	-
Bonus issue expenses	-	(326,080)	-	-	-	-	-	-	(326,080)	-	(326,080)
Recapitalization	12,750,000	(4,117,373)	-	(2,500,000)	-	-	-	(6,132,627)	-	-	-
Additional subsidiary investment with NCI	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners of equity	12,750,000	(4,443,453)	-	(2,500,000)	-	-	-	(6,132,627)	(326,080)	-	(326,080)
Changes in ownership interest											
Acquisition of subsidiary with NCI	-	-	-	-	-	-	-	-	-	-	-
Disposal of subsidiary	-	-	-	(52,721)	-	-	(15,427)	68,148	-	(783,571)	(783,571)
Total changes in ownership interests	-	-	-	(52,721)	-	-	(15,427)	68,148	-	(783,571)	(783,571)
Balance at 31 December 2020	18,000,000	0	4,345,125	-	152,077	(304,924)	5,333,112	6,277,276	33,802,667	3,730,060	37,532,727

Year ended 31 December 2019

Group

	Share Capital	Share premium	Contingency reserve	Capital and other statutory reserves	Share scheme reserves	Treasury shares	Fair value reserves	Retained earnings	Total	Non Controlling interest	Total equity
Balance at 1 January 2019	5,250,000	4,443,453	4,139,090	2,528,678	134,904	(304,924)	(550,226)	5,262,379	20,903,354	4,619,224	25,522,578
<i>Total comprehensive income for the year</i>											
Profit for the year	-	-	-	-	-	-	-	2,708,674	2,708,674	199,598	2,908,272
Transfer to contingency reserves	-	-	131,368	-	-	-	-	(131,368)	-	-	-
Transfer to statutory reserves	-	-	-	6,728	-	-	-	(6,728)	-	-	-
Other comprehensive income											
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	-	1,630,944	-	1,630,944	-	1,630,944
Total comprehensive income for the year	-	-	131,368	6,728	-	-	1,630,944	2,570,578	4,339,618	199,598	4,539,216
Transactions with owners, recorded directly in equity											
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-
Equity-settled share-based payments expense	-	-	-	-	17,173	-	-	-	17,173	-	17,173
Vested portion of equity settled share based payment	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners of equity	-	-	-	-	17,173	-	-	-	17,173	-	17,173
Changes in ownership interest											
Acquisition of subsidiary with NCI	-	-	-	-	-	-	-	-	-	-	-
Total changes in ownership interests	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2019	5,250,000	4,443,453	4,270,458	2,535,406	152,077	(304,924)	1,080,718	7,832,957	25,260,145	4,818,822	30,078,967

Statement of Changes in Equity

(All amounts in thousands of Naira unless otherwise stated)

Parent

	Share Capital	Share premium	Contingency reserve	Capital reserves	Share scheme reserve	Treasury shares	Fair value reserves	Retained earnings	Total
Balance at 1 January 2020	5,250,000	4,443,453	4,270,458	2,500,000	152,077	(304,924)	923,562	5,863,179	23,097,805
<i>Total comprehensive income for the year</i>									
Profit for the year	-	-	-	-	-	-	-	2,201,234	2,201,234
Transfer to contingency reserves	-	-	74,667	-	-	-	-	(74,667)	-
Other comprehensive income									
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	-	4,304,130	-	4,304,130
Total comprehensive income for the year	-	-	74,667	-	-	-	4,304,130	2,126,567	6,505,364
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Bonus issue expenses		(326,080)						-	(326,080)
Recapitalization	12,750,000	(4,117,373)		(2,500,000)				(6,132,627)	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-
Equity- settled share-based expense for the year	-	-	-	-	-	-	-	-	-
Total transactions with owners	12,750,000	(4,443,453)	-	(2,500,000)	-	-	-	(6,132,627)	(326,080)
Balance at 31 December 2020	18,000,000	0	4,345,125	-	152,077	(304,924)	5,227,692	1,857,119	29,277,089

Year ended 31 December 2019

Parent

	Share Capital	Share premium	Contingency reserve	Other reserves	Share scheme reserve	Treasury shares	Fair value reserves	Retained earnings	Total
Balance at 1 January 2019	5,250,000	4,443,453	4,139,090	2,500,000	134,904	(304,924)	(549,906)	1,155,216	16,767,833
<i>Total comprehensive income for the year</i>									
Profit for the year	-	-	-	-	-	-	-	4,830,596	4,830,596
Transfer to contingency reserves	-	-	131,368	-	-	-	-	131,368	-
Other comprehensive income									
Change in fair value of available-for-sale financial assets	-	-	-	-	-	-	1,473,468	-	1,473,468
Realised fair value (gains)/ losses	-	-	-	-	-	-	-	-	-
Foreign currency translation difference	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	1,473,468	-	6,304,064
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-
Issue of new shares	-	-	-	-	-	-	-	-	-
Equity- settled share-based transactions	-	-	-	-	-	17,173	-	-	17,173
Dividends to equity holders	-	-	-	-	-	-	-	-	-
Transfer of vested portion of equity settled share based payment to retained earnings	-	-	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	17,173	-	-	17,173
Balance at 31 December 2019	5,250,000	4,443,453	4,270,458	2,500,000	152,077	(304,924)	923,562	5,863,179	23,097,805

Statement of Cashflows

for the period ended 31 December 2020

(All amounts in thousands of Naira unless otherwise stated)

	Notes	Group 31-Dec-2020	Group 31-Dec-2019	Parent 31-Dec-2020	Parent 31-Dec-2019
Cash flows from operating activities					
Cash premium received		38,616,611	36,806,834	19,900,971	22,388,423
Cash paid as reinsurance premium		(15,066,059)	(14,534,957)	(14,849,011)	(14,394,711)
Fee income received		1,805,013	1,802,389	1,634,381	1,802,389
Cash received on investment contract liabilities	18.1	1,836,765	2,488,928	1,836,765	2,488,928
Cash paid to investment contract holders	18.1	(1,875,316)	(1,475,651)	(1,875,316)	(1,475,651)
Claims paid	29	(20,680,298)	(19,067,180)	(8,858,640)	(8,574,020)
Cash received from reinsurers on recoveries for claims paid	8f	1,778,025	2,459,919	1,384,984	2,459,919
Cash received from coinsurers on recoveries and claims paid	7.2a	460,274	491,052	460,274	491,052
Underwriting expenses paid	30	(3,836,999)	(3,597,249)	(3,138,840)	(3,128,922)
Employee benefits paid		(2,811,578)	(2,803,332)	(1,383,912)	(1,271,140)
Rent received		1,001,132	984,181	-	-
Other operating expenses paid		(5,348,278)	(4,955,804)	(5,120,632)	(4,392,932)
Premium received in advance	19	1,924,862	6,384,351	1,924,862	6,384,351
Changes in working capital		(2,195,845)	4,983,482	(8,084,113)	2,777,686
Income tax paid	21	(655,882)	(477,448)	(153,995)	(193,906)
Net cash from operating activities		(2,851,727)	4,506,034	(8,238,108)	2,583,780
Cash flows from investing activities					
Purchases of property, plant and equipment	15	(1,020,301)	(555,723)	(827,560)	(436,108)
Dividend received		598,712	1,007,621	395,911	1,778,020
Investment income received	31	3,056,669	3,923,513	2,447,553	3,298,565
Purchase of intangible assets	14	(161,490)	(73,480)	(152,728)	(72,955)
Proceeds from the disposal of property and equipment		10,888	8,192	7,266	8,172
Proceeds from the disposal of investment property	12	1,350,000	1,300,000	1,350,000	1,300,000
Proceeds from the disposal of shares in subsidiary	33b	3,000,000	-	3,000,000	4,400,000
Purchase of fair value through profit or loss financial assets		(3,334,713)	(9,391,714)	(3,334,713)	(9,391,714)
Sale of fair value through profit or loss financial assets		6,054,629	8,147,793	6,054,629	8,147,793
Sale of available-for-sale financial assets		21,368,787	38,068,193	21,093,157	30,819,132
Purchase of available-for-sale financial assets		(18,613,536)	(37,538,476)	(19,514,115)	(30,075,369)
Increase in loans and receivables		(43,609)	(141,092)	(354,236)	(586,015)
Repayment of loans and receivables		50,776	46,068	583,061	45,115
Net cash used in investing activities		12,316,810	4,800,895	10,748,224	9,234,635
Cash flows from financing activities					
Interest & principal repayment on borrowings		(4,822,516)	(783,915)	-	-
Borrowed funds received		-	4,047,000	-	-
Net cash used in financing activities		(4,822,516)	3,263,085	-	-
Net increase/decrease in cash and cash equivalents		4,642,566	12,570,013	2,510,116	11,818,416
Cash and cash equivalent at beginning of year	5	17,911,416	5,238,705	16,133,274	4,218,348
Effect of exchange rate changes on cash and cash equivalent		77,024	102,698	47,963	96,510
Cash and cash equivalent at end of year	5	22,631,006	17,911,416	18,691,353	16,133,274

1 General information

Reporting entity

AXA Mansard Insurance Plc ('the Company' or 'the parent') and its subsidiaries (together 'the Group') underwrite life and non-life insurance contracts. The Group also issues a diversified portfolio of investment contracts to provide its customers with asset management solutions for their savings and retirement needs as well as provide pension administration and management services to its customers. All these products are offered to both domestic and foreign markets. The Group does business in Nigeria and employs about 294 people.

The Company is a public limited company incorporated and domiciled in Nigeria. The address of its registered office is at 'Santa Clara Court, Plot 1412, Ahmadu Bello Way Victoria Island, Lagos, Nigeria. The Company is listed on the Nigerian Stock Exchange.

2 Summary of significant accounting policies

2.1 Basis of presentation and compliance with IFRS

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRIC) Interpretations applicable to companies reporting under IFRS. These financial statements are also in compliance with Financial Reporting Council of Nigeria Act, Companies and Allied Matters Act of Nigeria, the Insurance Act of Nigeria and relevant National Insurance Commission (NAICOM) guidelines and circulars.

The consolidated financial statements comprises the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statements of changes in equity, the consolidated statement of cash flows and the notes.

(a) Basis of measurement

These consolidated and separate financial statements have been prepared on the historical cost basis except for the following:

- non-derivative financial instruments designated at fair value through profit or loss.
- available-for-sale financial assets are measured at fair value.
- investment property is measured at fair value.
- insurance liabilities measured at present value of future cashflows.
- share based payment at fair value or an approximation of fair value allowed by the relevant standards
- investment contract liabilities at fair value.

(b) Use of estimates and judgements

The preparation of the consolidated and separate financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Information about significant areas of estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated and separate financial statements are described in note 2.3.

2.1.1 Changes in accounting policy and disclosures

(a) New and amended standards and interpretations not yet adopted by the Group

A number of standards, interpretations and amendments are effective for annual period beginning on or after 1 January 2020 and earlier application is permitted; however, the group has not early adopted the following new or amended standards in preparing these consolidated and separate financial statements as it plans to adopt these standards at their respective effective dates:

New or amended standards	Summary of the requirements	Possible impact on Consolidated financial statements
IFRS 9: Financial instruments	IFRS 9, released in July 2014, replaces the existing guidance in IAS 39 Financial instruments: Recognition and measurement. IFRS 9 includes revised guidance on the reclassification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018 with early adoption permitted.	<p>The Group will adopt IFRS 9 - Financial Instruments from 1 January 2022. The estimated impact of the adoption of the standard on the Group's equity as at 1 January 2022 is based on the assessments summarised below. The actual impact of adopting the standard at 1 January 2022 are subject to change until the Group presents its first financial statement that includes the date of initial application.</p> <p>Classification and measurement</p> <p>The Group currently categorizes the majority of its financial assets as available for sale with the fair value changes recognised in other comprehensive income. Under IFRS 9, the Group has designated these investments as measured at fair value through OCI. Consequently, all fair value gains and losses will be reported in OCI, no impairment losses will be recognised in profit or loss and no gains or losses will be reclassified to profit or loss on disposal.</p> <p>Based on its assessment, the Group does not believe that the new classification requirements will have a material impact on its accounting for Trade receivables, loans, investment in debt securities and investments in equity securities that are managed on a fair value basis.</p> <p>The above intended classification may change due to the continuous assessment of the requirement of the standard and review of business practices until the first set of financial statement under IFRS 9 is issued.</p> <p>Impairment:</p> <p>The Group believes that impairment losses are likely to increase for assets in the scope of IFRS 9 impairment model, although they are not expected to be highly volatile.</p> <p>The approach to impairment assessment under IFRS 9 will be determined by the final classification adopted in 2022.</p>

Prepayment Features with Negative Compensation (Amendments to IFRS 9)	This amendment was published to address the concerns about how IFRS 9 'Financial Instruments' classifies particular prepayable financial assets. In addition, the IASB clarifies an aspect of the accounting for financial liabilities following a modification. The amendments are to be applied retrospectively for fiscal years beginning on or after 1 January 2019, i. e. one year after the first application of IFRS 9 in its current version. Early application is permitted so entities can apply the amendments together with IFRS 9 if they wish so.	The Group will adopt the amendment along with the effective date of IFRS 9 (2022) at the earliest. The impact of the adoption of this amendment on the Group is being assessed.
IFRS 17: Insurance Contracts	IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured each reporting period. The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. The results of insurers using this model are therefore likely to be less volatile than under the general model.	The Group is assessing the potential impact of the new standard which will be effective for annual reporting periods beginning on or after 1 January 2022.

Amendments to IFRS 4: Applying IFRS 9 financial instruments with IFRS 4 insurance contracts

In September 2016, the IASB published an amendment to IFRS 4 which addresses the concerns of insurance companies about the different effective dates of IFRS 9 Financial Instruments and the forthcoming new insurance contracts standard; IFRS 17. The amendment provides two different solutions for insurance companies: a temporary exemption from IFRS 9 (i.e. the 'deferral approach') for entities that meet specific requirements (applied at the reporting entity level), and the 'overlay approach'. Both approaches are optional. Effective date is 1 January 2018 or when the entity first applies IFRS 9.

IFRS 4 (including the amendments) will be superseded by the forthcoming new insurance contracts standard. Accordingly, both the temporary exemption and the 'overlay approach' are expected to cease to be applicable when the new insurance standards becomes effective.

The Group is eligible to apply IFRS 9 deferral approach since IFRS 9 has not been previously applied by the Group and the activities of the Group are predominantly connected with insurance. To determine if the Group's activities are predominantly connected with insurance, we have assessed the ratio of the Group's liabilities connected with insurance - including investment contracts measured at fair value through profit or loss (FVTPL) - compared with its total liability. See assessment below:

LIABILITIES	AS REPORTED (A)	ADMISSIBLE FOR PREDOMINANCE TEST (B)	AS REPORTED (A)	ADMISSIBLE FOR PREDOMINANCE TEST (B)
	Group	Group	Parent	Parent
	31-Dec-15	31-Dec-15	31-Dec-15	31-Dec-15
Trade payables	1,641,069	1,641,069	1,639,272	1,639,272
Current income tax liab.	202,654	202,654	144,206	144,206
Insurance liabilities	12,916,775	12,916,775	12,293,840	12,293,840
Investment contract liabilities:				
- At amortised cost	2,656,066	2,656,066	2,656,066	2,656,066
- Financial liabilities designated	7,657,492	7,657,492	4,130,895	4,130,895
Other liabilities:				
- Deferred income	970,349	453,696	453,696	453,696
- Premium received in advance	559,165	559,165	559,165	559,165
- Due to investment brokers	11,479	-	11,409	-
- Creditors and accruals	570,138	-	421,229	-
- Unclaimed dividend	65,049	-	65,049	-
- Cash settled share based paym	22,725	-	22,725	-
Borrowings	4,028,230	-	-	-
Deferred tax liability	286,941	-	-	-
	31,588,132	26,086,917	22,397,552	21,877,140
Score = (B/A)%		82.6%		97.7%

Given a score of 82.6% for the Group (Parent: 97.7%), we assessed whether the Group engages in a significant activity unconnected with insurance. Based on our assessment, we concluded that the Group does not engage in a significant activity unconnected with insurance since majority of the activities from which the Group earns income and incur expenses are insurance-related.

The Group has elected to apply the temporary exemption from IFRS 9 (deferral approach) and qualifies for the temporary exemption based on the following:

- Its activities are predominantly connected with insurance contracts;
- As at 31 December 2015, which is the reporting date that immediately precedes 1 April 2016, the carrying amount of its liabilities arising from insurance contracts was N26,09b (Parent: N21.88b) which was 82.6% (Parent: 97.7%) of the total carrying amount of all its liabilities as at that date.
- The company's activities have remained the same and are predominantly connected with insurance contracts. The majority of the activities from which the Group earns income and incur expenses are insurance-related

Fair value disclosures

- Financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest (SPPI)

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

Group	Loan and receivables	Other financial instruments at amortised cost	Carrying amount	Fair value
31 Dec 2019				
Cash and cash equivalent	17,911,416	-	17,911,416	17,911,416
Loans and receivables	403,548	-	403,548	403,548
Trade receivables	5,418,424	-	5,418,424	5,418,424
Reinsurance assets (less prepaid reinsurance, IBNR & Reserves)	5,156,197	-	5,156,197	5,156,197
Other receivables (less prepayment)	974,148	-	974,148	974,148
Statutory deposit	-	500,000	500,000	500,000
	29,863,733	500,000	30,363,733	30,363,733

Parent	Loan and receivables	Other financial instruments at amortised cost	Carrying amount	Fair value
31 Dec 2019				
Cash and cash equivalent	16,133,274	-	16,133,274	16,133,274
Loans and receivables	4,275,765	-	4,275,765	4,275,765
Trade receivables	1,224,373	-	1,224,373	1,224,373
Reinsurance assets (less prepaid reinsurance, IBNR & Reserves)	5,142,841	-	5,142,841	5,142,841
Other receivables (less prepayment)	347,282	-	347,282	347,282
Statutory deposit	-	500,000	500,000	500,000
	27,123,535	500,000	27,623,535	27,623,535

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

The credit risk rating grades of these financial assets have been disclosed in note 4.3.1 of this financial statements.

2.2 Significant accounting policies

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

(a) Consolidation

IFRS 10 defines the principle of control and establishes control as the basis for determining which entities are consolidated in the group financial statements.

The Group controls an investee entity when it is exposed, or has rights, to variable returns from its involvement with the investee entity and has the ability to affect those returns through its power over the investee entity. The Group applies the following three elements of control as set out by the principle of control in IFRS 10 when assessing control of an investee:

- (a) power over the investee entity;
- (b) exposure, or rights, to variable returns from involvement with the investee entity; and
- (c) the ability to use power over the investee to affect the amount of the investor's returns.

(b) Consolidated entities

(i) Subsidiaries

Subsidiaries are all entities over which the group exercises control.

The financial statements of subsidiaries are consolidated from the date the Group acquires control, up to the date that such effective control ceases.

In the separate financial statements, investments in subsidiaries are measured at cost.

(ii) Transactions eliminated on consolidation

Inter-company transactions, balances and unrealised gains on transactions between companies within the Group are eliminated on consolidation. Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investment in subsidiaries in the separate financial statement of the parent entity is measured at cost less impairment.

(iii) Business combinations

The Group applies the acquisition method to account for Business Combinations and acquisition-related costs are expensed as incurred.

The consideration transferred in the acquisition is generally measured at fair value as are the identifiable net assets acquired.

If the business combination is achieved in stages, fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

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

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Business combination under common control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties before and after the combination, and control is not transitory.

In the separate financial statements of the acquirer and the transferring entity, a business combination under control is accounted for using the exchange amount. In the consolidated financial statements of the acquirer, a business combination under common control is accounted for using book value accounting on the basis that the investment acquired has simply been moved from one part of the Group to another. The book value of the entity transferred is used. Any difference between the consideration paid and the capital of the acquiree is recognized in equity in the consolidated financial statements of the acquirer.

(iv) Non-controlling interests

Non-controlling Interest (NCI) are measured initially at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

(v) Changes in ownership interests in subsidiaries without change in control

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

(vi) Disposal of subsidiaries

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

Business combination under common control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties before and after the combination, and control is not transitory.

In the separate financial statements of the acquirer and the transferring entity, a business combination under control is accounted for using the exchange amount. In the consolidated financial statements of the acquirer, a business combination under common control is accounted for using book value accounting on the basis that the investment acquired has simply been moved from one part of the Group to another. The book value of the entity transferred is used. Any difference between the consideration paid and the capital of the acquiree is recognized in equity in the consolidated financial statements of the acquirer.

(c) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it can earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Executive Management Committee to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, which is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Management Underwriting and Investment Committee (MUIC) that makes strategic decisions.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in thousands of Naira (NGN) which is the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Monetary items denominated in foreign currency are translated using the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items (e.g. investment property) in a foreign currency that are measured at fair value are translated using the closing rate as at the date when the fair value was determined.

Foreign exchange gains and losses are presented in profit or loss within 'Net losses/gains on financial instruments'.

In the case of changes in the fair value of monetary assets denominated in foreign currency and classified as available-for-sale, a distinction is made between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. Translation differences on non-monetary financial assets and liabilities such as equities measured at fair value through profit and loss are recognised in profit or loss as part of net gain/loss on financial assets. Translation differences on non-monetary financial assets such as equities classified as available for sale are included in other comprehensive income.

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate on the reporting date;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

(e) Financial assets

Recognition and measurement of financial assets

The Group initially recognises loans and receivables on the date on which they are originated. Regular-way purchases and sales of financial assets are recognised on trade-date which is the date on which the Group becomes a party to the contractual provisions of the instrument.

Financial assets are initially recognised at fair value, plus transaction costs that are directly attributable to its acquisition or issue (for all financial assets not initially recognised at fair value through profit or loss). Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

Loans and receivables and held-to-maturity financial assets are carried at amortised cost using the effective interest method.

Initial recognition of pledged assets is at fair value, whilst subsequent measurement is based on the classification and measurement of the financial asset in accordance with IAS 39.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in profit or loss in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss as part of other income when the Group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss as net realised gains on financial assets.

Interest on available-for-sale securities calculated using the effective interest method is recognised in profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established. Both are included in the investment income line.

Classification of financial assets

Financial assets are classified into the following categories: held for trading, loans and receivables, held-to-maturity and available-for-sale. The classification by the Group is determined by management at initial recognition and depends on the intention for which the investments were acquired.

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

Held for trading

A financial asset is classified into the held for trading category if acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking.

Financial assets designated at fair value through profit or loss upon initial recognition

Other financial assets designated as at fair value through profit or loss at initial recognition are those that are:

- Separate assets held to match insurance and investment contracts liabilities that are linked to the changes in fair value of these assets. The designation of these assets to be at fair value through profit or loss eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; and
- Managed and whose performance is evaluated on a fair value basis. Information about these financial assets is provided internally on a fair value basis to the Group's key management personnel. The Group's investment strategy is to invest in equity and debt securities and to evaluate them with reference to their fair values. Assets that are part of these portfolios are designated upon initial recognition at fair value through profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than:

- those that the Group intends to sell in the short term which are declassified as fair value through profit or loss and those that the group upon initial recognition designates as fair value through profit or loss.
- those that the Group upon initial recognition designates as Available for Sale
- those for which the holder may not recover substantially all of its initial loans and receivables other than because of credit risk. Loans and receivables include trade receivables, reinsurance assets and other receivables (financial assets).

Trade receivables

These are non-derivative financial assets with fixed determinable payments that are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method less impairment. Discounting is omitted where the effect of discounting is immaterial. Trade receivables are made up of premium receivables and coinsurance receivables.

- Premium receivables relate to receivables from agents, brokers and insurance companies in respect of premium income.
- Coinsurance recoverables relate to only claims recoverables from reinsurers for claims settled to policy holders on behalf of reinsurers based on agreed terms.

Reinsurance assets

The Company cedes businesses to reinsurers in the normal course of business for the purpose of limiting its net loss potential through the transfer of risks. Reinsurance arrangements do not relieve the Company from its direct obligations to its policyholders. Reinsurance assets are measured at amortised costs. Reinsurance assets relate to prepaid reinsurance, reinsurers' share of IBNR claims and claims recoverables.

Other receivables

Other receivables are made up of other amounts due from parties which are not directly linked to insurance or investment contracts. These are measured at amortised costs. Discounting is omitted where the effect of discounting is immaterial.

(iii) Held-to-maturity financial assets

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

- those that the Group upon initial recognition designates as at fair value through profit or loss;
- those that the Group designates as available-for-sale; and
- those that meet the definition of loans and receivables.

Interest income on held-to-maturity investments are included in the consolidated profit or loss and are reported as interest income. In the case of an impairment, it is reported as a deduction from the carrying value of the investment and recognised in the consolidated profit or loss as 'Net gains/(losses) on financial assets'. Held-to-maturity investments are largely bonds.

(iv) Available-for-sale financial assets

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

Determination of fair value of financial assets

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on the market approach (transaction price paid for an identical or a similar instrument). This includes listed equity securities and quoted debt instruments on major exchanges.

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

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, NIBOR yield curve, foreign exchange rates, volatilities and counterparty spreads) existing at the reporting date.

For more complex instruments the Group uses internally developed models which are usually based on valuation models and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted debt securities for which markets were or have become illiquid. Some of the inputs to these models may not be market observable and therefore estimated based on assumptions. The impact of financial instruments valuation reflecting non-market observable inputs (Level 3 valuations) is disclosed in the note to the financial statements.

Reclassification of financial assets

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

Financial assets classified as held to maturity can be reclassified as available for sale assets. In making this reclassification, the entire portfolio becomes tainted and the group cannot designate any instrument as held to maturity for the next two years after a sale or reclassification. Fair values changes upon tainting of the HTM portfolio are recognised in Other Comprehensive income prospectively.

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

Impairment of financial assets

(a) Financial assets carried at amortised cost

The Group assesses at each end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Group about the following events:

- Trade receivables are outstanding for more than 30 days
- Reinsurance recoverable outstanding more than 90 days
- Significant financial difficulty of the issuer or debtor;
- A breach of contract, such as a default or delinquency in payments;
- It becoming probable that the issuer or debtor will enter bankruptcy or other financial re-organisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Group.

The Group first assesses whether objective evidence of impairment exists for financial assets that are individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred on loans and receivables or held-to-maturity investments carried at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. If a held-to-maturity investment or a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. The Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improved credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in profit or loss.

The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

When the financial asset at amortised cost is uncollectible, it is written off against the related allowance for impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Impairment charges relating to Investment securities are classified as net gains/loss of financial assets while those on receivables are classified as operating expenses.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

(b) Assets classified as available for sale

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss. In this respect, a period of 12 months or longer is considered to be prolonged. If any such quantitative evidence exists for available-for-sale financial assets, the asset is considered for impairment, taking qualitative evidence into account. The cumulative loss measured as: the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss is removed from equity and recognised in the consolidated profit or loss. Impairment losses recognised in the consolidated profit or loss on equity instruments are not reversed through the consolidated profit or loss.

If in a subsequent period the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated profit or loss.

6 Pledged assets

Financial assets transferred to external parties that do not qualify for de-recognition are reclassified in the statement of financial position from financial assets (held-for-trading, held to maturity or available for sale) to pledged assets, if the transferee has received the right to sell or re-pledge them in the event of default from agreed terms. There were no pledged assets for the period under review.

Derecognition of financial assets

A financial asset is derecognised if either the entity has transferred contractual rights to receive cash flows from the asset or if the entity has retained the contractual rights to receive the cash flows from the asset but has assumed a contractual obligation to pass on the cash flows under an arrangement that meets the conditions stated below:

- the entity has no obligation to pay amounts to the eventual recipient unless it collects equivalent amounts on the original asset
- the entity is prohibited from selling or pledging the original asset other than as security to the eventual recipient
- the entity has an obligation to remit those cash flows without material delay

A financial liability shall be derecognised when the obligation specified in the contract is either discharged, cancelled or expired.

Offsetting financial instruments

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

(f) Investment property

Property held for rental yields and capital appreciation that is not occupied by the companies in the Group is classified as investment property. Investment property comprises freehold land and building.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

Subsequently, it is carried at fair value, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as discounted cash flow projections or recent prices in less active markets. These valuations are reviewed annually by an independent valuation expert.

Changes in fair values are recorded in profit or loss. Property located on land that is held under a lease is classified as investment property as long as it is held for long-term rental yields and is not occupied by the companies in the consolidated Group. The initial cost of the property shall be the fair value (where available). When not available the initial cost shall be used. The property is carried at fair value after initial recognition.

Investment properties are derecognised either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Properties could have dual purposes whereby part of the property is used for own activities. The portion of a dual use property is classified as an investment property only if it could be sold or leased out separately under a finance lease or if the portion occupied by the owner is immaterial to the total lettable space. Currently, the group occupies less than 10% of the lettable space (264sqm out of 6,902sqm). The portion of the investment property occupied by the owner is considered immaterial to the total lettable space and to the value of the investment property.

(g) Intangible assets

Intangible assets represents cost associated with the acquisition of software and inherent goodwill on business combination.

(i) Computer software

Software acquired by the Group is measured at cost less accumulated amortization and any accumulated impairment losses.

Costs associated with maintaining computer software programmes are recognised as an expense when incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs, capitalised borrowing costs and an appropriate portion of directly attributable overheads. Internally developed software is stated at capitalized cost less accumulated amortization and any accumulated impairment losses.

Other development expenditures that do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates.

Computer software development costs recognised as assets are amortised over their useful lives, which does not exceed five years. The residual values and useful lives are reviewed at the end of each reporting period and are adjusted as appropriate.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight line method over their useful lives, and is generally recognised in profit or loss. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(ii) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in the fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash Generating Units (CGU)'s or groups of CGUs, that is expected to benefit from the synergies of the combination. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(iii) License fee

The Group applies the cost model in recognising intangible assets acquired in a business combination. Licenses acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, they are carried at cost less accumulated amortisation and impairment losses. Licenses acquired in a business combination are amortised on a straight line basis over a period of 25 years.

(h) Property and equipment

Land and buildings comprise mainly outlets and offices occupied by the Group.

Land is carried at cost. All other property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment charges. Historical cost includes borrowing cost and all other expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on property and equipment is calculated using the straight-line method to allocate the cost less the residual values over the estimated useful lives as follows.

-Building	50 years
-Vehicles	5 years
-Branding, furniture and fittings and equipment	2-5 years
-Computer equipment	3 years

Leasehold improvements are depreciated over the lower of the useful life of the asset and the lease term.

The assets residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount.

Property and equipment are derecognised at the disposal date or at the date when it is permanently withdrawn from use without the ability to be disposed of. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included within other income in the Statement of Comprehensive Income.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference arising between the carrying amount and the fair value of this item at the date of transfer is recognised in other comprehensive income as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon the disposal of such investment property any surplus previously recorded in equity is transferred to retained earnings net of associated tax; the transfer is not made through profit or loss.

(i) Statutory deposit

Statutory deposit represents 10% of the paid up capital of the Company deposited with the Central Bank of Nigeria (CBN) in pursuant to Section 10(3) of the Insurance Act, 2003. Statutory deposit is measured at cost.

(j) Insurance contracts

The Group issues contracts that transfer insurance risk or financial risk or both. Insurance contracts are those contracts where a party (the policy holder) transfers significant insurance risk to another party (insurer) and the latter agrees to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder, or other beneficiary. Such contracts may also transfer financial risk when the insurer issues financial instruments with a discretionary participation feature.

(1) Types of Insurance Contracts

The group classifies insurance contract into life and non-life insurance contracts.

(i) Non-life insurance contracts

These contracts are accident and casualty and property insurance contracts.

Accident and casualty insurance contracts protect the Group's customers against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability).

Property insurance contracts mainly compensate the Group's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

Non-life insurance contracts protect the Group's customers from the consequences of events (such as death or disability) that would affect the ability of the customer or his/her dependents to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the policyholder. There are no maturity or surrender benefits.

(ii) Life insurance contracts

These contracts insure events associated with human life (for example, death). These are divided into the individual life, group life and Annuity contracts.

-Individual life contracts are usually long term insurance contracts and span over one year while the group life insurance contracts usually cover a period of 12 months. A liability for contractual benefits that are expected to be incurred in the future when the premiums are recognised. The liability is determined as the sum of the expected discounted value of the benefit payments and the future administration expenses that are directly related to the contract, less the expected discounted value of the theoretical premiums that would be required to meet the benefits and administration expenses based on the valuation assumptions used. The liability is based on assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued.

-Annuity contracts

These contracts insure customers from consequences of events that would affect the ability of the customers to maintain their current level of income. There are no maturity or surrender benefits. The annuity contracts are fixed annuity plans. Policy holders make a lump sum payment recognised as part of premium in the period when the payment was made. Constant and regular payments are made to annuitants based on terms and conditions agreed at the inception of the contract and throughout the life of the annuitants. The annuity funds are invested in long tailed government bonds and reasonable money markets instruments to meet up with the payment of monthly/quarterly annuity payments. The annuity funds liability is actuarially determined based on assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued.

(2) Recognition and measurement

(i) Non-life insurance contracts premium and claims

These contracts are accident, casualty and property insurance contracts. Accident and casualty insurance contracts protect the Group's customers against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability). Property insurance contracts mainly compensate the Group's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities. Life insurance contracts protect the Group's customers from the consequences of events (such as death or disability) that would affect the ability of the customer or his/her dependents to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the insured. There are no maturity or surrender benefits.

For all these contracts, premiums are recognised as revenue (earned premiums) proportionally over the period of coverage.

The portion of premium received on in-force contracts that relates to unexpired risks at the reporting date is reported as the unearned premium liability. Premiums are shown before deduction of commission.

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

(ii) Life insurance contracts premium and claims

Premiums are recognised as revenue when they become payable by the contract holders. Premium are shown before deduction of commission. Life insurance premium are recognised as premium in the statement of comprehensive income.

Claims and other benefits are recorded as an expense when they are incurred.

(iii) Annuity premium and claims

Annuity premiums relate to single premium payments and recognised as earned premium income in the period in which payments are received. Claims are made to annuitants in the form of monthly/quarterly payments based on the terms of the annuity contract and charged to profit or loss as incurred. Premiums are recognised as revenue when they become payable by the contract holders. Premium are shown before deduction of commission.

(iv) Salvages

Some non-life insurance contracts permit the Group to sell (usually damaged) property acquired in the process of settling a claim. The Group may also have the right to pursue third parties for payment of some or all costs of damages to its clients property (i.e. subrogation right).

Salvage recoveries are used to reduce the claim expense when the claim is settled.

(v) *Subrogation*

Subrogation is the right for an insurer to pursue a third party that caused an insurance loss to the insured. This is done as a means of recovering the amount of the claim paid to the insured for the loss. A receivable for subrogation is recognised in other assets when the liability is settled and the Company has the right to receive future cash flow from the third party.

(vi) *Deferred policy acquisition costs (DAC)*

Acquisition costs comprise all direct and indirect costs arising from the writing of both life and non-life insurance contracts. Deferred acquisition costs represent a proportion of commission which are incurred during a financial period and are deferred to the extent that they are recoverable out of future revenue margins. For the non life business, it is calculated by applying to the acquisition expenses the ratio of unearned premium to written premium; while no assets are established in respect of deferred acquisition cost for the life business.

(vii) *Deferred income*

Deferred income represent a proportion of commission received on reinsurance contracts which are booked during a financial year and are deferred to the extent that they are recoverable out of future revenue margins. It is calculated by applying to the reinsurance commission income the ratio of prepaid reinsurance to reinsurance cost.

(viii) *Receivables and payables related to insurance contracts*

Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance companies (as coinsurers) and reinsurance companies.

-Receivables and payables to agents, brokers and insurance companies (as coinsurers)

The company's receivables and payables to agents, brokers and insurance companies (as coinsurers) relate to premium and commission.

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

- Reinsurance and coinsurance contracts held

Contracts entered into by the Group with reinsurers and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets.

Reinsurance assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due. The Group has the right to set-off re-insurance payables against amount due from re-insurance and brokers in line with the agreed arrangement between both parties.

The Group assesses its reinsurance assets for impairment on a quarterly basis. If there is objective evidence that the reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the income statement. The Group gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortised cost. The impairment loss is calculated using the number of days that the receivable has been outstanding.

(k) **Investment contracts**

Investment contracts are those contracts that transfer financial risk with no significant insurance risk. Investment contracts can be classified into interest linked and unitised fund. Interest linked investment contracts are measured at amortised cost while unitised funds are measured at fair value.

Investment contracts with guaranteed returns (interest linked) and other business of a savings nature are recognised as liabilities. Interest accruing to the life assured from investment of the savings is recognised in profit and loss account in the year it is earned while interest paid and due to depositors is recognised as an expense. The net result of the deposit administration revenue account is transferred to the profit or loss of the group. Unitised funds contracts sell units under seven portfolios with the value of each unit determined by the value of the underlying assets for each portfolio.

(l) **Technical reserves**

These are computed in compliance with the provisions of Sections 20, 21, and 22 of the Insurance Act 2003 as follows:

(i) General insurance contracts

Reserves for unearned premium

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

Reserves for outstanding claims

The reserve for outstanding claims is maintained at the total amount of outstanding claims incurred and reported plus claims incurred but not reported ("IBNR") as at the reporting date. The IBNR is based on the liability adequacy test.

Reserves for unexpired risk

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

(ii) Life business

Life fund

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

Liability adequacy test

At each end of the reporting period, liability adequacy tests are performed by an Actuary to ensure the adequacy of the contract liabilities net of related DAC 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 and by subsequently establishing a provision for losses arising from liability adequacy tests "the unexpired risk provision".

(m) Financial liabilities

(i) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction cost of the loan to the extent that it is probable that some or all of the facility will be drawn down. The fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised and amortised over the period of the facility to which it relates.

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

Borrowing costs are interest and other costs incurred by the Group directly attributable to the acquisition and construction of qualifying assets which are assets that necessarily take a substantial period of time to get ready for its intended use or sale.

Borrowing costs are capitalized as part of the cost of a qualifying asset only when it is probable that they will result in future economic benefits to the Group and the costs can be measured reliably. Other borrowing costs are recognised as an expense in the period in which they are incurred.

When the carrying amount or the expected ultimate cost of the qualifying asset exceeds its recoverable amount or net realizable value, the carrying amount is written down or written off. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(ii) Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year discounting is omitted.

(iii) Financial guarantee contracts

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in compliance with the original or modified terms of a debt instrument.

Financial guarantee liabilities are initially recognised at their fair value, which is the premium received, and then amortised over the life of the financial guarantee. Subsequent to initial recognition, the financial guarantee liability is measured at the higher of the present value of any expected payment and the unamortised premium when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities in line with the requirements of IAS 39.

(n) Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(o) Current and deferred income tax

The tax expense for the period comprises current tax (company income tax, tertiary education tax, police trust fund) and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realisable or the deferred income tax liability is payable.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Deferred tax related to fair value remeasurement of available-for-sale investments, which are charged or credited directly in other comprehensive income, is also credited or charged directly to other comprehensive income and subsequently recognised in the consolidated income statement together with the deferred gain or loss.

(p) Equity and Reserves

(i) Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

Where any member of the Group purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is reported as a separate component of equity attributable to the Company's equity holders. Where such shares are subsequently sold, reissued or otherwise disposed of, any consideration received is included in equity attributable to the Company's equity holders, net of any directly attributable incremental transaction costs and the related income tax effects.

(ii) Share premium

Share premium represents surplus on the par value price of shares issued. The share premium is classified as an equity instrument in the statement of financial position.

(iii) Fair value reserves

Fair value reserves represents the fair value gains or losses on valuation of financial assets measured at fair value through equity.

(iv) Treasury shares

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury shares reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

(v) Contingency reserves

(a) Non-life business

In compliance with Section 21 (2) of Insurance Act 2003, the contingency reserve is credited with the greater of 3% of total premiums, or 20% of the net profits. This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50% of net premium.

(b) Life business

In compliance with Section 22 (1) (b) of Insurance Act 2003, the contingency reserve is credited with the higher of 1% of gross premiums or 10% of net profit.

(vi) Statutory reserves

In accordance with the provisions of Section 69 of the Pension Reform Act 2004, the statutory reserve is credited with an amount equivalent to 12.5% of net profit after tax or such other percentage of the net profit as the National Pension Commission may from time to time stipulate.

(vii) Capital reserves

This refers to reserves arising from business restructuring.

(viii) Retained earnings

Retained earnings comprise the undistributed profits from previous years, which have not been reclassified to the other reserves.

(ix) Dividends

Dividend on the Company's ordinary shares are recognised in equity in the period in which they are approved by the Company's shareholders. Dividend distribution to the Company's shareholders is recognised as equity in the financial statements in the period in which the dividend is paid to the Company's shareholders.

(q) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year excluding treasury shares held by the Company.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares which comprise share options granted to staff.

(r) Revenue recognition

Revenue comprises premium, value for services rendered, net of value-added tax, after eliminating revenue within the Group. Revenue classes are recognised as follows:

(a) Premium income: for short duration life insurance contracts, premiums are recognised as revenue (earned premiums) proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the reporting date is reported as the unearned premium liability. Premiums are shown before deduction of commission and are gross of any taxes or duties levied on premiums. Where insurance contracts have a single premium or a limited number of premium payments due over a significantly shorter period than the period during which benefits are provided, the excess of the premiums payable over the valuation premiums is deferred and recognised as income in line with the decrease of unexpired insurance risk of the contracts in force or, for annuities in force, in line with the decrease of the amount of future benefits expected to be paid.

(b) Rendering of services: Revenue arising from asset management and other related services offered by the Group are recognised in the accounting period in which the services are rendered. Fees consist primarily of investment management fees arising from services rendered in conjunction with the issue and management of investment contracts where the Group actively manages the consideration received from its customers to fund a return that is based on the investment profile that the customer selected on origination of the instrument.

These services comprise the activity of trading financial assets and derivatives in order to reproduce the contractual returns that the Group's customers expect to receive from their investments. Such activities generate revenue that is recognised by reference to the stage of completion of the contractual services.

In all cases, these services comprise an indeterminate number of acts over the life of the individual contracts. For practical purposes, the Group recognises these fees on a straight-line basis over the estimated life of the contract. Certain upfront payments received for asset management services ('front-end fees') are deferred and amortised in proportion to the stage of completion of the service for which they were paid.

The Group charges its customers for asset management and other related services using the following different approaches:- Front-end fees are charged to the client on inception. This approach is used particularly for single premium contracts. The consideration received is deferred as a liability and recognised over the life of the contract on a straight-line basis; and Regular fees are charged to the customer periodically (monthly, quarterly or annually) either directly or by making a deduction from invested funds. Regular charges billed in advance are recognised on a straight-line basis over the billing period; fees charged at the end of the period are accrued as a receivable that is offset against the financial liability when charged to the customer.

(c) Dividend income: dividend income for available-for-sale equities is recognised when the right to receive payment is established, this is the ex-dividend date for equity securities. They are reported within other income.

(d) Net gains/(losses) on financial assets

Net realised gains/(losses) on financial assets comprises gains less losses related to trading and available-for-sale investment, and includes all realised and unrealised fair value changes and foreign exchange differences and realised gain or loss on available-for-sale investment.

(e) Net fair value gain on non financial assets

Net fair value gain on non financial assets at fair value represents fair value gains on the Group's non financial instruments such as investment property.

(s) Changes in life fund estimates

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 therefrom are charged to profit or loss.

(t) Investment income

Interest income and expenses for all interest-bearing financial instruments including financial instruments measured at fair value through profit or loss, are recognised within investment income and finance cost respectively in the income statement using the effective interest rate method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

(u) Operating expenditure

(i) Reinsurance expenses

Reinsurance cost represents outward premium paid to reinsurance companies less the unexpired portion as at the end of the accounting year.

(ii) Underwriting expenses

Underwriting expenses comprise acquisition costs and other underwriting expenses. Acquisition costs comprise all direct and indirect costs arising from the writing of insurance contracts. Examples of these costs include, but are not limited to, commission expense, supervisory levy, superintending fees and other technical expenses. Other underwriting expenses are those incurred in servicing existing policies/contract. These expenses are charged in the accounting year in which they are incurred.

(iii) Other operating expenses

Other expenses are expenses other than claims expenses, employee benefit, expenses for marketing and administration and underwriting expenses. They include wages for contract staff, professional fee, depreciation expenses and other non-operating expenses. Other operating expenses are accounted for on accrual basis and recognised in profit or loss upon utilization of the service.

(iv) Employee benefits

(a) Defined contribution plans

The Group operates a defined contributory pension scheme for eligible employees. Employees and the Group contribute 7.5% and 10.5% respectively of each qualifying staff's salary in line with the provisions of the Pension Reform Act 2014. The Group pays contributions to pension fund administrators on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefits expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Short-term benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are recognised as employee benefit expense and accrued when the associated services are rendered by the employees of the Group.

(c) Share based payment

(i) Equity-settled share based payment

The group operates an equity share-based compensation plans. The fair value of equity-settled share options is determined on the grant date and accounted for as staff costs over the vesting period of the share options, with a corresponding increase in equity. At the end of each reporting period, the group revisits its estimates of the number of options that are expected to vest based on the non market and service conditions. It recognises the impact of the revision to initial estimates, if any, in profit or loss with a corresponding adjustment to equity. On vesting of share options, amounts previously credited to the share-based payment reserve are transferred to retained earnings through an equity transfer. On exercise of equity-settled share options, proceeds received are credited to share capital and premium.

The grant date fair value of equity-settled share-based payments awarded granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related services and unobservable performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and unobservable performance conditions at the vesting date. For share-based payment awards with non vesting conditions, the grant date fair value of the share based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(ii) Cash-settled share based payment

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the fair value of the liability are recognised in profit or loss.

(d) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring if benefits are not expected to be settled wholly within the 12 months of the reporting date, then they are discounted.

(v) **IFRIC 23: Uncertainty over income tax treatment**

The amendment clarifies how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires an entity to:

- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
 - If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings
 - If no, the entity should reflect the effect of uncertainty in determining its accounting tax position.

The Group has adopted IFRIC 23 effective 1 January 2019.

(vi) **IFRS 15: Revenue from contracts with customers**

The standard contains a single model that applies to contracts with counter parties and two approaches to recognising revenue:

at a point in time or over time. The model features a contract based five-step analysis of transactions to determine whether how much and when revenue is recognised. The Group has adopted the following new standards and amendments including any consequential amendments to other standards with initial date of application of January 1, 2018. The adoption of IFRS 15 did not impact the timing or amount of fee and commission income from contracts with counter parties and the related assets and liabilities recognised by the Group.

(vii) **Leases**

(a) *Determining whether an arrangement contains a lease*

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

(b) *Leased assets*

Leases of property, plant and equipment that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset. Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

(c) *Lease payments*

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The Group leases some welcome centers and branches under the operating lease arrangement. The lease payments are recognised as an expense in profit or loss over the lease term. The Group has adopted IFRS 16 Leases from 1 January 2019. IFRS 16 introduced a single, on-balance sheet accounting model for leases. As a result, the Group, as a lessee has recognized the right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessors accounting remains similar to previous accounting policies. The major lease transaction wherein the Group is a lessee relates to the lease of branches. As permitted by the standard, the Group has applied IFRS 16 using the modified retrospective approach.

The Group has elected to apply the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to apply to those leases entered or modified before 1 January 2019. Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The change in definition of a lease mainly relates to the concept of control. IFRS 16 distinguishes between leases and service contracts on the basis of whether the use of an identified asset is controlled by the customer. Control is considered to exist if the customer has the right to obtain substantially all of the economic benefits from

the use of an identified asset; and the right to direct the use of that asset. The Group has applied the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or modified on or after 1 January 2019 (whether it is a lessor or a lessee in the lease contract). At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease component as a single component. Leases, under which the Group possess a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration is disclosed in the statement of financial position and recognized as a leased asset. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, it has both of the following: (a) the right to obtain substantially all of the economic benefits from use of the identified asset, and (b) the right to direct the use of the identified asset. The Group has elected not to recognize right-of-use assets and lease liabilities for some leases of low value assets. The Group recognizes expenses associated with these leases as an expense on straight line basis over the lease term. The Group presents right-of-use assets as a separate class under 'property and equipment'. The Group presents lease liability in other liabilities in the statement of financial position.

Lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2020. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments - the Group applied this approach to all other leases.

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized. The accounting policies applicable to the Group as a lessor are not different from those under IAS 17. The Group is not required to make any adjustments on transition to IFRS 16 for lease in which it acts as a lessor. The Group recognizes assets held under a finance lease in its statement of financial position and present them as a receivable at an amount equal to the net investment in the lease. Initially, the Group will recognize a finance lease receivable at the amount equal to the net investment in the lease. Subsequently, finance income will be recognized at a constant rate on the net investment. During any 'payment free' period, this will result in the accrued finance income increasing the finance lease receivable. For finance leases, the lease payments included in the measurement of the net investment in a lease at commencement date includes variable lease payments that depend on an index or a rate; other variable payments (e.g. those linked to future performance or use of an underlying asset) are excluded from the measurement of the net investment and are instead recognized as income when they arise. The treatment adopted for variable lease payments under operating leases should be consistent with these requirements.

Notes to the financial statements

4 (a) The segment information provided by the Management Underwriting & Investment Committee (MUIIC) for the reporting segments for the year ended 31 December 2020

December 2020	Non-life	Non life micro	Non life business	Life Only	Micro	Life Business	Elimination between Life &	AXA Mansard	Investment	Property	Health	Elimination	Total
<i>In thousands of Nigerian Naira</i>													
					Insurance			Insurance	Management	Development	Maintenance	adjustments	
Cash and cash equivalents	10,302,235	-	10,302,235	7,683,808	705,310	8,389,118	-	18,691,353	412,511	600,555	2,926,587	-	22,631,006
Fair value through profit or loss	-	-	-	5,296,000	147,948	5,443,948	-	5,443,948	-	-	-	-	5,443,948
Available-for-sale assets	19,390,667	-	19,390,667	8,226,094	251,943	8,478,037	-	27,868,704	810,809	493	2,552,527	-	31,232,533
Financial assets designated at fair value	-	-	-	4,056,112	-	4,056,112	-	4,056,112	-	-	-	-	4,056,112
Trade receivables	1,581,109	-	1,581,109	809,771	-	809,771	-	2,390,880	-	-	5,625,895	-	8,016,775
Reinsurance assets	7,568,832	-	7,568,832	632,385	-	632,385	-	8,201,217	-	-	172,387	-	8,373,604
Deferred acquisition cost	346,354	-	346,354	-	-	-	-	346,354	-	-	8,990	-	355,344
Other receivables	471,849	-	471,849	82,856	14	82,870	-	554,719	212,239	92,359	310,622	-	1,169,939
Loans and receivables	682,707	47,036	729,743	1,763,611	168,104	1,931,716	(1,948,140)	713,318	8,299	-	1,495,477	(1,987,009)	230,085
Investment properties	-	-	-	-	-	-	-	-	-	13,694,760	-	-	13,694,760
Investment in subsidiaries	1,252,000	-	1,252,000	400,000	-	400,000	-	1,652,000	-	-	4,400,000	(6,052,000)	-
Intangible assets	299,864	-	299,864	7,439	-	7,439	-	307,303	9,672	350	2,552	12,000	331,877
Property, plant and equipment	2,156,553	-	2,156,553	403	-	403	-	2,156,956	66,327	50,189	131,673	-	2,405,145
Right of Use	773,693	-	773,693	60,021	-	60,021	-	833,713	-	-	-	-	833,713
Statutory deposit	300,000	-	300,000	200,000	-	200,000	-	500,000	-	-	-	-	500,000
TOTAL ASSETS	45,125,863	47,036	45,172,899	29,218,499	1,273,319	30,491,818	(1,948,140)	73,716,577	1,519,857	14,438,706	17,626,710	(8,027,009)	99,274,841
Insurance liabilities	11,904,913	-	11,904,913	7,858,742	-	7,858,742	-	19,763,655	-	-	10,047,357	-	29,811,012
<i>Investment contract liabilities:</i>													
- At amortised cost	-	-	-	5,129,702	-	5,129,702	-	5,129,702	-	-	-	-	5,129,702
- Financial liabilities designated at fair value	-	-	-	4,056,112	-	4,056,112	-	4,056,112	-	-	-	-	4,056,112
Trade payables	11,873,122	-	11,873,122	1,687,450	-	1,687,450	-	13,560,572	-	-	164,293	-	13,724,865
Other Liabilities	3,312,185	-	3,312,185	291,100	79,097	370,197	(1,948,140)	1,734,242	313,486	456,825	1,461,276	(495,852)	3,469,977
Current income tax liabilities	115,309	-	115,309	66,862	-	66,862	-	182,171	62,093	235,519	1,195,223	-	1,675,006
Borrowings	-	-	-	-	-	-	-	-	-	4,537,089	-	(1,492,284)	3,044,805
Deferred income tax	7,659	-	7,659	-	-	-	-	7,659	8,906	789,158	19,657	-	825,380
TOTAL LIABILITIES	27,213,188	-	27,213,188	19,089,968	79,097	19,169,065	(1,948,140)	44,434,113	384,485	6,018,591	12,887,806	(1,988,136)	61,736,859
EQUITY													
Share capital	10,000,000	-	10,000,000	8,000,000	-	8,000,000	-	18,000,000	150,000	5,152	700,000	(855,152)	18,000,000
Share premium	-	-	-	-	-	-	-	-	790,000	1,454,974	-	(2,244,974)	-
Contingency reserve	3,588,012	3,698	3,591,710	753,287	5,330	758,617	-	4,350,327	-	-	-	-	4,350,327
Other reserves	152,077	-	152,077	-	-	-	-	152,077	-	-	-	-	152,077
Treasury shares	(304,924)	-	(304,924)	-	-	-	-	(304,924)	-	-	-	-	(304,924)
Retained earnings	1,598,803	43,338	1,642,141	(857,806)	1,072,956	215,150	-	1,857,291	241,345	3,229,878	3,887,512	(2,938,747)	6,277,279
Fair value reserves	2,878,707	-	2,878,707	2,233,050	115,936	2,348,986	-	5,227,693	(45,973)	-	151,392	-	5,333,112
	17,912,675	47,036	17,959,711	10,128,531	1,194,222	11,322,753	-	29,282,464	1,135,372	4,690,004	4,738,904	(6,038,873)	33,807,871
Non-controlling interests in equity	-	-	-	-	-	-	-	-	-	3,730,111	-	-	3,730,111
TOTAL EQUITY	17,912,675	47,036	17,959,711	10,128,531	1,194,222	11,322,753	-	29,282,464	1,135,372	8,420,115	4,738,904	(6,038,873)	37,537,982
TOTAL LIABILITIES AND EQUITY	45,125,863	47,036	45,172,899	29,218,499	1,273,319	30,491,818	(1,948,140)	73,716,577	1,519,857	14,438,706	17,626,710	(8,027,009)	99,274,841

(b) The consolidated financial data for the reporting segments for the year ended 31 December 2020 is as follows:

31 December 2020	Non life Business	Life business	Insurance	Investment management	Property development	Health Maintenance	Disposed subsidiary-Pension	Elimination Adjustments	Total
Revenue:									
Derived from external customers:									
Gross written premium	20,081,170	7,466,733	27,547,903	-	-	20,215,063	-	(179,532)	47,583,434
Gross premium income	19,706,201	7,355,876	27,062,077	-	-	18,630,264	-	(179,532)	45,512,809
Reinsurance expenses	(12,607,781)	(1,002,861)	(13,610,642)	-	-	(217,046)	-	-	(13,827,689)
Net premium income	7,098,420	6,353,015	13,451,435	-	-	18,413,218	-	(179,532)	31,685,120
Fees and commission income	1,490,488	167,328	1,657,816	-	-	-	-	-	1,657,816
Net underwriting income	8,588,908	6,520,343	15,109,251	-	-	18,413,218	-	(179,532)	33,342,936
Claims:									
Claims expenses (gross)	5,127,237	3,181,603	8,308,840	-	-	12,613,024	-	-	20,921,864
Claims expenses recovered from reinsurers	(810,700)	(82,436)	(893,135)	-	-	(110,018)	-	-	(1,003,153)
Underwriting expenses	2,106,257	1,032,584	3,138,841	-	-	698,158	-	-	3,836,999
Changes in individual life reserves	-	1,201,463	1,201,463	-	-	-	-	-	1,201,463
Increase/(decrease) in annuity reserves	-	884,291	884,291	-	-	-	-	-	884,291
Net underwriting expenses	6,422,794	6,217,505	12,640,300	-	-	13,201,164	-	-	25,841,463
Total underwriting profit	2,166,114	302,838	2,468,951	-	-	5,212,054	-	(179,532)	7,501,473
Investment income	1,617,342	1,053,711	2,671,053	818,656	74	417,850	358,047	(512,939)	3,752,741
Net gains on fin. instruments/Inv. Property	48,678	1,758,713	1,807,393	(42,490)	(1,257,179)	63,326	9,064	-	580,113
Disposal of shares in subsidiary	1,093,924	-	1,093,924	-	-	-	-	-	1,093,925
Profits on investment contracts	-	258,112	258,112	-	-	-	-	-	258,112
Other income	8,053	92	8,145	-	-	196,040	10	-	204,196
Rental income	-	-	-	-	1,216,452	-	-	(42,074)	1,174,378
Total investment income	2,767,998	3,070,628	5,838,627	776,166	(40,653)	677,216	367,121	(555,013)	7,063,465
Expenses for marketing and administration	595,928	689,867	1,285,795	10,885	5,843	105,324	65,655	(42,074)	1,431,427
Employee benefit expense	451,495	1,077,888	1,529,383	265,817	-	909,582	209,741	-	2,914,523
Other operating expenses	1,953,005	1,106,854	3,059,859	269,578	41,109	475,322	51,009	(359,145)	3,537,732
Impairment of other assets	-	-	-	-	-	-	-	-	-
Impairment of premium receivables	14,860	-	14,860	-	-	98,528	-	-	113,388
Results of operating activities	1,918,823	498,857	2,417,681	229,886	(87,605)	4,300,514	40,716	(333,325)	6,567,868
Finance cost	(80,942)	-	(80,942)	-	(430,646)	(210,865)	-	25,014	(697,438)
Profit before tax	1,837,881	498,857	2,336,739	229,886	(518,251)	4,089,649	40,716	(308,312)	5,870,430
Income tax expenses	(111,194)	(24,312)	(135,506)	(90,675)	(170,667)	(1,176,150)	(1,836)	-	(1,574,837)
Profit for the year	1,726,687	474,545	2,201,233	139,211	(688,918)	2,913,499	38,880	(308,312)	4,295,593
Assets and liabilities									
Total assets	45,172,899	30,491,818	74,344,362	1,519,857	14,438,706	17,626,710	-	(9,975,149)	99,274,842
Total liabilities	27,213,188	19,169,065	46,303,156	384,485	6,018,591	12,887,806	-	(3,936,276)	61,736,857
Net assets/(liabilities)	17,959,711	11,322,753	28,041,206	1,135,372	8,420,115	4,738,904	-	(6,038,873)	37,537,985

Notes to the financial statements

31 December 2020	Non life	Life business	Insurance	Investment management	Property development	Health Maintenance	Pension management	Elimination Adjustments	Total
Segment reporting									
<i>In thousands of Naira</i>									
External revenue									
Net premium earned	7,098,420	6,353,015	13,451,435	-	-	18,413,218	-	(179,532)	31,685,120
Net interest income	1,617,342	1,311,823	2,929,165	818,656	74	417,850	358,047	(512,939)	4,010,853
Net fees and commission	1,490,488	167,328	1,657,816	-	-	-	-	-	1,657,816
Net trading income/(expense)	48,678	1,758,713	1,807,393	(42,490)	74	63,326	9,064	-	1,837,366
Other income	1,101,977	92	1,102,069	-	1,216,452	196,040	10	(42,074)	2,472,497
Inter segment revenue	-	-	(179,532)	1,492,284	-	179,532	-	(555,013)	1,116,804
Total segment revenue	11,356,906	9,590,971	20,768,347	2,268,450	1,216,600	19,269,966	367,121	(1,289,557)	42,780,457
Reportable segment profit before tax	1,837,881	498,857	2,336,739	229,886	(518,251)	4,089,649	40,716	(308,312)	5,870,429
Reportable segment assets	45,172,899	30,491,818	74,344,362	1,519,857	14,438,706	17,626,710	-	(9,975,149)	99,274,841
Reportable segment liabilities	27,213,188	19,169,065	46,303,156	384,485	6,018,591	12,887,806	-	(3,936,276)	61,736,859

(All amounts in thousands of Naira unless otherwise stated)

5 Cash and cash equivalents

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Cash at bank and in hand	14,187,775	7,603,647	11,763,398	6,024,334
Tenored deposits	8,443,231	10,307,769	6,927,955	10,108,940
	22,631,006	17,911,416	18,691,353	16,133,274

6 Investment securities

The Group's investment securities are summarized below by measurement category:

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Fair value through profit or loss (see note 6.1)	5,443,948	5,302,005	5,443,948	5,302,005
Available-for-sale (see note 6.2)	31,232,534	27,836,825	27,868,706	22,032,646
Financial assets designated at fair value (see note 6.3)	4,056,112	4,154,695	4,056,112	4,154,695
	40,732,594	37,293,525	37,368,766	31,489,346

6.1 Fair value through profit or loss

Fair value through profit or loss instruments represent

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Government bonds	5,443,948	3,184,336	5,443,948	3,184,337
Treasury bills	-	2,117,669	-	2,232,618
	5,443,948	5,302,005	5,443,948	5,416,955

6.2 Available-for-sale assets

Available for sale instruments represent interests in

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Government & corporate bonds	21,548,775	12,820,184	20,201,459	11,498,908
Tenored deposits with maturity above 90 days	-	1,077,894	-	1,077,895
Treasury bills	673,267	4,846,197	423,910	1,546,058
Equity securities (see table (a) below)	263,840	182,602	168,903	124,349
Investment funds	8,746,651	8,909,948	7,074,434	7,785,436
	31,232,533	27,836,825	27,868,706	22,032,646

(a) Analysis of equity securities is shown below:

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Quoted securities	203,824	122,586	108,886	64,333
Unquoted securities				
Insurance Energy pool	36,466	36,466	36,466	36,466
Imperial Homes Limited	23,500	23,500	23,500	23,500
DML Nominees limited	50	50	50	50
	263,840	182,602	168,903	124,349

6.3 Financial assets designated at fair value

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Investment contracts designated at fair value	4,056,112	4,154,695	4,056,112	4,154,695
	4,056,112	4,154,695	4,056,112	4,154,695

7 Trade receivables

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Premium receivable (see 7.1 below)	7,093,013	4,383,727	1,467,118	189,676
Coinurance receivable (see 7.2 below)	923,761	1,034,697	923,761	1,034,697
	8,016,774	5,418,424	2,390,879	1,224,373

All trade receivables fall due within one year.

7.1 Premium receivables

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
(a) Premium receivables	7,252,851	4,416,751	1,513,046	220,743
Less specific provision for impairment	(159,838)	(33,024)	(45,928)	(31,067)
	7,093,013	4,383,727	1,467,118	189,676
Analysis of premium receivables:				
	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Life contracts insurance receivable	501,480	185,376	501,480	185,376
Non-life contracts insurance receivable	965,640	4,299	965,640	4,299
AXA Mansard Health (HMO) receivable	5,625,895	4,194,052	-	-
	7,093,015	4,383,727	1,467,120	189,675

(All amounts in thousands of Naira unless otherwise stated)

Counter party categorization of insurance receivable:				
	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Brokers and agents	1,513,046	220,743	1,513,046	220,743
Contract holders	5,739,805	4,196,009	-	-
Total insurance receivables	7,252,851	4,416,752	1,513,046	220,743
Less impairment of receivables:				
– Brokers and agents	(45,928)	(31,067)	(45,928)	(31,067)
– Contract holders	(113,910)	(1,957)	-	-
Total impairment	(159,838)	(33,024)	(45,928)	(31,067)
	7,093,013	4,383,728	1,467,118	189,676
(b) Impairment of premium receivable				
	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Balance, beginning of the year	33,025	73,936	31,067	35,969
Additional impairment/(write back) during the year	113,388	(40,911)	14,860	(4,902)
Write off of premium receivables	-	-	-	-
Balance, end of year	159,838	33,025	45,928	31,067
7.2 Co-insurance receivable				
	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Co-insurers' share of outstanding claims	923,761	1,034,697	923,761	1,034,697
	923,761	1,034,697	923,761	1,034,697
(a) The movement in co-insurance recoverable on claims paid				
	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Balance, beginning of the year	1,034,697	309,443	1,034,697	309,443
Additions in the year	349,338	825,585	349,338	825,585
Receipts during the year	(460,274)	(100,331)	(460,274)	(100,331)
	923,761	1,034,697	923,761	1,034,697
8 Reinsurance assets				
	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Total reinsurers' share of outstanding claims (see note (a) below)	1,522,619	3,418,524	1,502,091	3,405,168
Reinsurance premium paid in advance for next year's policies	-	-	-	-
Prepaid re-insurance- Non life & health (see note (b) below)	2,289,064	2,075,397	2,222,807	2,029,410
Prepaid re-insurance- group life reserves (see note (c) below)	127,481	253,769	127,481	253,769
Reinsurance share of individual life reserves (see note (d) below)	26,634	26,634	26,634	26,634
Reinsurance share of Incurred But Not Reported (IBNR) claims (see note (e) below)	1,779,191	1,462,249	1,693,587	1,442,958
Recoverables from reinsurers on claims paid (see note (f) below)	2,628,616	1,737,673	2,628,616	1,737,673
	8,373,606	8,974,246	8,201,216	8,895,612
(a) The movement in reinsurers' share of outstanding claims is as follows:				
	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Balance, beginning of the year	3,418,524	2,811,265	3,405,168	3,405,168
Movement during the year	(1,895,905)	-	(1,903,077)	-
	1,522,619	3,418,524	1,502,091	3,405,168
Reinsurance share of outstanding claims can be analysed as follows:				
	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Non-life	1,483,060	2,694,480	1,483,060	2,694,480
Life	19,031	103,427	19,031	103,427
AXA Mansard Health (HMO)	20,527	13,357	-	-
Balance, end of year	1,522,618	2,811,264	1,502,091	2,797,907
(b) The movement in prepaid reinsurance - Non life & health is as follows:				
	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Balance, beginning of the year	2,075,397	1,926,409	2,029,409	1,892,293
Movement during the year (see note 27)	213,667	148,988	193,398	137,116
	2,289,064	2,075,397	2,222,807	2,029,409

(All amounts in thousands of Naira unless otherwise stated)

(c) The movement in prepaid re-insurance- group life reserves:	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Balance, beginning of the year	253,769	305,258	253,769	305,258
Movement during the year (see note 27)	(126,288)	(51,489)	(126,288)	(51,489)
	127,481	253,769	127,481	253,769
(d) The movement in reinsurance share of individual life reserves:	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Balance, beginning of the year	26,634	48,908	26,634	48,908
Movement during the year (see note 27)	-	(22,274)	-	(22,274)
	26,634	26,634	26,634	26,634
Reinsurance Expense for the year:	Group Dec-2019	Group Dec-2019	Parent Dec-2019	Parent Dec-2019
Prepaid re-insurance at the beginning of the year (see note 8(a), (b) & (c) above)	2,355,801	2,280,575	2,309,812	2,246,459
Reinsurance cost (see note 27)	13,915,035	15,394,250	13,677,718	15,242,133
Total	16,270,836	17,674,825	15,987,530	17,488,592
Prepaid re-insurance at the end of the year (see note 8(a), (b) & (c) above)	(2,443,179)	(2,355,800)	(2,376,922)	(2,309,813)
Reinsurance expense for the year (see note 27)	13,827,657	15,319,024	13,610,608	15,178,779
(e) Reinsurance share of IBNR can be analysed as follows:	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Non-life	1,563,018	1,022,608	1,563,018	1,022,608
Life	130,569	420,350	130,569	420,350
Health	85,604	19,291	-	-
Balance, end of year	1,779,191	1,462,249	1,693,587	1,442,958
The movement in reinsurance IBNR:	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Balance, beginning of the year	1,462,249	1,491,441	1,442,958	1,488,122
Movement during the year	316,942	(29,192)	250,629	(45,164)
	1,779,191	1,462,249	1,693,587	1,442,958
(f) The movement in recoverables from reinsurers on claims paid	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Balance, beginning of the year	1,737,673	2,133,436	1,737,673	2,133,436
Additions in the year	2,668,968	2,852,945	2,275,927	2,474,285
Receipts during the year	(1,778,025)	(2,852,945)	(1,384,984)	(2,474,285)
	2,628,616	1,737,673	2,628,616	1,737,673

(All amounts in thousands of Naira unless otherwise stated)

9 Deferred acquisition cost

This relates to the commission paid on the unexpired premium reserve

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Deferred acquisition cost- Fire	118,977	68,161	118,977	68,161
Deferred acquisition cost- Gen. Accident	50,308	40,963	50,308	40,963
Deferred acquisition cost- Motor	58,599	73,221	58,599	73,221
Deferred acquisition cost- Marine	17,631	61,627	17,631	61,627
Deferred acquisition cost- Engineering	29,754	45,872	29,754	45,872
Deferred acquisition cost- Oil & Gas	60,822	24,063	60,822	24,063
Deferred acquisition cost- Aviation	10,265	7,148	10,265	7,148
Deferred acquisition cost- HMO	8,990	9,992	-	-
Total	355,347	331,047	346,357	321,055

The movement in deferred acquisition cost is as follows:

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Balance, beginning of year	331,047	494,584	321,055	481,077
Movement in deferred acquisition cost	24,299	(57,812)	25,302	(65,864)
Balance, end of year	355,347	331,047	346,357	321,055
Current	207,530	311,295	207,530	207,530
Non-current	147,817	282,567	138,827	273,547
	355,347	593,862	346,357	481,077

10 Other receivables

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Prepayment (see note (i) below)	597,935	574,504	303,692	454,609
Accrued income (see note (ii) below)	210,320	275,932	34,673	35,373
Other account receivables (see note (iii) below)	476,446	813,068	331,243	426,761
Gross	1,284,701	1,663,504	669,608	916,743
Less: Specific impairment of other receivables (see (a) below)	(114,852)	(114,852)	(114,852)	(114,852)
Net receivables	1,169,849	1,548,652	554,756	801,891

(i) Prepayment includes prepaid rents and prepaid expenses such as maintenance agreements. The average amortization period for these expenses is 24 months.

(ii) Accrued income relates to dividend income earned but not yet received as at year end.

(iii) Other account receivables relate to amounts due from various third parties and also includes cash advanced to staff in respect of various operating expenses.

(a) The movement in provision for impairment of other receivables:

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Balance, beginning of the year	114,852	69,152	114,852	69,152
Charge for the year	-	45,700	-	45,700
Balance end of year	114,852	114,852	114,852	114,852
Current	886,078	1,280,501	467,147	613,670
Non-current	398,623	383,003	202,461	303,073
	1,284,701	1,663,504	669,608	916,743

11 Loans and receivables

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Loans and advances to related party (see note (a) below)	7,719	175,647	502,445	677,082
Other loans (see (b) below)	-	1,106,619	-	1,106,619
Staff loans and advances	222,545	227,901	211,054	205,086
Gross	230,264	1,510,167	713,499	1,988,787
Less:				
Specific impairment of Other loans (see note (c) below)	-	(1,106,619)	-	(1,106,619)
	-	(1,106,619)	-	(1,106,619)
Net loans and receivables	230,264	403,548	713,499	882,168

(a) Movement in loans and advances to related party:

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Balance, beginning of the year	175,647	101,479	677,082	147,310
Additions during the year	-	95,405	312,985	529,771
Accrued Interest during the year	-	-	58,501	-
Converted to equity	-	-	-	-
Payments during the year	(167,928)	(21,237)	(546,123)	-
Balance end of year	7,719	175,647	502,445	677,082

Loans and advances to related parties comprises of intercompany balances based on day-to-day intercompany transactions in the normal course of business. In the previous year, this balance

(b) Movement in Other loans:

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Balance, beginning of the year	1,106,619	1,106,619	1,106,619	1,106,619
Additions during the year	-	-	-	-
Accrued Interest during the year	1,933,381	3,040,000	1,933,381	3,040,000
Payments/consideration during the year	(3,040,000)	(3,040,000)	(3,040,000)	(3,040,000)
Balance end of year	-	1,106,619	-	1,106,619

(c) The movement in impairment of Other loans:

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Balance, beginning of the year	1,106,619	1,106,619	1,106,619	1,106,619
Write off during the year	(1,106,619)	-	-	-
Balance end of year	-	1,106,619	-	1,106,619

(All amounts in thousands of Naira unless otherwise stated)

12 Investment properties

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
.	-	1,350,000	-	1,350,000
Landed property	-	-	-	-
Office property (Office building located at Bishop Aboyade Cole Street, VI - Lagos)	13,694,760	14,451,949	-	-
Cost incurred on purchase of APD by health	-	-	-	-
Balance, end of year	13,694,760	15,801,949	-	1,350,000
Non-current	13,694,760	15,801,949	-	1,350,000
	13,694,760	15,801,949	-	1,350,000

The movement in investment property is analysed as follows:

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Balance, beginning of year	15,801,949	17,525,962	1,350,000	3,040,000
Additional during the year	-	-	-	-
Investment property disposed during the year	(1,350,000)	(1,300,000)	(1,350,000)	(1,300,000)
Foreign exchange gain/(loss)	1,521,862	(19,438)	-	-
Change in fair value	(2,279,051)	(404,575)	-	(390,000)
Investment property at fair value	13,694,760	15,801,949	-	1,350,000

The fair value measurement for the landed property has been categorised as a level 2 fair value while the measurement of the office property has been based categorized as level 3 fair value based on the inputs to the valuation technique used (see below). The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Investment Properties	Valuation technique	Fair value at 30 September 2020 (in thousands)	Unobservable inputs	Range of unobservable inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Landed Property	Market Valuation approach	-	NA	NA	NA
Office Property	Discounted Income Capitalisation Cashflow	13,694,760	Forecast price per square metre Capitalisation rate	\$600-\$700 (\$615) 6%	The higher the price per square metre, the higher the fair value The higher the capitalisation rate, the higher the fair value

13 Investment in subsidiaries

(a) The Company's investment in subsidiaries is as stated below:

	Parent Dec-2020	Parent Dec-2019
AXA Mansard Investments Limited	940,000	940,000
APD Limited	-	-
AXA Mansard Health Limited	712,000	712,000
AXA Mansard Pensions Limited	-	1,885,247
	1,652,000	3,537,247

(b) Principal subsidiary undertakings:

The Group is controlled by AXA Mansard Insurance Plc "the parent" (incorporated in Nigeria). The controlling interest of AXA Mansard Insurance Plc in the Group entities is disclosed in the

Company name	Nature of business	Country of origin	% of equity capital controlled
AXA Mansard Investments Limited	Asset management services	Nigeria	100
APD Limited	Property development	Nigeria	55.7
AXA Mansard Health Limited	Health Maintenance Organisation	Nigeria	100

1 AXA Mansard Investments Limited was incorporated in January 2008 and its principal activity involves provision of portfolio management services to both individual and corporate clients.

2 Staff Investment Trust Scheme commenced operation in September 2005 to enable eligible employee subscribe to the ordinary shares of the Company. (see note (c) below).

2 AXA Mansard Health Limited was incorporated as a private limited liability company on the 7th of August 2003 and its principal activity is to manage the provision of health care services through purpose was accredited with the National Health Insurance Scheme.

3 APD Limited was incorporated on 2 September 2010 for the purpose of holding and developing a commercial office property located at Plot 928A/B, Bishop Aboyade Cole Street, Victoria Island structure.

The movement in investment in subsidiaries during the year as follows:

(All amounts in thousands of Naira unless otherwise stated)

	Parent Dec-2020	Parent Dec-2019
Balance, beginning of year	3,537,247	4,997,374
Additions, during the year	-	(1,460,127)
Disposal, during the year	(1,885,247)	-
Balance, end of year	1,652,000	3,537,247

(c) The table below summarises the information relating to the Group's subsidiaries that have material Non-Controlling Interest (NCI) before any intra-group eliminations.

(i) APD Limited	Group Dec-2020	Group Dec-2019
NCI percentage	44.3%	44.3%
Cash and cash equivalents	600,555	285,072
Other receivables	92,359	131,742
Available-for-sale assets	493	493
Investment properties	13,694,760	14,451,949
Property and equipment	50,189	48,079
Intangible assets	350	455
Borrowings	(4,537,089)	(4,190,149)
Other liabilities	(1,481,502)	(1,618,608)
Net assets	8,420,115	9,109,033
Carrying amount of NCI	3,730,111	4,035,302
	Dec-2020	Dec-2019
Income	(40,653)	1,335,287
Expenses	343,041	1,712,670
Profit before tax	(383,694)	(377,383)
Profit after tax	(688,918)	374,320
Profit allocated to NCI (44.3%)	(305,191)	165,824

(d) Significant restrictions and impairment

Other than the equitable mortgage on the Company's investment property (office building) which was used to secure the borrowing from RMB (see note 25), the Group does not ability to access or use its assets and settle its liabilities besides those resulting from the regulatory frameworks within which the insurance business operates.

The regulatory frameworks require all insurance companies to maintain certain levels of regulatory capital and liquid assets and comply with other ratios such as the solvency margin.

The Company's investment in subsidiaries was assessed for impairment as at 31 December 2019 with no trigger of impairment identified. Based on the result of this test, no impairment charge was recognised.

(All amounts in thousands of Naira unless otherwise stated)

14 Intangible assets

Analysis of intangible assets:

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Computer software acquired (see note (a) below)	319,877	241,765	307,303	215,450
License fee (see note (b) below)	-	400,000	-	-
Goodwill	12,000	938,532	-	-
Total	331,877	1,580,297	307,303	215,450

(a) Group 2020

	Computer software	License	Goodwill	Total
Cost:				
Balance, beginning of year	680,172	500,000	938,532	2,118,704
Additions	161,490	-	-	161,490
Disposal (AMPL)	(39,811)	(500,000)	(926,532)	(1,466,343)
Balance, end of year	801,851	-	12,000	813,851

Amortization:				
Balance, beginning of year	438,407	100,000	-	538,407
Amortisation charge	74,860	11,667	-	86,527
Disposal (AMPL)	(31,293)	(111,667)	-	(142,960)
Balance, end of year	481,974	-	-	481,974
Closing net book value	319,877	-	12,000	331,877

2019	Computer software	License	Goodwill	Total
Cost:				
Balance, beginning of year	606,692	500,000	938,532	2,045,224
Additions	73,480	-	-	73,480
Intangible assets written off	-	-	-	-
Balance, end of year	680,172	500,000	938,532	2,118,704

Amortization:				
Balance, beginning of year	377,049	80,000	-	457,049
Amortisation charge	61,358	20,000	-	81,358
Accumulated amortization on intangible asset written off	-	-	-	-
Balance, end of year	438,407	100,000	-	538,407
Closing net book value	241,765	400,000	938,532	1,580,297

Parent			Parent Dec-2020	Parent Dec-2019
Cost:				
Balance, beginning of year			566,120	493,165
Additions			152,728	72,955
Intangible assets written off			-	-
Balance, end of year			718,848	566,120

Amortization:				
Balance, beginning of year			350,670	303,079
Amortisation charge			60,875	47,591
Accumulated amortization on intangible asset written off			-	-
Balance, end of year			411,545	350,670
Closing net book value			307,303	215,450

- (b) The licence fee represents the value of identifiable license at the acquisition of AXA Mansard Pensions Limited at the acquisition date in 2015 with a useful life of 25 years.
This has been derecognized as at the date of disposal

(All amounts in thousands of Naira unless otherwise stated)

15 Right of Use

(e)	Group Dec-2020	Group Dec -2019	Parent Dec-2020	Parent Dec -2019
As at January	535,863	477,868	462,082	335,956
Additions	593,684	220,503	575,707	216,304
Disposal (AMPL)	(82,793)	-	-	-
Depreciation	(213,041)	(162,508)	(204,076)	(90,178)
Balance	833,713	535,863	833,713	462,082

16 Statutory deposit

This represents amounts deposited with the Central Bank of Nigeria (CBN) pursuant to Section 10(3) of the Insurance Act, 2003. This amount is not available for the day-to-day use in the working capital of the Company and so it is excluded from cash and cash equivalents. Interest earned on statutory deposits are included in interest income.

17 Insurance liabilities

	Group Dec-2020	Group Dec -2019	Parent Dec-2020	Parent Dec -2019
- Outstanding claims (see note 17.1a)	5,188,166	6,070,304	5,127,267	5,980,088
- Claims incurred but not reported (see note 17.1b)	6,410,578	5,036,746	3,771,211	3,218,061
- Unearned premium (see note 17.2)	12,430,363	10,359,740	5,083,271	4,597,446
- Individual life reserve (see note 17.3)	2,719,796	1,518,334	2,719,796	1,518,334
- Annuity reserves (see note 17.4)	3,062,108	2,177,817	3,062,108	2,177,817
Total insurance liabilities, gross	29,811,011	25,162,941	19,763,653	17,491,746
Reinsurance receivables:				
Reinsurers' share of outstanding claims	1,522,619	3,418,524	1,502,091	3,405,168
Prepaid re-insurance- Non life & health	2,289,064	2,075,397	2,222,807	2,029,410
Reinsurance share of group life reserves	127,481	253,769	127,481	253,769
Reinsurance share of individual life reserves	26,634	26,634	26,634	26,634
Reinsurance share of Incurred But Not Reported (IBNR) claims	1,779,191	1,462,249	1,693,587	1,442,958
Recoverables from reinsurers on claims paid	2,628,616	1,737,673	2,628,616	1,737,673
Total reinsurers' share of insurance liabilities	8,373,605	8,974,246	8,201,216	8,895,612
Net insurance liability	21,437,406	16,188,695	11,562,437	8,596,134
Current	21,624,555	19,062,238	11,577,197	11,391,043
Non-current	8,186,456	6,100,703	8,186,456	6,100,703

Notes to the financial statements

(All amounts in thousands of Naira unless otherwise stated)

15 Property and equipment (a) Group

	Land	Building	Motor vehicle	Computer equipment	Office equipment	Furniture and fittings	Work in progress	Total
Cost								
Balance, 1 January 2020	389,664	657,165	1,070,563	1,037,222	536,537	1,162,736	61,551	4,915,438
Additions	-	-	365,136	361,548	85,486	178,918	29,213	1,020,301
Disposals	-	-	(171,950)	(14,016)	(13,624)	(23,314)	-	(222,904)
Disposal (AMPL)	-	-	(112,814)	(96,104)	(41,015)	(58,203)	-	(308,135)
Balance, 31 December 2020	389,664	657,165	1,166,343	1,288,349	567,384	1,262,178	92,527	5,423,611
Accumulated depreciation								
Balance, 1 January 2020	-	83,566	713,076	790,787	443,524	951,377	-	2,982,331
Charge for the period	-	13,143	170,690	182,045	37,339	84,931	-	488,148
Disposals	-	-	(188,222)	(12,746)	(12,982)	(21,556)	-	(235,507)
Disposal (AMPL)	-	-	(79,427)	(65,596)	(33,267)	(50,009)	-	(228,299)
Balance, 31 December 2020	-	96,709	627,003	894,021	434,774	965,958	-	3,018,021
Net book value								
Balance, 1 January 2020	389,664	573,598	357,487	246,435	93,013	211,359	61,551	1,933,107
Balance, 31 December 2020	389,664	560,455	539,340	394,328	132,610	296,220	92,527	2,405,146
Parent								
	Land	Building	Motor vehicle	Computer equipment	Office equipment	Furniture and fittings	Work in progress	Total
Cost								
Balance, 1 January 2020	389,664	657,165	847,127	893,653	354,435	935,314	61,551	4,138,909
Additions	-	-	279,404	323,283	67,417	126,480	30,976	827,560
Disposals	-	-	(147,407)	(11,475)	(6,343)	(10,426)	-	(175,651)
Balance, 31 December 2020	389,664	657,165	977,244	1,205,160	415,510	1,049,543	92,527	4,786,812
Accumulated depreciation								
Balance, 1 January 2020	-	83,566	562,465	693,621	304,212	767,178	-	2,411,041
Charge for the period	-	14,238	128,425	157,379	27,962	63,812	-	391,816
Disposals	-	-	(147,535)	(11,475)	(6,343)	(10,426)	-	(175,779)
Balance, 31 December 2020	-	96,709	547,207	839,524	325,851	820,564	-	2,629,856
Net book value								
Balance, 1 January 2020	389,664	573,598	284,663	200,032	50,223	168,136	61,551	1,727,868
Balance, 31 December 2020	389,664	560,456	430,037	365,635	89,659	228,979	92,527	2,156,958

(All amounts in thousands of Naira unless otherwise stated)

15 Property and equipment
(b) Group

	Land	Building	Motor vehicle	Computer equipment	Office equipment	Furniture and fittings	Work in progress	Total
Cost								
Balance, 1 January 2019	389,664	657,165	856,502	896,967	502,493	1,096,570	17,906	4,417,267
Additions	-	-	271,613	140,255	34,044	66,166	43,645	555,723
Disposals	-	-	(56,139)	-	-	-	-	(56,139)
Balance, 31st December 2019	389,664	657,165	1,071,977	1,037,222	536,537	1,162,736	61,551	4,916,851
Accumulated depreciation								
Balance, 1 January 2019	-	70,423	600,737	657,506	390,311	855,906	-	2,573,905
Charge for the period	-	13,144	114,195	133,281	53,213	95,471	-	409,303
Disposals	-	-	(56,138)	-	-	-	-	(56,138)
Balance, 31st December 2019	-	83,566	657,815	790,787	443,524	951,377	-	2,927,070
Net book value								
Balance, 1 January 2019	389,664	586,742	256,743	239,461	112,182	240,664	17,906	1,843,362
At 31st December 2019	389,664	573,598	414,161	246,435	93,013	211,359	61,551	1,989,781
Parent								
	Land	Building	Motor vehicle	Computer equipment	Office equipment	Furniture and fittings	Work in progress	Total
Cost								
Balance, 1 January 2019	389,664	657,165	671,689	784,920	348,488	890,520	17,906	3,760,352
Additions	-	0	232,989	108,733	5,947	44,794	43,645	436,108
Disposals	-	-	(56,139)	-	-	-	-	(56,139)
Balance, 31st December 2019	389,664	657,165	848,539	893,653	354,435	935,314	61,551	4,140,322
Accumulated depreciation								
Balance, 1 January 2019	-	70,423	475,137	576,589	275,078	695,472	-	2,092,698
Charge for the period	-	13,144	88,203	117,032	29,134	71,706	-	319,220
Disposals	-	-	(56,138)	-	-	-	-	(56,138)
Balance, 31st December 2019	-	83,567	507,202	693,621	304,212	767,178	-	2,355,779
Net book value								
Balance, 1 January 2019	389,664	586,742	196,552	208,331	73,410	195,048	17,906	1,667,655
At 31st December 2019	389,664	573,598	341,337	200,032	50,223	168,136	61,551	1,784,543

(All amounts in thousands of Naira unless otherwise stated)

17.1a – Outstanding claims

	Group Dec-2020	Group Dec -2019	Parent Dec-2020	Parent Dec -2019
Non-Life	4,702,005	5,077,011	4,702,005	5,077,011
Group life	425,263	903,077	425,263	903,077
Health	60,899	90,216	-	-
	5,188,167	6,070,304	5,127,268	5,980,088
	Group Dec-2020	Group Dec -2019	Parent Dec-2020	Parent Dec -2019
Balance, beginning of year	6,070,304	6,789,051	5,980,088	6,767,999
Additional claims expense during the year	19,632,039	18,275,346	7,839,698	7,713,021
Claims paid during year	(20,680,298)	(19,067,181)	(8,858,640)	(8,574,020)
Foreign exchange impact of dollar denominated claims	166,122	73,088	166,122	73,088
Balance, end of year	5,188,167	6,070,304	5,127,268	5,980,088

17.1b – Claims incurred but not reported

	Group Dec-2020	Group Dec -2019	Parent Dec-2020	Parent Dec -2019
Non life business	2,843,924	2,041,728	2,843,924	2,041,728
Group life	927,288	1,176,333	927,288	1,176,333
Health	2,639,367	1,818,684	-	-
	6,410,579	5,036,745	3,771,212	3,218,061

17.2 Unearned premium

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec -2019
Non life business	4,358,984	3,984,015	4,358,984	3,984,015
Group life	724,287	613,431	724,287	613,431
Health	7,347,092	5,762,294	-	-
	12,430,363	10,359,740	5,083,271	4,597,446
Current	10,025,811	7,955,188	2,678,719	2,192,894
Non-current	2,404,552	2,404,552	2,404,552	2,404,552

The movement in unearned premium during the year is as follows:

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec -2019
Balance, beginning of year	10,359,740	8,348,888	4,597,446	4,449,647
Movement during the year	2,070,623	2,010,852	364,398	147,799
Balance, end of year	12,430,363	10,359,740	4,961,844	4,597,446

17.3 Individual life reserves can be analysed as follows:

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec -2019
Individual life	2,719,796	1,518,334	2,719,796	1,518,334
	2,719,796	1,518,334	2,719,796	1,518,334
Movement in individual life reserves:				
	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec -2019
Balance, beginning of year	1,518,334	775,525	1,518,334	775,525
Changes in individual life reserves	1,201,462	742,809	1,201,462	742,809
Balance, end of year	2,719,796	1,518,334	2,719,796	1,518,334

17.4 Annuity reserves can be analysed as follows:

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec -2019
Annuity	3,062,108	2,177,817	3,062,108	1,854,619
	3,062,108	2,177,817	3,062,108	1,854,619
Movement in Annuity reserves:				
	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec -2019
Balance, beginning of year	2,177,817	1,854,619	2,177,817	1,854,619
Annuity premium written during the year	-	-	-	-
Annuity payout during the year	(289,977)	(292,751)	(289,977)	(292,751)
Accretion to/(release from) annuity fund	1,174,268	615,949	1,174,268	615,949
Balance, end of year	3,062,108	2,177,817	3,062,108	2,177,817

The accretion to/ (release from) annuity fund resulted from the changes in interest rates and reserves for new businesses.

18 Investment contract liabilities

The movement in deposit administration during the year can be divided into interest-linked and unitized fund. The analysis of investment contract liabilities during the year are as follows:

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec -2019
<i>Investment Contract Liabilities - At amortised cost:</i>				
- Guaranteed investment (interest-linked)	4,018,247	3,324,001	4,018,247	3,324,001
- Bonus Life investible (interest-linked)	1,111,453	951,764	1,111,453	951,764
	5,129,700	4,275,765	5,129,700	4,275,765
<i>Investment Contract Liabilities - Liabilities designated at fair value:</i>				
- Unitized funds	4,056,112	4,154,695	4,056,112	4,154,695
	9,185,812	8,430,460	9,185,812	8,430,460

(All amounts in thousands of Naira unless otherwise stated)

Movements in amounts payable under investment contracts liabilities during the year are as shown below. The liabilities are shown inclusive of interest accumulated to 31 December 2020. The movement in interest-linked funds during the year was as follows:

18.1	Group Dec-2020	Group Dec- 2019	Parent Dec-2020	Parent Dec- 2019
Balance, beginning of year	4,275,765	3,691,424	4,275,765	3,691,424
Contributions	1,111,453	951,764	1,111,453	951,764
Withdrawal	(1,051,421)	(1,019,725)	(1,051,421)	(1,019,725)
Interest accrued during the year	793,903	652,302	793,903	652,302
Balance, end of year	5,129,700	4,275,765	5,129,700	4,275,765

The N5.13 billion (2019: N4.28 billion) for Parent and Group refer to the Guaranteed investment (interest-linked) and Bonus life investible (interest linked) contracts shown in note 18. These are the financial liabilities presented at amortised cost in the Group financial statements (the fair value of the financial liabilities being equal to the amortised cost at the reporting date).

19 Trade payables

Trade payables represent liabilities to customers, agents, brokers, reinsurers and re-insurers on insurance contracts at year end.

	Group Dec-2020	Group Dec- 2019	Parent Dec-2020	Parent Dec- 2019
Reinsurance payable	1,407,568	2,645,937	1,407,568	2,645,937
Co-insurance payable	1,143,849	549,116	1,143,849	549,116
Unallocated premium & refunds (see (a) below)	1,727,027	2,341,847	1,727,027	2,341,847
Due to agents & brokers	7,521,559	4,646,461	7,357,266	4,557,294
Premium received in advance	1,924,862	6,384,351	1,924,862	6,384,351
	13,724,864	16,567,712	13,560,572	16,478,545

(a) This relates to payments yet to be matched to policies and other credit balances such as unpaid refunds due to various policyholders. The total trade payables are due within one year.

20 Other liabilities

	Group Dec-2020	Group Dec- 2019	Parent Dec-2020	Parent Dec- 2019
Deferred income	1,281,050	1,133,852	209,878	233,312
Due to investment brokers	202	202	-	-
Creditors and accruals	1,516,098	1,778,011	851,985	1,330,575
Unclaimed dividend	63,808	65,932	63,808	65,932
Cash settled share based payment liability	70,912	70,912	70,912	70,912
Lease Liability	543,261	256,913	543,261	194,104
	3,475,331	3,305,822	1,739,844	1,894,835
Current	1,943,115	2,155,962	921,944	1,408,346
Non-current	1,532,217	1,149,860	817,900	486,490

(i) Amounts classified as Creditors includes intercompany payables, transaction taxes and stale cheques while accruals represent provisions made for expenses incurred but yet to be paid for.

21 Current income tax liabilities

	Group Dec-2020	Group Dec- 2019	Parent Dec-2020	Parent Dec- 2019
Balance, beginning of year	935,546	773,819	203,650	257,967
Current year charge	-	-	-	-
- Property & Casualty	111,192	99,731	111,192	99,731
- Life & Savings	24,312	39,858	24,312	39,858
- AXA Mansard Investments Limited	57,744	3,392	-	-
- AXA Mansard Health Limited	1,166,803	454,504	-	-
- AXA Mansard Pensions Limited	-	8,835	-	-
- APD Limited	234,034	385,733	-	-
Payments during the year	(655,882)	-	(153,995)	-
WHT credit notes utilised during the year	(198,743)	(830,326)	(2,988)	(193,906)
Balance, end of year	1,675,006	935,546	182,171	203,650

22 Borrowings

	Group Dec-2020	Group Dec- 2019	Parent Dec-2020	Parent Dec- 2019
Bank borrowings	2,978,106	6,950,888	-	-
Loan note	66,700	14,916	-	-
Total borrowings	3,044,806	6,965,804	-	-

23 Deferred income tax

(a) Liabilities

	Group Dec-2020	Group Dec- 2019	Parent Dec-2020	Parent Dec- 2019
Balance, beginning of year	849,155	837,061	7,659	-
Charge in income statement for the year	180,654	4,435	-	-
Tax charge /(reversals) relating to components of other comprehensive income	-	-	-	-
Balance, end of year	825,380	841,496	7,659	-

(All amounts in thousands of Naira unless otherwise stated)

24 Share capital:

24.1 Share capital comprises:

	Group Dec-2020	Group Dec- 2019	Parent Dec-2020	Parent Dec- 2019
(a) Authorized:				
36,000,000,000 Ordinary shares of 50k each (Dec 2020: 10,500,000,000 ordinary shares)	18,000,000	5,250,000	18,000,000	5,250,000
During the course of the period, the Company increased its authorised share capital from N5,250,000,000 to N18,000,000,000 by the creation of 25,500,000,000 ordinary shares of N0.50 each.				
(b) Issued and fully paid				
36,000,000,000 Ordinary shares of 50k each	18,000,000	5,250,000	18,000,000	5,250,000
<i>Movement in issued and fully paid shares</i>				
	Group Dec-2020	Group Dec- 2019	Parent Dec-2020	Parent Dec- 2019
Balance, beginning of year	5,250,000	5,250,000	5,250,000	5,250,000
Additional shares during the year	12,750,000	-	12,750,000	-
Balance, end of year	18,000,000	5,250,000	18,000,000	5,250,000

(i) Non-Life Business

Share capital comprises:

	Group Dec-2020	Group Dec- 2019	Parent Dec-2020	Parent Dec- 2019
20,000,000,000 Ordinary shares of 50k each	10,000,000	4,250,000	10,000,000	4,250,000

(ii) Life Business

	Group Dec-2020	Group Dec- 2019	Parent Dec-2020	Parent Dec- 2019
16,000,000,000 Ordinary shares of 50k each	8,000,000	1,000,000	8,000,000	1,000,000

24.2 Share premium

	Group Dec-2020	Group Dec- 2019	Parent Dec-2020	Parent Dec- 2019
Share Premium	-	4,443,453	-	4,443,453

During the course of the period, the company carried out a recapitalisation exercise which was partly executed by capitalising Share premium.

24.3 Contingency reserves

In compliance with Section 21 (1) of Insurance Act 2003, the contingency reserve for non-life insurance business is credited with the greater of 3% of total premiums, or 20% of the profits. This shall accumulate until it reaches an amount equal to the greater of minimum paid-up capital or 50 percent of net premium. While for life business, the contingency reserves is credited with an amount equal to 1% of gross premium or 10% of net profit (whichever is greater) and accumulated until it reaches the amount of minimum paid up capital.

In 2020, the contingency reserve for non-life business reached 50% of net premiums of 2020.

The movement in this account during the year is as follows:

	Group Dec-2020	Group Dec- 2019	Parent Dec-2020	Parent Dec- 2019
Balance, beginning of the year	4,270,458	4,139,090	4,270,458	4,139,090
Transfer from retained earnings	74,667	131,368	74,667	131,368
Balance, end of year	4,345,125	4,270,458	4,345,125	4,270,458
Analysis per business segment				
	Group Dec-2020	Group Dec- 2019	Parent Dec-2020	Parent Dec- 2019
Non-life business	3,591,032	3,591,032	3,591,032	3,591,032
Life business	754,093	679,426	754,093	679,426
Balance, end of year	4,345,125	4,270,458	4,345,125	4,270,458

(i) Non-Life Business

	Group Dec-2020	Group Dec- 2019	Parent Dec-2020	Parent Dec- 2019
Balance, beginning of year	3,591,032	3,591,032	3,591,032	3,591,032
Transfer from retained earnings	-	-	-	-
Balance, end of year	3,591,032	3,591,032	3,591,032	3,591,032

(ii) Life Business

	Group Dec-2020	Group Dec- 2019	Parent Dec-2020	Parent Dec- 2019
Balance, beginning of year	679,426	548,058	679,426	548,058
Transfer from retained earnings	74,667	131,368	74,667	131,368
Balance, end of year	754,093	679,426	754,093	679,426

24.4 Other reserves

Other reserves comprise of the following:

	Group Dec-2020	Group Dec- 2019	Parent Dec-2020	Parent Dec- 2019
Capital reserves (see note (a) below)	2,500,000	2,500,000	-	2,500,000
Statutory reserves (see note (b) below)	52,721	35,406	-	-
Share-based payment reserves (see note (c) below)	152,077	152,077	152,077	152,077
Disposal of subsidiary	(52,721)	-	-	-
	2,652,077	2,687,483	152,077	2,652,077

(All amounts in thousands of Naira unless otherwise stated)

(a) Capital reserve

During the course of the period, the company carried out a recapitalisation exercise which was partly executed by capitalising Capital reserve.

	Group Dec-2020	Group Dec- 2019	Parent Dec-2020	Parent Dec- 2019
Life business segment	-	1,000,000	1,000,000	1,000,000
Non-life business segment	-	1,500,000	1,500,000	1,500,000
	-	2,500,000	2,500,000	2,500,000

(c) Share-based payment reserves

Share-based payment reserves represent the impact of the share option granted to the employees of the Company under the Mansard Share Option Plan (MSOP). The movement in the account is as stated below:

	Group	Group	Parent	Parent
	Dec-2020	Dec- 2019	Dec-2020	Dec- 2019
The average cost of the shares purchases as at the comparative reporting date was deducted from shareholders' equity (2012:N34,494,244). The shares were held as treasury shares.				
Balance, beginning of year	152,077	134,904	152,077	134,904
Additions, during the year-Tranche 3	-	17,173	-	17,173
Additions during the year from vested tranches 1 and 2	-	-	-	-
Vested portion transferred to retained earnings, during the year	-	-	-	-
Balance, end of year	152,077	152,077	152,077	152,077

24.5 Treasury shares

Treasury shares represent the 177,281,000 (2019: 177,281,000) 50 kobo ordinary shares held by the Company under the AXA Mansard Share Option Plan (MSOP).

Treasury shares' balances as at December 2020 are as analysed below:

	Group Dec-2020	Group Dec- 2019	Parent Dec-2020	Parent Dec- 2019
Balance, beginning of year	(304,924)	(304,924)	(304,924)	(304,924)
Value of vested portion of treasury shares	-	-	-	-
Value of forfeited portion of the Treasury shares	-	-	-	-
Balance, end of year	(304,924)	(304,924)	(304,924)	(304,924)

24.6 Fair value reserves

Fair value reserves includes the net accumulated change in the fair value of available for sale asset until the investment is derecognized or impaired.

Movements in the fair value reserve:

	Group Dec-2020	Group Dec- 2019	Parent Dec-2020	Parent Dec- 2019
At beginning of year	1,080,718	(550,226)	923,562	(549,906)
Changes in available-for-sale financial assets (net of taxes)	4,252,394	1,630,944	4,304,130	1,473,468
Balance, end of year	5,333,112	1,080,718	5,227,692	923,562

Changes in the valuation of AFS financial assets during the year are as analysed below:

	Group Dec-2020	Group Dec- 2019	Parent Dec-2020	Parent Dec- 2019
At beginning of year	1,080,718	(550,226)	923,562	(549,906)
Net unrealised changes in fair value of AFS assets	4,267,821	1,661,607	4,385,140	1,390,718
Realised (losses)/gains transferred to income statement	(0)	(30,663)	(81,010)	82,750
Disposal (AMPL)	(15,427)	-	-	-
Balance, end of year	5,333,112	1,080,718	5,227,692	923,562

24.7 Retained earnings

The retained earnings represents the amount available for dividend distribution to the equity shareholders of the Company. See statement of changes in equity for movement in retained earnings.

25 Non-controlling interests in equity

	Group Dec-2020	Group Dec- 2019
Opening balance	4,818,822	4,619,224
Business combination (NCI interest at acquisition date)	-	-
Transfer from the profit or loss account	(305,191)	199,598
Disposal of subsidiary with NCI	(783,571)	-
Balance as at year end	3,730,060	4,818,822

Non controlling interest represents 44.3% of the equity holding of the Company's subsidiaries, APD Limited. The Group did not pay any dividend to Non-Controlling Interest during the year (2019: nil).

(All amounts in thousands of Naira unless otherwise stated)

APD Limited			
Non controlling interest (44.3%)		Group	Group
		Dec-2020	Dec- 2019
Opening balance		1,936,742	1,770,918
Transfer from the profit or loss account		(305,191)	165,824
Balance as at year end		1,631,551	1,936,742
AXA Mansard Pensions Limited			
Non controlling interest (40%)		Group	Group
		Dec-2020	Dec- 2019
Opening balance		721,676	683,640
NCI interest at acquisition date		-	-
Disposal		(721,676)	-
Transfer from profit or loss account		-	33,774
Balance as at year end		-	721,676

26 Contingencies and commitments

(a) Litigations and claims

The Group is presently involved in ten (10) legal proceedings (2019: eight (8)). These court cases arose in the normal course of business. In the directors' opinion, after taking appropriate legal advice from our in-house legal counsel (Mrs. Omowunmi Mabel Adewusi - FRC/2013/NBA/00000000967), the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided for in the outstanding claims balance at 30 September 2020.

(b) Bonds and guarantees

The Company provides financial guarantee and bonds to third parties at the request of customers in the form of bid and performance bonds or advance payment guarantee.

27 Net premium income

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Gross written premium	47,583,434	43,620,265	27,547,903	28,014,854
Gross premium income				
Non-life	20,081,168	20,079,265	20,081,168	20,079,264
Life (Group life and individual life)	7,466,733	7,935,590	7,466,733	7,935,590
Annuity	-	-	-	-
AXA Mansard Health (HMO)	20,035,531	15,605,411	-	-
Provision for unearned premium				
Non life	(374,969)	(169,725)	(374,969)	(169,725)
Group life	(110,856)	21,926	(110,855)	21,926
AXA Mansard Health (HMO)	(1,584,797)	(1,863,054)	-	-
Gross premium income	45,512,810	41,609,412	27,062,077	27,867,055
Re-insurance cost				
-Non life	12,801,145	13,077,282	12,801,145	13,077,282
-Life	876,573	2,164,851	876,573	2,164,851
-AXA Mansard Health (HMO)	237,317	152,117	-	-
Changes in prepaid re-insurance				
-Non life	(193,364)	(137,116)	(193,364)	(137,116)
-Group life	126,288	51,805	126,288	51,805
-Individual life	-	22,275	-	22,274
-AXA Mansard Health (HMO)	(20,269)	(11,872)	-	-
Re-insurance expenses	13,827,690	15,319,342	13,610,642	15,179,096
Net premium income	31,685,120	26,290,070	13,451,435	12,687,959

28 Fee and commission income on insurance contracts

Fee income represents commission received on direct business and transactions ceded to re-insurance companies during the year under review.

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Fees and commission income	1,657,815	1,875,748	1,657,815	1,875,748

29 Claims:

Claims expenses

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Claims paid during the year (see note (a) below)	20,680,298	19,067,180	8,858,640	8,574,020
Movement in outstanding claims	(1,132,266)	(718,748)	(1,102,950)	(787,911)
Claims incurred	19,548,032	18,348,432	7,755,690	7,786,109
Outstanding claims- IBNR	1,373,832	265,836	553,150	101,174
Total claims and loss adjustment expense	20,921,864	18,614,268	8,308,840	7,887,283
Recoverable on IBNR	(316,942)	29,192	(250,629)	45,164
Reinsurance share of outstanding claims	1,982,758	1,699,706	1,982,758	1,699,706
Recovered from re-insurers	(2,668,969)	(2,852,945)	(2,625,265)	(2,757,049)
Total claims expenses recovered from reinsurers	(1,003,153)	(1,124,047)	(893,136)	(1,012,179)
Net claims and loss adjustment expense	19,918,711	17,490,221	7,415,704	6,875,104

(All amounts in thousands of Naira unless otherwise stated)

(a) Claims paid during the year can be analysed as follows:

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Non life	4,953,426	5,925,438	4,953,426	5,925,439
Group life	2,725,716	1,775,268	2,725,716	1,775,268
Individual life	889,521	580,561	889,521	580,561
Annuity	289,977	292,752	289,977	292,752
HMO	11,821,658	10,493,161		
	20,680,298	19,067,180	8,858,640	8,574,020

(b) Movement in outstanding claims during the year are as follows:

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Non life	(895,748)	(1,045,962)	(895,748)	(1,045,962)
Group life	(477,814)	290,349	(477,814)	290,349
HMO	(29,317)	69,164	-	-
	(1,402,879)	(686,449)	(1,373,562)	(755,613)

30 Underwriting expenses:

Underwriting expenses can be sub-divided into commission expenses and other acquisition expenses. Commission expenses are those incurred in obtaining and renewing insurance contracts. They include commissions or brokerage paid to agents or brokers and indirect expenses such as salaries of underwriting staff. Other acquisition expenses are those incurred in servicing existing policies/contracts. These include processing costs, preparation of statistics and reports, and other incidental costs attributable to maintenance.

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Acquisition cost	3,252,249	3,223,162	2,554,090	2,766,402
Maintenance cost	584,750	268,362	584,750	268,362
	3,836,999	3,491,524	3,138,840	3,034,764

Analysis of acquisition cost is as shown below:

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Acquisition cost paid during the year	3,227,950	3,328,887	2,528,788	2,860,560
Movement in deferred acquisition cost	24,299	(105,725)	25,302	(94,158)
	3,252,249	3,223,162	2,554,090	2,766,402

Acquisition cost is further analysed into the life and non life business as stated below

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Non life	1,803,963	1,957,468	1,803,963	1,957,468
Life	750,127	808,934	750,127	808,934
Health	698,159	456,760	-	-
	3,252,249	3,223,162	2,554,090	2,766,402

31 Impairment charge/(writeback) on premium receivables

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Write back on premium receivables (see note 7.1b)	-	-	-	-
Impairment charge of premium receivables	113,388	-	14,860	(4,902)
	113,388	-	14,860	(4,902)

32 Investment income

Investment income comprises the following:

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Dividend income	498,100	734,802	395,211	1,707,958
Interest income on investment securities	2,294,760	2,789,270	1,842,832	2,162,032
Interest income on cash and cash equivalents	415,147	134,243	433,009	136,533
Rental income	1,174,378	1,077,813	-	-
Asset management fees (see note (a) below)	846,776	904,248	-	-
Interest income from related parties	-	-	-	-
	5,229,161	5,640,376	2,671,052	4,006,523

(a) The asset management fees represent the net of gross management fees earned by the Group after eliminating the asset management fees expenses charged by AXA Mansard Investments Limited on other members of the AXA Mansard Group.

33 Net (losses)/gains on financial instruments

a)	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Gains on financial assets	320,107	108,082	266,856	87,719
Gain on Investment Property	-	-	-	-
Foreign exchange gain	1,108,728	(270,955)	110,206	(251,124)
Fair value through Profit or Loss	1,430,330	474,846	1,430,330	474,846
	2,859,165	311,973	1,807,392	311,441

b) Disposal of shares in subsidiary

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Purchase Consideration	3,000,000	-	3,000,000	4,400,000
Investment in subsidiaries	-	-	(1,885,247)	(1,460,127)
Net asset as at date of disposal	(1,618,306)	-	-	-
Disposal cost	(20,828)	-	(20,828)	-
NCI	783,571	-	-	-
License	(388,333)	-	-	-
Goodwill	(926,532)	-	-	-
Gain on disposal	829,572	-	1,093,924	2,939,873

Eustacia Ltd purchased 60% of the issued and paid-up share capital of AXA Mansard Pension Ltd held by the Company (AXA Mansard Insurance Plc) for ₦3,000,000,000.00 (Three Billion Naira). The share sale agreement was executed on the 31 July 2020.

34 Profit on investment contracts

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Interest income	450,555	559,683	450,555	559,683
Gains/(losses) from sale of investments	14,784	48,752	14,784	48,752
Total interest income	465,339	608,435	465,339	608,435
Expenses				
Guaranteed interest	(174,051)	(192,161)	(174,051)	(192,161)
Other expenses	(33,176)	(35,428)	(33,176)	(35,428)
Net profit	258,112	380,846	258,112	380,846

35 Other income

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Profit/loss from sale of property and equipment	(6,759)	8,192	(6,024)	8,172
Sundry income	210,955	371,117	14,169	46,378
Total	204,196	379,309	8,145	54,550

36 Expenses for marketing and administration

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Marketing and administrative expenses	985,389	1,471,240	839,757	1,261,584
Direct selling cost	446,038	430,492	446,038	430,492
	1,431,427	1,901,732	1,285,795	1,692,076

37 Employee benefit expense

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Wages and salaries	1,438,206	1,491,557	942,067	775,072
Other employee costs	886,006	878,062	117,046	141,789
Pension costs – defined contribution plans	64,371	76,685	46,584	57,173
Performance-based expenses	525,941	408,050	423,686	289,697
Equity and Cash settled share-based payments	-	(75,215)	-	(75,215)
	2,914,524	2,779,139	1,529,383	1,188,516

38 Other operating expenses

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Depreciation and amortisation charges	576,322	490,661	457,830	366,811
Depreciation on right of use	213,041	162,508	204,076	90,178
Professional fees	124,609	267,391	106,407	217,176
Directors' emolument and expenses	53,322	68,770	38,157	38,173
Contract services cost	1,081,993	948,749	908,706	797,485
Auditor's remuneration	36,125	40,322	31,068	32,572
Bank charges	291,003	107,670	82,321	73,518
Stamp duty charge on bank transactions	3,153	5,369	3,152	5,368
Insurance related expenses	137,096	41,488	283,490	192,238
Training expenses	125,852	122,129	109,061	106,278
Asset management fees expense	-	-	191,280	184,690
Information technology expenses	84,264	434,878	13,500	371,188
Maintenance expenses	510,287	364,388	510,287	364,388
Other expenses	338,356	314,677	120,524	113,418
	3,575,423	3,369,000	3,059,858	2,953,481

39 Finance cost

Interest expense represents finance cost recognized on APD Limited's loans and interest on lease liability during the year under review.

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Interest expense	697,439	443,835	80,942	37,275
	697,439	443,835	80,942	37,275

40 Income tax expense

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
<i>Company income tax</i>				
- Non life	111,194	99,731	111,194	99,731
- Life	24,312	39,858	24,312	39,858
- AXA Mansard Investments Limited	57,656	3,392	-	-
- APD Limited	234,034	385,733	-	-
- AXA Mansard Health Limited	1,111,052	425,662	-	-
- AXA Mansard Pensions Limited	1,836	9,812	-	-
<i>Education tax</i>				
- General	-	16,693	-	-
- AXA Mansard Health Limited	55,751	28,842	-	-
- AXA Mansard Investments limited	2,776	676	-	-
<i>Capital gains tax</i>				
- General	-	-	-	-
- Life	-	-	-	-
<i>Additional prior period tax</i>				
-General	-	-	-	-
- Life	-	-	-	-
- AXA Mansard Pensions Limited	-	-	-	-
WHT credit utilised during the year	-	-	-	-
	1,598,611	1,010,399	135,506	139,589
<i>Deferred tax</i>				
- Non life	-	-	-	-
- Life	-	-	-	-
- AXA Mansard Investments limited	30,243	4,209	-	-
- APD Limited	(63,367)	2,540	-	-
- AXA Mansard Health Limited	9,348	2,080	-	-
- AXA Mansard Pensions Limited	-	-	-	-
	(23,775)	8,829	-	-
Total tax charge for the year	1,574,836	1,019,228	135,506	139,589

Tax on the Group's profit before tax differ from the theoretical amount that would arise using the weighted average tax rate applicable to profit of the consolidated entities as follows:

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
<i>Effective tax rate reconciliation analysis</i>				
Profit before income tax	5,870,426	3,927,500	2,336,740	4,978,919
Tax calculated at domestic rate applicable in Nigeria at 30% (2019:30%)	1,761,128	1,178,250	453,499	1,493,676
<i>Effect of:</i>				
Tax exempt income	(1,330,930)	(2,452,707)	(1,038,378)	(2,154,102)
Expenses not deducted for tax purposes	97,444	30,980	84,908	-
Effect of unrecognized tax losses	2,195,159	3,257,470	2,195,159	1,987,122
Impact of minimum tax	103,915	148,424	103,915	139,589
Impact of industry tax law	(1,915,487)	(1,338,583)	(1,695,188)	(1,326,947)
NITDA Levy	61,072	-	29,056	-
Withholding tax	-	-	-	-
Previously recognized deferred tax liability	-	148,820	-	-
Impact of Dividend tax	-	363	-	251
Tertiary education tax	58,527	46,211	-	-
	1,574,836	1,019,228	135,506	139,589

41 Earnings per share

(a) Earnings per share - Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares.

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Profit attributable to equity holders	4,600,781	2,708,875	2,201,234	4,839,330
Weighted average number of ordinary shares in issue (thousands) (see note (a) (i) below)	23,072,719	10,322,719	23,072,719	10,322,719
Basic earnings per share (kobo per share)	20	26	10	47

(i) **Weighted average number of ordinary shares (basic)**

	Parent Dec-2020	Parent Dec-2019
Issued ordinary shares at 1 January	10,322,719	10,322,719
Effect of ordinary shares issued during the year	12,750,000	-
Effect of treasury shares held	-	-
Effect of share options exercised	-	-
Weighted-average number of ordinary shares at 30 September	23,072,719	10,322,719

(b) **Earnings per share- Diluted**

The calculation of diluted earnings per share has been based on the profit attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

	Group Dec-2020	Group Dec-2019	Parent Dec-2020	Parent Dec-2019
Profit attributable to equity holders	4,600,781	2,708,875	2,201,234	4,839,330
Weighted average number of ordinary shares in issue (thousands) (see note (b) (i) below)	23,236,501	10,500,000	23,236,501	10,500,000
Diluted earnings per share (kobo per share)	20	26	9	46

(i) **Average number of ordinary shares (diluted)**

	Group Dec-2020	Group Dec-2019
Issued ordinary shares at 1 January	10,486,501	10,486,501
Effect of ordinary shares issued during the year	12,750,000	-
Effect of ordinary shares granted under the employee share option	-	-
Effect of share options exercised	-	-
Weighted-average number of ordinary shares at 30 September	23,236,501	10,486,501

42 **Disclosure: Securities Trading Policy**

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) AXA Mansard Insurance Plc maintains effective Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy is regularly reviewed and updated by the Board. The Company has made specific inquiries of all the directors and other insiders and is not aware of any infringement.

43 **Disclosure on the Impact of COVID-19**

The Company, in response to the COVID 19 Pandemic has activated its business continuity and operation resilience plans to curb any business interruptions and guaranty service delivery to our customers on a timely basis. The Company is currently assessing the impact of Covid-19 on its earnings, credit risk exposures, liquidity, solvency, employees, customers and other stakeholders to ensure we can withstand the immediate and knock-on impacts. The International Accounting Standard Board, Financial Reporting Council of Nigeria (FRC), Securities and Exchange Commission (SEC) have all issued pronouncements to guide Entities on disclosures and valuations of Financial Assets. In compliance to this, the Company has put in measures to meet the requirements specified by these bodies e.g. SEC requires Public Entities to submit their business continuity plan. FRC on its part issued a guidance note for external auditors on matters to consider during Covid-19 pandemic period which include the fact that management should assess an entity's ability to continue as a going concern.

The Company will continue to track the progress of the fight against the pandemic and its impact on her business. However, based on present assessment, the Directors are of the opinion that the Going Concern of the Company is not endangered and it would be able to continue even into the foreseeable future. We remain committed to the public interest, serving our customers as our first priority and building a resilient business.

AXA MANSARD INSURANCE PLC
APPENDIX 1 (SUMMARISED REVENUE ACCOUNTS (NON LIFE BUSINESS))
for the period ended 31 December 2020

	FIRE =N=000	GENERAL ACCIDENT =N=000	MOTOR =N=000	MARINE =N=000	ENGINEERING =N=000	OIL & ENERGY =N=000	AVIATION =N=000	AGRICULTURE =N=000	December 2020 =N=000	December 2019 =N=000
REVENUE										
Gross written premium	3,193,791	1,605,909	2,459,915	644,280	689,051	10,382,887	1,084,763	-	20,060,596	19,169,594
Add Reinsurance Inward Premium	7,631	1,294	911	6,055	1,763	2,918	-	-	20,572	43,837
	3,201,422	1,607,203	2,460,826	650,335	690,814	10,385,805	1,084,763	-	20,081,168	19,213,431
Less Unexpired Risks Provision	(229,327)	(34,646)	161,078	83,756	95,151	(453,303)	2,321	-	(374,970)	(954,342)
Gross Premium Earned	2,972,095	1,572,557	2,621,904	734,091	785,965	9,932,502	1,087,084	-	19,706,198	18,259,089
Less Reinsurance Cost										
Local Facultative Premium	(1,561,762)	(111,934)	-	(19,495)	(92,230)	(7,628,777)	(783,718)	-	(10,197,916)	(10,698,517)
Prepaid Reinsurance	98,449	(9,269)	(85,147)	(68,115)	(116,837)	394,785	(20,502)	-	193,364	641,929
Reinsurance Treaty Premium	(611,962)	(50,632)	(48,744)	(267,564)	(213,087)	(1,321,320)	(87,360)	-	(2,600,669)	(1,760,697)
Net Premium	(2,075,275)	(171,835)	(133,891)	(355,174)	(422,154)	(8,555,312)	(891,580)	-	(12,605,221)	(11,817,285)
Net Earned Premium	896,820	1,400,722	2,488,013	378,917	363,811	1,377,190	195,505	-	7,100,978	6,441,804
Add Commission Received										
Direct Business Commission	5,381	1,272	-	3,635	329	409,051	49,604	-	469,272	422,076
Local Facultative Comm	279,842	13,696	-	4,655	3,178	92,793	41,830	-	435,994	489,582
Reinsurance Treaty Comm	154,760	-	-	73,148	60,124	273,379	(1)	-	561,410	432,102
Deferred Comm. Income	(14,705)	(320)	10,643	15,887	21,073	(15,027)	6,260	-	23,811	47,615
Investment income	67,224	104,996	186,497	28,403	27,271	103,232	14,655	-	532,278	475,094
	492,502	119,644	197,140	125,728	111,975	863,428	112,347	-	2,022,764	1,866,470
Total Income	1,389,322	1,520,366	2,685,153	504,645	475,786	2,240,618	307,852	-	9,123,742	8,308,275
Expenses										
Claims Paid	1,020,701	410,852	1,487,972	79,268	206,454	1,744,076	3,004	-	4,952,327	5,291,216
Outstanding Claims	307,812	153,769	(72,630)	29,811	125,031	(1,197,822)	28,894	-	(625,136)	(2,698,938)
IBNR OS	37,199	(70,647)	16,891	22,016	65,566	727,110	4,060	-	802,196	723,307
Gross Claims	1,365,712	493,974	1,432,233	131,095	397,051	1,273,364	35,958	-	5,129,387	3,315,585
Treaty Claims Recovered	480,750	13,966	14,692	15,977	48,479	2,061	-	-	575,926	698,456
Facultative Claims Recovered	65,963	72,977	73,374	-	17,582	1,362,829	-	-	1,592,725	1,573,289
Co-insurers Claims Recovered	-	-	-	-	-	-	-	-	-	8
Ri Claim Recoverable	(181,666)	26,614	(9,689)	16,843	57,801	(1,808,265)	-	-	(1,898,362)	(3,093,987)
IBNR Recoverable	20,845	(18,272)	155	13,753	40,369	483,281	280	-	540,410	107,503
Total Claims Recovered/Recoverable	385,892	95,285	78,532	46,573	164,231	39,906	280	-	810,699	(714,730)
Net claims Incurred	979,820	398,689	1,353,701	84,522	232,820	1,233,458	35,677	-	4,318,688	4,030,315
Underwriting Expenses (commission expenses)	521,257	246,417	171,030	105,721	131,814	358,493	100,104	-	1,634,836	1,472,635
Deferred Acquisition Cost (Comm)	(50,816)	(9,345)	14,622	43,996	16,119	(36,759)	(3,117)	-	(25,300)	6,442
Other acquisition Cost	90,304	1,224	69,630	32,902	-	267	100	-	194,427	314,928
Maintenance Costs	78,273	35,899	81,243	13,862	13,618	55,730	23,667	-	302,292	199,621
Total underwriting expenses	639,018	274,195	336,525	196,481	161,551	377,731	120,754	-	2,106,255	1,993,626
Underwriting Profit	(229,516)	847,482	994,927	223,642	81,415	629,429	151,421	-	2,698,799	2,284,334

AXA MANSARD INSURANCE PLC

APPENDIX 2 (SUMMARISED REVENUE ACCOUNTS (LIFE BUSINESS))

for the period ended 31 December 2020

				December 2020	December 2019
	GROUP LIFE	INDIVIDUAL	ANNUITY	TOTAL	TOTAL
	=N=000	LIFE =N=000	=N=000	=N=000	=N=000
REVENUE					
Gross written premium	4,809,434	2,657,299	-	7,466,733	7,722,519
Less Unexpired Risks Provision	(110,856)	-	-	(110,856)	(285,569)
	4,698,578	2,657,299	-	7,355,877	7,436,950
Less Reinsurance Premium					
Local Facultative Premium	(672,347)	(22,285)	-	(694,632)	(1,720,743)
Ri share of Insurance Liabilities	(126,288)	-	-	(126,288)	74,893
Reinsurance Treaty Premium	(157,522)	(24,419)	-	(181,941)	(431,473)
Net Premium	3,742,421	2,610,595	-	6,353,016	5,359,628
Add commission received					
Direct business commission	11,274	(23)	-	11,251	15,096
Local Facultative	111,856	2,780	-	114,636	234,707
Reinsurance treaty	35,906	5,534	-	41,440	124,730
Investment Income	314,596	219,452	399,628	933,677	1,175,222
	473,632	227,744	399,628	1,101,004	1,549,755
Total income	4,216,053	2,838,339	399,628	7,454,020	6,909,383
Expenses					
Claims paid	2,725,716	634,819	289,977	3,650,511	2,285,823
Surrenders	-	254,702	-	254,702	175,728
Outstanding Claims	(477,814)	-	-	(477,814)	84,994
IBNR OS	(249,046)	-	-	(249,046)	516,488
Gross claims incurred	1,998,856	889,521	289,977	3,178,353	3,063,033
Reinsurance claims recovered	-	-	-	-	-
Co insurance claims recovered	(349,338)	(107,276)	-	(456,614)	(383,334)
RI Claims Recoverable	84,397	-	-	84,397	166,117
RI Share of IBNR	289,781	-	-	289,781	65,067
Net claims incurred	2,023,696	782,245	289,977	3,095,918	2,910,883
Acquisition expenses (commission expenses)	374,495	223,041	-	597,536	679,155
Other acquisition costs	69,990	82,434	-	152,424	93,587
Maintenance cost	84,379	198,079	-	282,458	46,281
Transfer to life fund	-	1,201,462	884,291	2,085,753	913,628
Total expenses	2,552,560	2,487,260	1,174,268	6,214,089	4,643,534
Underwriting profit	1,663,492	351,079	(774,639)	1,239,932	2,265,849