



AXA Mansard Insurance Plc and Subsidiary Companies

**Annual Report
31 December 2019**

Introduction

AXA Mansard Insurance is a Nigerian financial service group with interests in insurance, asset and investment management, health insurance, property development and pension fund administration and management. AXA Mansard Group comprises AXA Mansard Insurance Plc. and four subsidiaries all operating in Nigeria.

AXA Mansard Insurance Plc's Financial Statements comply with the applicable legal requirements of the Companies and Allied Matters Act (CAMA) regarding financial statements and comprises Consolidated and Separate Financial Statements of the group for the year ended 31 December 2019. The consolidated and separate financial statements have been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board.

Contents

	Page
<i>Business Review:</i>	
Corporate information	5
Corporate addresses	6
Vision, Mission and Values	7
2019 Corporate social responsibility initiatives	8
Complaints and feedback	9
Sustainability report	11
<i>Corporate Governance:</i>	
Corporate governance report	13
Internal Control and Risk Management Systems	19
Management discussion and analysis	25
Director's Report	26
Statement of Directors' Responsibilities	30
Report of the Audit and Compliance Committee	31
Independent Auditor's Report	32
<i>Financial Statements:</i>	
Consolidated Statement of Financial Position	38
Consolidated Statement of Comprehensive Income	39
Consolidated Statements of Changes in Equity	40
Consolidated Statement of Cash Flows	42
General Information	43
Summary of significant accounting policies	43
Notes to the financial statements	59
Claims Triangulation tables	127
General Business Revenue Account	130
Life Business Revenue Account	131
Annuity disclosures	132
<i>Other national disclosures:</i>	
Five Year Financial Highlights	133
Value Added Statement	135



AXA MANSARD

AXA Mansard Insurance Plc and Subsidiary Companies

Business Review

Corporate information

Chairman	Mr. Olusola Adeeyo	Chairman	Nigerian	
Directors	Mr. Kunle Ahmed	Chief Executive Officer	Nigerian	
	Mr. Tosin Runsewe	Executive Director	Nigerian	<i>*Resigned from the Board effective from January 31, 2020</i>
	Mr. Yomi Onifade	Executive Director	Nigerian	
	Mrs. Karima Silvent*	Non Executive Director	French	<i>*Resigned from the Board effective from May 9, 2019</i>
	Mr. Frederic Coppin**	Non Executive Director	French	<i>**Resigned from the Board effective from October 25, 2019</i>
	Mr. Lesley Ndlovu	Non Executive Director	Zimbabwean	
	Mr. Tom Wilkinson	Non Executive Director	Brit	
	Mr. Ohis Ohiwerei	Independent Director	Nigerian	
	Mr. Sohail Ali***	Executive Director	Brit	<i>***Appointed Effective April 25, 2019</i>
	Mr. Hassan El-Shabrawishi****	Non Executive Director	Egyptian	<i>****Appointed Effective March 19, 2019</i>
Registered Office	Santa Clara Court Plot 1412, Ahmadu Bello Way Victoria Island Lagos www.axamansard.com			
Company Secretary	Mrs. Omowunmi Mabel Adewusi			
RC No.	133276			
FRC Reg. No.	FRC/2012/0000000000228			
Auditors	KPMG Professional Services KPMG Tower Bishop Aboyade Cole Street, Victoria Island, Lagos Tel: (01) 2718955 www.kpmg.com/ng			
Bankers	Guaranty Trust Bank Plc Standard Chartered Bank Nigeria Limited First City Monument Bank Limited Stanbic IBTC Bank Plc			
Re-insurers	African Reinsurance Corporation Continental Reinsurance Plc. Swiss Re Munich Reinsurance Company Limited			
Actuaries	EY Nigeria QED Actuaries & Cons. (Pty) Ltd AXA Mansard	Olurotimi O. Okapaise C Van Heerden Jolaolu Fakoya	FRC No: FRC/2012/NAS/00000000738 FRC No: FRC/2018/NAS/00000018470 FRC No: FRC/2019/002/00000020016	
Valuers	Osas & Oseji Est. Surv. & Valuers	Osas & Oseji Aigbekaen Osas Davis	FRC No: FRC/2012/0000000000052 FRC No: FRC/2013/NIESV/00000001140	
Registrar	DataMax Registrars Limited			

Corporate Addresses

HEAD OFFICE

AXA Mansard Insurance Plc.

Santa Clara Court,
Plot 1412 Ahmadu Bello Way
Victoria Island
Lagos State
Tel: 0700-626-7273, 01-4485482
Email: insure@axamansard.com

ABUJA

Plot 1568, Muhammadu Buhari Way,
Area 11 Garki, Abuja
Tel: (081) 50490161

PORT HARCOURT

Plot 12 Ezimgbu Link Road,
G.R.A. Phase IV
Port Harcourt
Rivers State, Nigeria.
Tel: (081) 13936051

MINNA

Suite 4A Shamras Plaza,
Along Bosso Road,
opposite Murtala Park,
Central Business District,
Minna, Niger State
Tel: (080) 73990861
Niger State

KADUNA

3B Ribadu Road,
Off Tafawa Balewa Way,
Doctor's Quarters - Ungwan Rimi,
Kaduna State

AXA MANSARD WELCOME CENTERS

ABUJA

Plot 1568 Muhammadu Buhari Way
Area 11, Garki, Abuja

ALAUJA

DN Meyer Building
Plot 34, Mobolaji Johnson Avenue
Behind 7Up Bottling Company
Alausa-Ikeja, Lagos.

YABA

176, Herbert Macaulay,
Adekunle, Yaba, Lagos.

FESTAC

Plot 248 Block B, Festac Link Road
Amuwo-Odofin, Lagos State

IKOTA

Block K (Suites 4-6 & 15-17),
Road 5, Ikota Shopping Complex,
Ikota, Ajah, Lagos State.

IKORODU ROAD

177 Ikorodu Road, Onipanu
Lagos State

APAPA

12/14 wharf road Apapa
Lagos State

OGBA

18 Ijaiye Road Ogba, Ikeja
Lagos State

ENUGU

Bethel Plaza (Suite A5),
36, Garden Avenue, Opp. Diamond Bank, Enugu
Enugu State

BENIN

15 Sapele Road Benin City
Edo State

UYO

110 Abak Road Uyo
Akwa Ibom State

ILORIN

30 Ibrahim Taiwo Road Ilorin
Kwara State

LEKKI

Plot 3A Kayode Otitoju Street
Off Admiralty Road
Admiralty Way Lekki Phase 1, Lagos State

MINNA

Shamras Plaza, Along Bosso Road
Opposite Murtala Park,
Minna Central Business District,
Niger State

ALABA

H40/51 Igbede Road
Alaba International Market Ojo
Lagos State

AHMADU BELLO WAY-V/I

Plot 1412, Ahmadu Bello Way,
Victoria Island, Lagos.

OPEBI

15/17 Opebi Road
Opebi, Ikeja, Lagos.

ONIKAN

2 McCarthy Street, Onikan
Lagos State

PORT HARCOURT

Plot 12 Ezimgbu Link Road,
Off Stadium Road, GRA Phase IV
Port Harcourt, Rivers State.

IBADAN

Broking House,
1 Alh. Jimoh Odutola Road
Dugbe, Ibadan
Oyo State

SURULERE

82 Adeniran Ogunsanya Street, Surulere
Lagos State

KADUNA

3B Ribadu Road, Off Tafawa Balewa Way,
Doctor's Quarters - Ungwan Rimi GRA,
Kaduna State

EGBEDA

Yemoso Plaza,
26-28 Akowonjo Road Egbeda
Lagos State

Vision, Mission and Values

Our mission, vision and values outline who we are, what we want to achieve and how we want to achieve it. They provide direction for our Company and help ensure that we are all working towards the same goal.

Our Vision

To be the leading African Financial Services provider, delivering superior solutions to our customers while exceeding stakeholders' expectations.

Our Mission

We are driven to innovate and excel consistently creating exceptional value for our stakeholders.

Our corporate values

Our values are the foundation of our organization. They serve as our guide, inspiring our actions and our decisions. These values reflect our way of doing and thinking, for the benefit of our customers, shareholders, employees, business partners and in any community we operate in. The following core values drive everything we do at AXA Mansard Insurance Plc.

Customer first

Customer is our purpose. All our thinking starts with the customer. We consider the way they live today and tomorrow so that we continue to be relevant and impactful.

We are guided by strong moral principles, trusting our internal judgment to do the right thing for our customers, employees, stakeholders and partners.

Courage

We speak our mind and act to make things happen. We push the boundaries of what is possible and take bold actions to find new ways to be valuable.

One AXA

Being together and being different makes us better. We are stronger when collaborating and acting as one team.

Integrity

Integrity is our compass. We are guided by strong moral principles, trusting our internal judgment to do the right thing for our customers, employees, stakeholders and partners.

2019 Corporate social responsibility report

Background

AXA Mansard's overall aim is to achieve positive impact on the society as a whole while maximizing the creation of shared value for members of staff, shareholders and stakeholders.

To achieve this objective, our attention is driven towards community projects, such as healthcare access, education and support to non-governmental organizations.

SUPPORT FOR NON-GOVERNMENTAL ORGANIZATIONS

SICKLE CELL FOUNDATION

The Sickle Cell Foundation Nigeria is a non-governmental and non-profit making organization dedicated to the proper care and control of sickle cell disorder in Nigeria. The Sickle Cell Foundation Nigeria (SCFN) was registered in November 1994 to address important issues, such as, capacity building, research, policy development, policy implementation, monitoring and evaluation necessary for the sustained management and control of sickle cell disorder (SCD) in Nigeria.

In June 2019, AXA Mansard supported the foundation with the sum of One Hundred and Fifty Thousand Naira (N150,000) for the production of their bulletin.

I AM FEMALE FOUNDATION

The 'I am female' foundation aims at creating social impact via education, empowerment and a platform for all round encouragement to female adolescent and young adults through volunteer service by providing female hygiene related products, self-education/awareness seminars, skills and acquisition forums. We supported the activities of the foundation with One Hundred Thousand Naira (N100,000).

PAN-AFRICAN UROLOGICAL SURGEONS ASSOCIATION'S INITIATIVE FOR UROLOGICAL TRAINING IN AFRICA

In July 2019, AXA Mansard donated the sum of Two Million Naira (N2,000,000) to the Postgraduate Training Fellowships in general urology at the Pan-African Urological Surgeons Association's Initiative for Urological Training in Africa (PIUTA), Ibadan Centre, University of Ibadan and University College Hospital, Ibadan.

The sponsorship comes as a yearly medical outreach programme which is aimed at providing health education talks, screening for medical and surgical diseases and undertaking intermediate procedures in all surgical specialties. These cases include screening for general medical and surgical diseases, urological diseases, obstetrics and gynecology diseases, primary dental and ophthalmological care and provision of eye glasses amongst others.

ENACTUS

ENACTUS (FORMERLY KNOWN AS SIFE FOUNDATION GTE) is an international non-profit organization dedicated to inspiring students to improve the world through entrepreneurial action. It provides a platform for teams of outstanding university students and create community development projects that put people's own ingenuity and talents at the center of improving their livelihoods. Guided by educators and supported by business leaders.

In July 2019, AXA Mansard supported the foundation with a sum of Five Hundred Thousand Naira (N500,000) in order to drive creativity and reward results of outstanding students who participated in the competition.

2019 SPECIAL OLYMPICS NATIONAL GAMES

In line with the plan to support/ make donations to NGOs, we identified the Special Olympics Nigeria, an affiliate of Special Olympics International a global non-profit organization created by the Joseph P. Kennedy foundation. It is the world's largest sports organization for children and adults with intellectual disabilities.

AXA Mansard was the official insurance company for team Nigeria at the 2019 Athletics competition. Group Personal Accident and Health Insurance was granted to the athletes as well as the entourage that represented Nigeria at the Special Olympics with a total premium of One Million, One Hundred and Two Thousand, Eight Hundred and Ninety Naira (N1,102,890).

EDUCATION: SUPPORT FOR SCHOOLS

AXA Mansard supported various schools activities, ranging from sports events, volunteer teaching programmes, family fun days, academic events and some tactical projects. The schools below were beneficiaries of AXA Mansard's support in 2019. □

* **CHILDREN'S INTERNATIONAL SCHOOLS** CIS is a co-educational primary and secondary school accommodating boys and girls from the ages of 2 years 6months to 16 years. The school's vision is to nurture and empower every learner to become a transformative global citizen. The sum of Five Hundred Thousand Naira (N500,000) was donated towards the school's participation in the World School Games which held in Dubai last year.

* **ADEGOKE NURSERY AND PRIMARY SCHOOL;** Lagos Kids Mini Marathon is an initiative of The St Saviours School Ikoyi Endowment Fund, it is an inter-school competition. The Mini Marathon is the first kids focused marathon event in Lagos and the goal is to inspire kids to become more physically active for a lifetime from an early age; as well as run for a charity. Although the event is kids focused, the Mini Marathon is a family fun event with exciting post race activities planned.

* **LAGOS KIDS-MINI MARATHON ;** In a bid to impact the lives of economically disadvantaged children, we supported Adegoke Nursery and Primary School, Masha Surulere with One Hundred Thousand Naira (N100,000) for the purchase of school bags, books, water bottles and other school items. In November 2019, AXA Mansard donated the sum of Five Hundred Thousand Naira (N500,000) was donated for the year's edition of the event

Complaints and feedback

Introduction

At AXA Mansard Insurance Plc., customers are a vital part of our business. Our focus has been to deliver excellent customer service across our touch points and remain a thought leader in the industry. Bearing this in mind, we consider customers' feedback as valuable insights to enable us make better decisions, improve our business and the overall customer experience.

Complaints channels

Our goal is to be accessible whenever and wherever our customers need us and also drive engagement to foster mutual relationship. In view of this, we were available via the following multi-channel platforms to engage customers and address their requests:

1. AXA Mansard CCare and Complaint email channels,
2. AXA Mansard hotline,
3. AXA Mansard Website,
4. Correspondence from customers,
5. AXA Mansard Twitter handle, Google+, Instagram, Facebook channel and Live Chat Platform on the website

Customers can also pay a visit to any of our Welcome Centers nationwide to interact with our staff and provide feedback. The addresses for these centres can be found on our website –<https://www.axamansardPlc.com/office-directory>

Resolution structure

Our resolution structure shows a standard process flow on how complaints are resolved within stipulated timelines and steps taken to mitigate future occurrence while also presenting opportunity for continuous innovation. For this purpose, we have a dedicated Customer Interface team which comprises the Contact Centre and Branch Operations teams. The Contact Centre is responsible for prompt investigation and resolution of customers' complaints within the approved period. The Contact Centre liaises with other units within the organization and ensures that customers' complaints are satisfactorily resolved.

Customers' complaints are stream-lined based on the type of complaints to provide an enabling environment for proper monitoring, proper documentation and effective feedback process for received complaints.

The process flow of customer complaint and resolution is as follows:

- The officer at the receiving point of a customer's complaint acknowledges and records the complaint.
- The complaint is reviewed and it is determined if the complaint could be resolved at first-level.
- Where the complaint can be resolved at the first level, a resolution is immediately provided to the customer.
- Where such complaint cannot be resolved at the first level, the receiving point forwards such complaint to the appropriate unit in the organization to resolve, while also keeping the customer informed.
- Upon resolution, the customer is contacted and the resolution is explained to the customer.
- The complaint case is closed and marked as resolved.

In addition to our current process is the utilization of the Customer Relationship Management (CRM) application for documentation and review of the customer experience journey. The combination of these processes have adequately helped us measure customer resolution, and have provided statistical summaries on customer relationship management.

Customers' opinion on products

To enrich our customer experience, we paid attention to customer's opinion and included periodic keep in touch activities to evaluate their perspectives and opinions about our products and services.

The evaluation was conducted through:

- One-on-one focus meetings with key customers.
- Interviews with select customers.
- Opinions received via our AXA Mansard CCare mailbox (insure@axamansard.com)
- Surveys / Questionnaires administered to customers.
- Keep in Touch activities with customers

These various evaluations were carried out to afford our organization the opportunity to evaluate customers' perception about us, in order to ensure that processes are continuously reviewed to improve service delivery and enhance product quality.

Feedback on customers' complaints to AXA Mansard Insurance Plc

Feedback on customers' complaints is provided to Management, relevant Units and Groups within the organization to ensure that complaints and issues raised by customers are brought to their knowledge, so as to bring about further review and inclusion of best

The feedback gathered ensures that:

- AXA Mansard retains her customers as customers feel appreciated and respected,
- The quality service delivery at AXA Mansard is maintained and standardized across board,
- A reliable source of identifying improvement opportunities is presented to management,
- A reliable source of data on customers' complaints and expectations is collated.

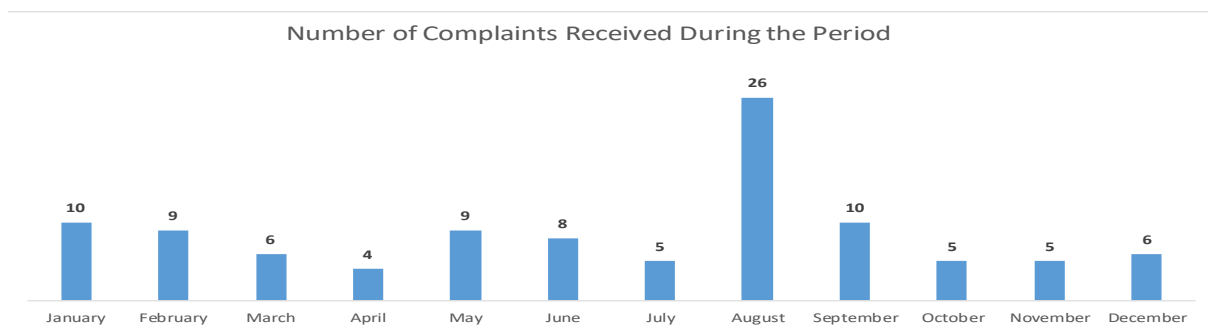
The feedbacks are circulated to management staff through the company's internal information channel for the general information of all. Incidence of complaint not resolved within stipulated turnaround time, was largely due to dependency on third party assistance in resolutions, however all complaints are usually resolved within 24hrs. If the issue exceeds our stated turnaround time, it is mandatory that complaints are closed with our customers consent at an agreed upon time.

We continually strive to ensure improvements in our service delivery with a view to reducing customer complaints. Major tools for achieving this is through:

- Our Keep in Touch (KIT) Process, which helps us continuously engage and interact with our customers. This has in turn helped the organization address customer concerns before they became complaints.
- An increase in number of our customer Touch points (Welcome Centers, Contact Centre, Live chat, Website Call Back, Social media handles etc.). Our availability has made it easy for customers to walk in or engage us and have a delightful experience while their concerns are being addressed.

Report of Complaints received and resolved by the organization between January – December 2019

Month	Number of Complaints received during the year	Number of complaints resolved	Number of complaints unresolved	Number of complaints unresolved within target timelines
January	10	10	Nil	Nil
February	9	9	Nil	Nil
March	6	6	Nil	Nil
April	4	4	Nil	Nil
May	9	9	Nil	Nil
June	8	8	Nil	Nil
July	5	5	Nil	Nil
August	26	26	Nil	1
September	10	10	Nil	1
October	5	5	Nil	Nil
November	5	5	Nil	Nil
December	6	6	Nil	Nil
Total	103	103	Nil	2



The spikes seen in the months of January, May and August are discussed in the summary below.

In the first half of the year, particularly from the later part of January to early February and in the month of May, we experienced a significant increase in the number of offline liquidation requests from customers. The complaints during this period were directly linked to technical issues experienced which delayed the processing of outflows on these liquidation requests. However, the team worked assiduously to resolve these issues, leading to early restoration of service, while our customers were closely engaged until they received value.

In the month of August, the Company upgraded the website to make more user-friendly and improve self-service capabilities. Although the upgrade had evident benefits in the long run, the immediate impact was not as favourable, as users faced a few challenges with the revised processes that resulted from the upgrade. This led to the high volume of complaints received from online users during the month and into the month of September. By mid-September however, critical user concerns had been addressed and suggestions from feedback implemented, leading to a smoother experience for our customers.

The complaints received for this year (2019) have all been treated appropriately as customer satisfaction is paramount to our organization. This year, we introduced a new straight-through payment channel to minimize payment errors and delays in account statement updates previously experienced by customers. As a result, customers who fund their policies using the new straight-through channel can see their payments reflect promptly on their statement of account.

SUSTAINABILITY REPORT

The Environmental and Social Management System- Our approach

As the foremost insurance company in Nigeria to pioneer and incorporate the environment and social facets of risk management, as an ancillary function to mainstream insurance risk underwriting, AXA Mansard remains passionate and dedicated to managing the potential Environmental & Social risks of our business and applying the appropriate standards in the review of our business operations and those of our clients, as well as in our relationship with the communities in which we operate.

Our Environmental and Social risk management framework constitutes an integral part of our robust corporate governance, social responsibility and enterprise risk management strategies. Our obligation to uphold environmental and social sustainability considers the occupational and community health, safety and security concerns of the businesses we underwrite and advocates social responsiveness amongst our clients in relation to these risks.

We are taking a more serious look at the environmental and social impacts and risks potentially associated with our business activities as we strive to retain our standards and the delicate balance between ensuring viable competitiveness and delivering on our corporate social responsibilities. This is evident in our constant improvement of the ESMS tools and processes we use to ensure that it continues to function efficiently and effectively, we put other identified E&S risk that emerge in the course of the year into consideration as well as ensure that changes in relevant environmental standards are reflected.

The management of E&S risks is governed by its Environmental & Social Management System (ESMS) framework- which consists of a policy, a set of procedures to identify, assess and manage environmental and social risks in our clients' operations and the assignment of administering such responsibility by the Enterprise Risk Management (ERM) unit.

In addition, through our Environmental & Social Management System processes, we evaluate our clients' current capabilities in managing identified environmental & social risks that could arise in the cause of their business operations and we offer advisory services and also assist in developing E&S framework as value-added service.

The management of E&S risks is governed by its Environmental & Social Management System (ESMS) framework-this is a policy, set of procedures to identify, assess and manage environmental and social risks in our clients' operations and the assignment of administering such responsibility to the Enterprise Risk Management (ERM) unit.

We are committed to assisting our clients develop environmental and social risk management frameworks as value-added service as this we believe is mutually beneficial to our clients and ourselves in relation to managing E&S risks as the success of our customers, clients and stakeholders guarantees future business, which strengthens our commercial sustainability.

Continuous awareness

A significant contribution we are making to socioeconomic development is in creating awareness by training and building the capacity of our employees in the subject of sustainability and enlightening our customers, clients and all other stakeholders. We seek to increase our clients' understanding of how E&S issues can impact their business, thereby reducing resistance to environmental and social risk management requirements and developing strong partnership for sustainability.

Our commitment

We will remain focused and committed on Sustainable performance. This translates into taking measures to minimize harm in the communities we operate in, we would continually communicate our progress and create more awareness and promote such drives from It is our belief that for sustainability initiative to thrive within the Nigerian Insurance industry, a firm commitment by and robust collaboration with all industry stakeholders is necessary and we are committed to this.



AXA Mansard Insurance Plc and Subsidiary Companies

Corporate Governance

Corporate governance report

AXA Mansard Insurance Plc (“the Group”) has consistently developed corporate policies and standards to encourage good and transparent corporate governance framework to avoid potential conflicts of interest between all stakeholders whilst promoting ethical business practices. This is the foundation of our history, values and culture as a Company for building and sustaining an enduring institution that guarantees profitability and professionalism whilst enhancing shareholders’ value.

As a public quoted company, the Company strives to carry out its business operations on the principles of integrity and professionalism whilst enhancing shareholders’ value through transparent conduct at all times with the adoption and application of local regulatory standards as well as international best practices in corporate governance, service delivery.

In order to ensure consistency in its practice of good corporate governance, the Company continuously reviews its practice to align with the various applicable Codes of Corporate Governance such as the SEC Code and the NAICOM Code with particular reference to compliance, disclosures and structure. Furthermore, an annual board appraisal is conducted by an Independent Consultant appointed by the Company whose report is submitted to NAICOM and presented to shareholders at the Annual General Meeting of the Company in compliance with the recommendation of the NAICOM Code of Corporate Governance.

Governance structure

The Board

The governance of the Company resides with the Board of Directors who is accountable to shareholders for creating and delivering sustainable value through the effective management of the Company. The Board of Directors is responsible for the efficient operation of the Company and to ensure the Company fully discharges its legal, financial and regulatory responsibilities.

The Board also reviews corporate performance, monitors the implementation of corporate strategy and sets the Company’s performance objectives. The Board monitors the effectiveness of its governance practices, manages potential conflict and provides general direction to Management. These oversight functions of the Board of Directors are exercised through its various Committees. The Board has four (4) Committees to ensure the proper management and direction of the Company via interactive dialogue.

The Board membership comprises of eleven (11) members, including the Chairman, six (6) Non-Executive Directors, four (4) Executive Directors and one (1) Independent Director appointed based on the criteria laid down by NAICOM for the appointment of Independent Director(s). The Independent Director does not have any significant shareholding interest or any special business relationship with the Company. The effectiveness of the Board derives from the appropriate balance and mix of skills and experience of Directors, both Executive and Non-Executive. The Company’s Board is made up of seasoned professionals, who have excelled in their various professions and possess the requisite integrity, skills and experience to bring to bear independent judgment on the deliberations of the Board.

Responsibilities of the Board

The Board determines the strategic objectives of the Company in delivering long-term growth and short-term goals. In fulfilling its primary responsibility, the Board is aware of the importance of achieving a balance between conformance to governance principles and economic performance.

The powers reserved for the Board include the following:

- a) determination of Board structure, size and composition, including appointment and removal of Directors, succession planning for the Board and senior management and Board Committee membership;
- b) approval of mergers and acquisitions, branch expansion and establishment of subsidiaries; approval of remuneration policy and packages of the Board members
- c) approval of policy documents on significant issues including Enterprise-wide Risk Management, Human Resources, Corporate governance and Anti – money laundering
- d) approval of resolutions and corresponding documentation for shareholders in general meeting(s), shareholders circulars, prospectus and principal regulatory filings with the regulators.
- e) approval of major changes to the Company’s corporate structure (excluding internal reorganizations) and changes relating to the Company capital structure or its status as a public limited company
- f) approval of quarterly, half-yearly and full year financial statements (whether audited or unaudited) and any significant change in accounting policies and/or practices
- g) the determination and approval of the strategic objectives and policies of the Company to deliver long-term value;
- h) approval of the Company’s strategy, medium and short term plan and its annual operating and capital expenditure budget

Roles of key members of the Board

The positions of the Chairman of the Board and the Chief Executive Officer are separate and held by different persons. The Chairman and the Chief Executive Officer are not members of the same extended family.

The Chairman

The Chairman has the responsibility to lead and manage the Board to ensure that it operates effectively and fully discharges all its statutory responsibilities, whilst promoting effective relations and open communication within the boardroom.

The Chairman discharges his duties with prudence, integrity and professional skills at all times.

The Chief Executive Officer

The Chief Executive Officer is charged with supervisory role over the technical operations of the Company, which involves investment management, risk management, formulation of policies, and the implementation of operational decisions. The CEO is the first line of reference for issues to be discussed at the Board, and is charged with ensuring compliance with regulations and policies of both the Board and regulatory authorities.

The Independent Director

In line with the NAICOM code of corporate governance, the Board has an Independent Director who is responsible for the protection of shareholders' rights and interests in the Company. The Independent Director does not represent any particular shareholding interest, nor hold any business interest in the Company, to ensure his objective contributions to the Company's development.

Company's Secretary

The Company Secretary is a point of reference and support for all directors. It is the Company Secretary's responsibility to provide the directors with all requisite information promptly and regularly. The Board may, through the Company Secretary, obtain information from external sources, such as, consultants and other advisers, if there is a need for outside expertise, via the Company Secretary or directly.

The Company Secretary is responsible for assisting the Chairman and Chief Executive Officer in the formulation of an annual board plan, organization of board meetings, and ensuring that the minutes of board meetings clearly and properly capture the board's discussions and decisions.

Director nomination process

The Board agrees upon the criteria for the desired experience and competencies of new directors. The Board has power under the Articles of Association to appoint a director to fill a casual vacancy or as an additional director. The criteria for the desired experience and competencies of new Non-Executive Directors are agreed upon by the Board.

The balance and mix of appropriate skills and experience of Non-Executive Directors is taken into account when considering a proposed appointment. In reviewing the Board composition, the Board ensures a mix with representatives from different industry sectors.

The shareholding of an individual in the company is not considered a criterion for the nomination or appointment of a director. The appointment of directors is subject to the approval of NAICOM.

The following are considered critical in nominating a new director;

- (i) Sterling reputation, and demonstrable adherence to the highest personal moral and ethical standards
- (ii) Professionalism
- (iii) Independence, objectivity and dedication
- (iv) Impeccable corporate governance record
- (iv) Ability to add value to the Organization

Induction and continuous training of Board members

On appointment to the Board, all directors receive a formal induction tailored to meet their individual requirements. The new directors are oriented about the Company and its operations through the Company Secretary via the provision of the Company's Articles of Association, relevant statutory books and regulations and adequate information on the operations.

The directors are also given a mandate and terms of reference to aid in performance of their functions. Management further strives to acquaint the new directors with the operations of the Company via trainings/seminars to the extent desired by new directors to enable them function in their position.

The training and education of directors on issues pertaining to their oversight functions is a continuous process, in order to update their knowledge and skills and keep them informed of new developments in the insurance industry and operating environment.

Changes on the Board

There were changes in the composition of the Board in the course of the year. The Board at its 78th and 80th meeting accepted the resignation of Mrs. Karima Silvent and Mr Frederic Coppin, both Non-Executive Directors of the Company. The appointment of Mr. Hassan El-Shabrawishi, a Non-Executive Director and Mr. Sohail Ali, an Executive Director was approved by NAICOM on March 19, 2019 and April 25, 2019 respectively.

Non-Executive Directors (NEDs) Remuneration

The company's policy on remuneration of Non-Executive directors is guided by the provisions of the NAICOM and SEC Codes which stipulate that the remuneration for Executive Directors' should be limited to Directors' fees and reimbursable travel and hotel expenses. Director's fees and sitting allowance was paid to only Non-Executive Directors as recommended by the Board Governance, Remuneration, and Establishment & General Purpose Committee.

Board Meetings

The Board of Directors' meetings are held every quarter, or as the need arises, to consider the Company's financial statements for the period or to review management accounts for the quarter. At the meetings, the directors also consider the reports and minutes of Board committees, and any other reports pertaining to issues within the scope of the Board's responsibilities.

The Board met five (4) times during the period ended December 31, 2019.

Name of Director	Composition	Meetings attended	13-Feb-19	08-May-19	25-Jul-19	25-Oct-19	
Mr. Olusola Adeeyo	Director	4	X	X	X	X	
Mr. Kunle Ahmed	Director	4	X	X	X	X	
Mr. Tosin Runsewe	Director	4	X	X	X	X	
Mr. Yomi Onifade	Director	4	X	X	X	X	
Mrs. Karima Silvent*	Director	0	-	N/A	N/A	N/A	
Mr. Lesley Ndlovu	Director	4	X	X	X	X	
Mr. Ohis Ohiwerei	Director	4	X	X	X	X	
Mr. Frédéric Coppin**	Director	3	X	X	X	-	
Mr. Tom Wilkinson	Director	4	X	X	X	X	
Mr. Sohail Ali***	Director	3	N/A	X	X	X	
Mr. Hassan El-Shabrawishi****	Director	2	N/A	N/A	X	X	

* Resigned from the Board effective from May 9, 2019.

**Resignation from the Board effective from October 25, 2019.

***Appointed Effective April 25, 2019

****Appointed Effective March 19, 2019

Board Committees

The Board carries out its responsibilities through its Committees, which have clearly defined terms of reference, setting out their roles, responsibilities, functions and scope of authority. The Board has four (4) Committees, namely:

- Statutory Audit Committee,
- Board Investment & Finance Committee,
- Board Risk Management and Technical Committee and
- Board Governance, Remuneration, Establishment & General Purpose Committee.

Through these Committees, the Board is able to more effectively deal with complex and specialized issues and to fully utilize its expertise to formulate strategies for the Company. The Committees make recommendations to the Board, which retains responsibility for final decision making.

All Committees in the exercise of their powers as delegated conform to the regulations laid down by the Board, with well-defined terms of reference contained in the charter of each Committee. The Committees render reports to the Board at the Board's quarterly meetings.

A summary of the roles, responsibilities, composition and frequency of meetings of each of the Committees are as stated hereunder:

(i) Statutory Audit Committee

Auditing is vital to ensuring that accounting norms for insurance businesses are effectively applied and maintained and to monitor the quality of internal control procedures; ensure compliance with all regulatory directives. The Committee shall be responsible for the review of the integrity of the data and information provided in the Audit and/or Financial Reports.

The Committee shall provide oversight functions with regard to both the company's financial statements and its internal control and risk management functions. The Committee shall ensure compliance with legal and other regulatory requirements, assessment of qualifications and independence of external auditor; and performance of the company's internal audit function as well as that of external auditors.

The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its functions and responsibilities. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

The Committee is made up of the following members:

- | | | |
|--------------------------|--------------------------------------|------------|
| 1. Mr. Ohis Ohiwerei | Non-Executive (Independent) Director | – Chairman |
| 2. Mr. Lesley Ndlovu | Non-Executive Director | – Member |
| 3. Mr. Akingbola Akinola | Shareholder's Representative | – Member |
| 4. Mrs. Ayodeji Oloye | Shareholder's Representative | – Member |

The Committee met five (4) times during the year under review:

Name	Composition	Meetings attended	07-Feb-19	26-Apr-19	18-Jul-19	17-Oct-19	
Mr. Ohis Ohiwerei	Chairman	4	X	X	X	X	
Mr. Lesley Ndlovu	Member	4	X	X	X	X	
Mr. Akingbola Akinola	Independent shareholder	4	X	X	X	X	
Mrs. Ayodeji Oloye	Independent shareholder	4	X	X	X	X	

(ii) Board Investment and Finance Committee

The Committee has supervisory functions over investment and other finance-related issues such as capital & funding requirements.

The responsibilities of the Committee include the consideration and approval of all investments above management limit, the review and approval of the investment manual on a periodic basis and, in particular the financial implications of new and major investment strategies/initiatives.

The Committee is made up of the following members:

1. Mr. Lesley Ndlovu	Non Executive Director	Chairman
2. Mr. Tosin Runsewe	Non Executive Director	Member
3. Mr. Yomi Onifade	Executive Director (Client Services)	Member
4. Mr. Sohail Ali	Executive Director (Technical)	Member

The Committee met four (4) times during the year under review:

Name	Composition	Meetings attended	12-Feb-19	06-May-19	25-Jul-19	24-Oct-19
Mr. Lesley Ndlovu	Chairman	4	X	X	X	X
Mr. Tosin Runsewe	Member	4	X	X	X	X
Mr. Yomi Onifade	Member	3	X	X	-	X
Mr. Sohail Ali***	Member	2	N/A	N/A	X	X

***Appointed to the Committee Effective April 25, 2019

(iii) Board Risk Management and Technical Committee

The Board Risk Management and Technical Committee has supervisory functions over risk management, the risk profile, the enterprise-wide risk management framework, underwriting functions of the Company and the risk-reward strategy as determined by the Board.

The Committee is responsible for overseeing management's process for the identification of significant risks across the Company, and the adequacy of prevention, detection and reporting mechanisms. The Committee is also charged with the review of large underwritten risks in order to verify the adequacy of the reinsurance cover.

The Committee is made up of the following members:

1. Mr. Frédéric Coppin	Non Executive Director	Chairman
2. Mr. Kunle Ahmed	Chief Executive Officer	Member
3. Mr. Tosin Runsewe	Executive Director (Client Services)	Member
4. Mr. Yomi Onifade	Executive Director (Technical)	Member
5. Mr. Sohail Ali	Executive Director (Actuary)	Member

The Committee met four (4) times during the period under review:

Name	Composition	Meetings attended	12-Feb-19	07-May-19	24-Jul-19	24-Oct-19
Mr. Frédéric Coppin**	Chairman	3	X	X	X	-
Mr. Kunle Ahmed	Member	4	X	X	X	X
Mr. Tosin Runsewe	Member	4	X	X	X	X
Mr. Yomi Onifade	Member	4	X	X	X	X
Mr. Sohail Ali***	Member	2	N/A	N/A	X	X

**Resignation from the Board effective from October 25, 2019.

***Appointed to the Committee Effective April 25, 2019

(iv) Board Governance, Remuneration, Establishment and General Purpose Committee

The Committee is responsible for establishing the criteria for board and board committee memberships, appointments to executive management and review of candidates' qualifications, and any potential conflicts of interest. In addition, the Committee is responsible for assessing the contribution of current directors in connection with their re-nomination and making recommendations to the Board.

The Committee ensures that a succession policy and plan exists for the positions of chairman, CEO/MD, the executive directors, and senior management.

The Committee is made up of the following members:

1. Mrs. Karima Silvent	Non Executive Director	Chairman
2. Mr. Ohis Ohiwerei	Non Executive (Independent) Director	Member
3. Mr. Tom Wilkinson	Non Executive Director	Member
4. Mr. Lesley Ndlovu	Non Executive Director	Member

The Committee met four (4) times during the period under review:

Name	Composition	Meetings attended	12-Feb-19	07-May-19	24-Jul-19	24-Oct-19
Mrs. Karima Silvent*	Chairman	0	-	N/A	N/A	N/A
Mr. Ohis Ohiwerei	Member	4	X	X	X	X
Mr. Tom Wilkinson	Member	4	X	X	X	X
Mr. Lesley Ndlovu	Member	4	X	X	X	X

* Resigned from the Board effective from May 9, 2019

Annual Board Appraisal

The Code of Corporate Governance for insurance institutions recognizes that a good corporate governance framework must be anchored on an effective and accountable Board of Directors whose performance is assessed periodically. The annual appraisal would be conducted at the end of the financial year, as well as the Company's compliance status with the provisions of NAICOM.

Shareholders

The Company recognizes the rights of its shareholders and other stakeholders, and is driven to deliver desired value to these shareholders and stakeholders. The shareholders are provided with detailed information on the Company's activities and financial results via the annual accounts. They are also provided with the opportunity to make enquiries, obtain information, share ideas, and express their concerns and opinions on all issues. These are communicated to Management and the Board and, on a broader scale, at the Annual General Meeting of the Company.

Protection of Shareholders' Rights

The Board ensures the protection of the statutory and general rights of shareholders at all times, particularly their right to attend and vote at general meetings. All shareholders are treated equally, regardless of volume of shareholding or social status.

Communication policy

It is the responsibility of the executive management under the direction of the Board, to ensure that the Board receives adequate information on a timely basis, about the Company's businesses and operations at appropriate intervals and in an appropriate manner, to enable the Board to carry out its responsibilities.

Furthermore, the Board and management of the Company ensures that communication and dissemination of information regarding the operations and management of the company to shareholders, stakeholders and the general public is timely, accurate and continuous, to give a balanced and fair view of the Company's financial and non-financial matters. Such information, which is in plain language, readable and understandable, is available on the Company's website, www.axamansard.com.

The website also has an Investors Relations portal where the company's annual reports and other relevant information about the company is published and made accessible to its shareholders, stakeholders and the general public.

In order to reach its overall goal on information dissemination, the Company is guided by the following Principles, legislation and codes of corporate governance of the jurisdictions within which it operates. These include the Insurance Act, the NAICOM Operational Guidelines, the Companies and Allied Matters Act (CAMA) and the codes of Corporate Governance issued by NAICOM and SEC.

The principles that guide the Company's information dissemination include the following:

- **Efficiency:** The Company uses modern communication technologies in a timely manner to convey its messages to its target groups. The Company responds without unnecessary delay to information requests by the media and the public
- **Transparency:** The Company strives in its communication to be as transparent and open as possible while taking into account the concept of confidentiality between the Company and its customers, and company secretary. This contributes to maintaining a high level of accountability
- **Clarity:** The Company aims at clarity, i.e. to send uniform and clear messages on key issues
- **Cultural awareness:** The Company operates in a multicultural environment and accordingly recognizes the need to be sensitive to the cultural peculiarities of its operating environment
- **Feedback:** The Company actively and regularly seeks feedback on its image and communication activities both from the media as well as from its key target groups. This feedback is used in future activities.

Independent advice

The Board of Directors are at their own discretion and at the Company's expense required to seek Independent professional advice when required to enable a Member of the Board effectively perform certain responsibilities.

Insider trading and price sensitive information

The Company is clear in its prohibition of insider trading by its Board, management, Officers and related persons who are privy to confidential price sensitive information. Such persons are further prohibited from trading in the Company's securities where such transactions would amount to insider trading.

Directors, insiders and related parties are prohibited from disposing, selling, buying or transferring their shares in the Company for a period commencing from the date of receipt of such insider information until such a period when the information is released to the public or any other period as defined by the Company from time to time.

Securities Trading Policy

The Company adopted and implemented a Securities Trading Policy which is applicable to all Directors and Employees. The policy has been circulated to all Directors and employees and can be found on the Company's Website, www.axamansard.com

Management committees

The Company has 2 Committees which comprises of management staff.

The Management Committee (MC) is the Committee set up to identify and make recommendations on strategies that will aid the long term objectives of the Company. Whilst the Management Underwriting and Investment Committee (MUIIC) was initiated to analyze the risks the Company is underwriting at any given period.

The MUIIC also ensures that risk investment limits as contained in the Board Investment and Finance manual are complied with at all times. They provide inputs from the Board Committee and also ensure that recommendations of the Board Committees are effectively and efficiently implemented. Both Committees meet frequently as necessary to immediately take action and decisions within the confines of their powers.

The Secretary to the Committees is the Company Secretary.

Monitoring compliance with corporate governance

i) Chief Compliance Officer

The Chief Compliance Officer monitors compliance with money laundering requirements and the implementation of the Corporate Governance Code of the Company. The Chief Compliance Officer together with the Chief Executive Officer certifies each year to NAICOM/SEC that they are not aware of any other violation of the Corporate Governance Code, other than as disclosed during the course of the year.

ii) Whistle blowing procedures

In line with the Group's commitment to instill the best corporate governance practices, a whistle blowing procedure was established that ensures anonymity on any reported incidence(s). The Group has a dedicated e-mail address for whistle-blowing procedures.

Code of professional conduct for employees

The Group has an internal Code of Professional Conduct, which all members of staff are expected to subscribe to upon assumption of duties. Staff is also required to reaffirm their commitment to the Code annually. All members of staff are expected to strive to maintain the highest standards of ethical conduct and integrity in all aspects of their professional life as contained in the Code of Professional Conduct which prescribes the common ethical standards, culture and policies of the Group relating to employee values.

Complaints Management Policy

In accordance with the rules and regulations of The Securities & Exchange Commission, the Company adopted and implemented a Complaints Management Policy which is a platform that addresses complaints arising out of issues that are covered under the Investments and Securities Act, 2007 (ISA) by the Company's shareholders.

The Complaints Management policy was designed to handle and resolve complaints from all shareholders of the Company. The policy was endorsed by the Company's senior management, who would also be responsible for its implementation and monitoring of compliance.

A copy of the Complaints Management Policy shall be made available for inspection to shareholders of the Company at the Annual General Meeting of the Company. The policy can found on the Company's Website, www.axamansard.com.

Internal management structure

The Group operates an internal management structure where all officers are accountable for duties and responsibilities attached to their respective offices and there are clearly defined and acceptable lines of authority and responsibility.

An annual appraisal of the duties assigned and dedicated to each person is done by the first quarter of the preceding year.

Share capital history

As at 31 December 2019, the Company's Authorized capital was N5,250,000,000 divided into 10,500,000,000 Ordinary shares of 50k each, while the issued capital was N5,250,000,000 divided into 10,500,000,000 ordinary shares of 50 kobo each. The initial share capital upon incorporation and subsequent changes therein are as follows:

Date	Authorized increase	Cumulative	Issued (N) Increase	Cumulative (N)
1989	-	34,300,000	-	17,150,000
1998	6,346,000	40,646,000	3,173,000	20,323,000
1999	5,978,000	46,624,000	2,989,000	23,312,000
2000	706,000	47,330,000	353,000	23,665,000
2002	152,798,000	200,128,000	76,399,000	100,064,000
2004	799,872,000	1,000,000,000	399,936,000	500,000,000
2006	4,746,440,954	5,746,440,954	2,373,220,477	2,873,220,477
2006	3,938,744,509	9,685,185,463	1,969,372,254	4,842,592,731
2007	314,814,537	10,000,000,000	157,407,269	5,000,000,000
*2007	(5,000,000,000)	5,000,000,000	(2,500,000,000)	2,500,000,000
2008	3,750,000,000	8,750,000,000	1,875,000,000	4,375,000,000
2009	1,250,000,000	10,000,000,000	625,000,000	5,000,000,000
2010	-	10,000,000,000	-	5,000,000,000
2011	-	10,000,000,000	-	5,000,000,000
2012	-	10,000,000,000	-	5,000,000,000
2013	500,000,000	10,500,000,000	-	5,000,000,000
2014	-	10,500,000,000	250,000,000	5,250,000,000
2015	-	10,500,000,000	-	5,250,000,000
2016	-	10,500,000,000	-	5,250,000,000
2017	-	10,500,000,000	-	5,250,000,000
2018	-	10,000,000,000	-	5,250,000,000
2019	-	10,500,000,000	-	5,250,000,000

The Company's issued and fully paid share capital was reconstructed by a special resolution of the Board at its meeting on the 18th of October, 2007, to achieve a reduction of 50% with the result that the issued and fully paid share capital will stand at N2,500,000,000 divided into 5,000,000,000 Ordinary shares at 50k each with the surplus nominal value arising from the reconstruction being transferred to the Company's capital reserve account. The reconstruction was sanctioned by the Federal High Court of Nigeria, Lagos on 31st October 2007 and registered by the Corporate Affairs Commission on the 18th of December 2007.

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.

Risk Management

Our Guiding Principles

We have incorporated an approach aimed at creating and maximizing sustainable /superior value to our stakeholders that strategically balances the risk and AXA Mansard's Risk philosophy is guided by the following principles:

- The Company will not take any action that will compromise its integrity. It shall identify, measure, manage, control and report as practical as possible all
- The Company will at all times comply with all government regulations and uphold corporate standards in accordance with international best practice.
- The Company will institute a sustainable risk culture enterprise-wide.
- The Company will only accept risks within its risk acceptance criteria and have commensurate returns and continually review its activities to determine inherent risks level and adopt appropriate risk response to residual risk levels at all times.
- The Company continually reviews its activities to determine inherent risks level and adopt appropriate risk response at all times.
- The Company will make decisions based on resilient analysis of the implications of such risk to its strategic goals and operating environment.

Risk Management Framework

Our risk management framework was fashioned to uphold a resilient risk management culture and integrate risk considerations into management and decision-making processes, through a risk governance structure across the entire enterprise.

We operate and maintain the 'three lines of defense model' for the oversight and management of risk to create and promote a culture that emphasizes effective management and adherence to operating controls as illustrated below:

1st line – Risk Owners

The Board, management and line managers: It involves broad setting of strategy, risk appetite, performance measurement, establishment and maintenance of internal control and risk management in the business. In addition, business units have the primary responsibility for managing risks and required to take responsibility for the identification, assessment, management, monitoring and reporting of risks arising within their respective businesses, thereby ensuring an informed risk and reward balance.

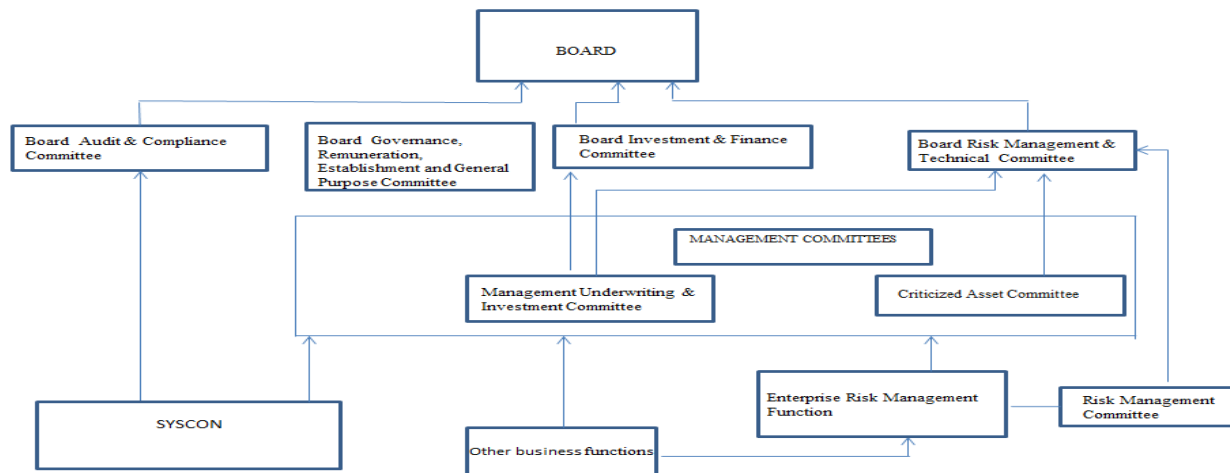
2nd line – Risk Control

The Company's risk management function provides oversight and independent reporting to executive management, implements the Group's risks management policy in the business units, approve risk specific mandates and provide an independent overview of the effectiveness of risk management by the first line of defense. Other internal stakeholders in the role include our legal services, Compliance and Quality Assurance and Internal Control.

3rd line – Risk assurance

The last line of defense comprise of the internal audit function that provides independent and objective assurance of the effectiveness of the Group's systems of internal control established by the first and second lines of defense in management of enterprise risks across the organization.

Risk Management Governance Structure



The remit of setting the organization's risk appetite and approving the strategy for managing risk and organization's system of internal control in the overall directly lies with the Board of Directors. The implementation of this principal function is carried out via its Board Committees as enumerated below:

COMMITTEES	FUNCTIONS
<i>Statutory Audit Committee</i>	<ul style="list-style-type: none"> - Oversight of financial reporting and accounting - Oversight of the external auditor - Oversight of regulatory compliance - Monitoring the internal control process - Oversight of risk management activities
<i>Board Risk Management and Technical Committee</i>	<ul style="list-style-type: none"> - Assist in the oversight of the review and approval of the companies risk management policies including risk appetite and risk strategy. - Review the adequacy and effectiveness of risk management and controls - Oversee management's process for the identification of significant risks across the company and the adequacy of prevention, detection and reporting mechanisms - Review of the company's compliance level with applicable laws and regulatory requirements that may impact the company's risk profile - Review changes in the economic and business environment, including emerging trends and other factors relevant to the company's risk profile - Review large underwritten risks for adequacy of reinsurance and other risk management techniques - Review and recommend for approval of the Board risk management procedures and controls for new
<i>Board Investment and Finance Committee</i>	<ul style="list-style-type: none"> - Reviews and approves the company's investment policy - Approves investments over and above managements' approval limit - Ensures that optimum risk return is achieved through asset and liability matching
<i>Board Governance, Remuneration, Establishment and General Purpose Committee</i>	<ul style="list-style-type: none"> - Establish the criteria for board and board committee memberships - Appoint executive management and review of candidates' qualifications, and any potential conflicts of interest - Assess the contribution of current directors in connection with their re-nomination and make

Integration of Risk Management Functions: Our Approach

The Risk Management function of the company is primarily responsible for coordinating the company's cross functional response to risks. Other functions

- Drive an enterprise wide process to aggregate risk exposures, produce risk reports and institute mitigation strategies;
- Utilize risk control to ensure risk guidelines and policies approved by the board are adhered to;
- Champion the growth of risk culture and awareness ; and
- Lead an enterprise wide risk dialogue by instigating risk discussions in a variety of fora.

The Risk Management Committee (RMC) of the Company provides recommendation to the Board Risk Management and Technical Committee on risk issues for the latter to assess and possibly approve in accordance with the company's objectives of aligning risk appetite and strategy.

The Board Risk Management and Technical Committee approves the Company's risk appetite annually on the basis of robust assessment of risks that incorporates the prudent decision making of risk and reward trade-offs. The Board is also responsible for evaluating strategic alternatives, setting related objectives, and developing mechanisms to manage related risks establishing, documenting, and enforcing all policies that involve risk. The Chief Risk Officer (a member of this Committee) is responsible for implementing these strategies.

The role of the Chief Risk Officer (CRO) includes informing the Board as well as the Management Committee about the risk profile of the Company and also communicate the views of the Board and Senior Management to the entire Company.

Risk appetite

The Group recognizes that its continual sustainability initiative is largely contingent upon brand protection and enhancement of stakeholder value. Our ethos therefore mandates that the Group is averse to risks that essentially erode corporate value.

The Group's risk appetite is primarily characterized by a clear risk strategy, monitoring and reporting procedure that provides the foundation to identify potential deviations from our risk tolerances in a timely manner across the enterprise, which is underpinned by our top-down risk management approach.

The Risk Management policies and procedures instituted are strategically aimed at managing potential, inherent and residual risk categories inherent in our The Board recognizes that the practice of risk management is critical to the achievement of corporate objectives and has actively encouraged a risk culture that embraces innovation and opportunity, primed risk-taking and acceptance of risk as inherent in all our activities, whilst reducing barriers to successful Our structured approach to managing risks is evident in the integration of the risk management function; which is charged with the responsibility of undertaking risk-based audit on all business units using outputs of the annual company-wide risk assessment to guide its annual audit program. A quarterly assessment exercise is conducted by this unit and a rated score expressed in percentage is applied to measure the level of compliance.

Risk categorization

The Group is exposed to a myriad of risks in the conduct of its business some of which are Insurance Risks, Financial (Market, Credit, Liquidity) Risk, Operational Risk, Reputational Risk, Emerging Risks, Environmental & Social Risk amongst others including Business continuity and Crisis management.

Insurance Risk

This is the main risk occurring from our underwriting. The risk in any insurance contract is the possibility that the event insured against occurs, resulting in a claim. This risk is very random and unforeseeable. The fundamental risks the Group faces under its insurance contracts are:

- reserving risk: underestimation/overestimation of the provision (reserves) for insurance liabilities which would lead to:
 - Deviations in Budget (expected income)
 - Undervaluation of overall premium (too competitive and then making losses on policies)/Loss of competitiveness for good risks
 - Risk Appetite limits based on misleading KPI's
- pricing risk: This occurs if the frequency or severity of claims and benefits are greater than estimated. Insurance events are random hence; the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques. and amount of claims and benefits will vary from year to year from the level established using statistical.
- Underwriting risks: this could happen if:
 - the launch of new products or the product re-pricing/restyling don't respect an appropriate governance and decision -making process weighing Risk, Profitability, Legal, Marketing, Compliance and Regulatory aspects.
 - businesses are underwritten without the validation of the necessary levels of authorizations and without sufficient technical appreciation of the risks (size, geolocation, etc.)

Insurance risks covers 2 main businesses namely: Non life business and Life business.

Underwriting risk

Underwriting risks relates to risks that premiums charged are inadequate to cover the claims the company is legally obliged to pay. Furthermore, it is essential that those premiums match to the return on the company's capital. Underwriting risk may either arise from an inaccurate assessment of the risks entailed in writing an insurance policy, or from factors wholly out of the underwriter's control.

Underwriting risks form an integral part of our business. While we recognize that it is not practicable to eliminate all risks underwritten completely, we continually strive to leverage on managing this type of risks as a mitigation strategy because we believe that the continual profitability of our underwriting competencies, is a reflection of strategies employed in risk decision making which is in conformity with our risk appetite.

Underwriting risks may arise through the following ways:

- Inadequate premium pricing vis a vis the risk insured against;
- Inappropriate reinsurance arrangements;
- Inadequate claims reserves- the number of claims that occur may be higher than expected claims.
- Moral hazard of policyholders which may result in adverse claims experience.

Non life business

These include the non-life contracts namely; Aviation, Oil & Gas (Energy), Engineering, Fire, General Accident, Motor, Marine Cargo & Hull.

a) Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. The most significant are the increasing level of reimbursement for the damages suffered as a result of road accidents. The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling and investigations. Underwriting limits are in place to enforce appropriate risk selection criteria. The reinsurance arrangements include treaty and excess of loss coverage, it helps to mitigate the Group's risk of total net insurance losses, increases our underwriting capacity, reduces our exposures to catastrophic risk and gives us an opportunity of benefit from the reinsurers' expertise.

b) Sources of uncertainty in the estimation of future claim payments

Claims on non-life insurance contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract. There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures adopted. The reserves held for these contracts comprises a provision for Incurred but not Reported (IBNR), a provision for reported claims not yet paid and a provision for unearned premiums at the end of the reporting

c) Process used to decide on assumptions

Depending on the volume of data in the reserving classes, the appropriate methodologies were used. Two methods were used for the projection of claims. The Basic Chain Ladder Method (BCL) and a Loss ratio method, adjusted for assumed experience to date. In more recent years and where the claim development seems slower than in the past, the Bornheutter – Ferguson Method was used based on expected loss ratios. Claims data was grouped into triangles by accident year, half-year or quarter and payment year, half-year or quarter. The choice between quarters, half-years or years was based on the volume of data in each segment. Payment development patterns were used instead of the reporting year patterns to allow for the longer tail development that would be seen in payment/settlement delays as well as to allow for the movement of partial payments in the data.

Basic Chain Ladder method (BCL)

Development factors were calculated using the last 3 to 9 years' of data by accident period. Ultimate development factors are calculated for each of the permutations and judgment is applied in the selection of these factors. Ultimate development factors are applied to the paid data per accident period and an ultimate claim amount is calculated. The future claims (the ultimate claim amount less paid claims to date) are allocated to future payment periods in line with the development patterns calculated above. The outstanding claims reported to date are then subtracted from the total future claims to give the resulting IBNR.

For cases where there were extreme large losses that had been reported but not paid, and therefore would not have influenced the development patterns, the total case reserves were excluded from the calculation for IBNR.

$$\begin{aligned} \text{I.e. IBNR} = & \text{Ultimate claim amount (excl. extreme large losses)} \\ & \text{minus paid claims to date (excl. extreme large losses)} \\ & \text{minus claims outstanding (excl. extreme large losses)} \end{aligned}$$

Loss Ratio method

For two of the classes, namely, Aviation and Oil & Energy, there was limited data. A BCL method was therefore inappropriate. We allowed for expected experience to date and the average assumed ultimate loss ratio in carrying out the calculation.

The IBNR is then calculated as:

$$\begin{aligned} & \text{Expected average ultimate annual loss ratio} \\ & \text{Multiplied by earned premium for the past 12 months} \\ & \text{Minus experience to date over the past 12 accident months} \end{aligned}$$

An estimate of the average ultimate loss ratio needed to be assumed. We based the loss ratios off of experience that has been seen to date in previous accident years.

Life & Savings

This includes the Group Life, Annuities, Credit Life and Individual Life policies

(a) Frequency and severity of claims

For contracts where death is the insured risk, the most significant factors that could increase the overall frequency of claims are terminal diseases or widespread changes in lifestyle, such as eating, smoking and exercise habits as well as adverse changes in the socio-political climate resulting in earlier or more claims than ideally expected. For contracts where survival is the insured risk, the most significant risk management factors are continued improvement in medical science, human behaviour and social conditions that would increase longevity.

(b) Sources of uncertainty in the estimation of future benefits payments and premium receipts

Uncertainty in the estimation of future benefit payments and premium receipts for life insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and the variability in contract-holder behavior. The Group uses appropriate and acceptable base tables of standard mortality according to the type of contract being written.

(c) Valuation methods

Our management team establishes structures, reporting lines and appropriate authorities and responsibilities in the pursuit of the company's strategic objectives. The internal audit function reports on development and performance of internal control to the Board Audit Committee on a quarterly basis which demonstrates Board oversight and independence of management.

Annuities will be reserved for using a discounted cash flow approach. Here reserves are set equal to the present value of future annuity payments plus expenses, with allowance being made for any guaranteed periods as required.

Reinsurance Agreements

Reinsurance is allowed for in the valuation by having gross and reinsurance ceded records in the policy files. For IFRS compliance purposes all reserves were reported gross of reinsurance, with the value of the reinsurance asset calculated and reported separately.

Market Risk

This is the risk that the value of financial instrument in general will change due to movements in market factors. Such movements may be occasioned by market factors (volatilities) that are directly related to an individual investment and/or systemic risks.

The four (4) risk exposures to Market risks arise through the following:

- Interest rate risk: the potential risk that the value of fixed income assets will plummet owing to movements in market interest rates.
- Equity price risk: represents the potential risk of loss in our investment in stocks, occasioned by volatility in prices
- Foreign exchange risk: potential risk of loss of an asset value held in foreign currency due to adverse changes in currency exchange rates.
- Property price risk: The Company's portfolio is subject to property price risk arising from adverse changes in the valuation of properties.

Credit risk

This risk arises from the default of a counterparty to fulfill its contractual obligation.

Three (3) notable areas of exposure to credit risks include:

- 1) *Direct Default Risk*: is the risk of exposure a company may experience due to non-payment of investment receipts or cash flow on assets at an agreed time by an obligor following a contractual agreement to do so. This type of risk could also arise from failure of registered Insurance Broker's to remit premiums to the company after the permissible thirty days (30) grace period, as mandated by NAICOM.
- 2) *Downgrade Risk*: risk that changes in the possibility of a future default by an obligor will adversely affect the present value of the contract with the obligor
- 3) *Settlement Risk*: risk arising from the lag between the value and settlement dates of securities' transactions.

Liquidity risk

The characteristic nature of our business requires adequate cash flow to meet our contractual obligations in the event of claim settlement. This is the risk of loss arising due to insufficient liquid assets to meet cash flow requirements or to fulfill its financial obligation once claims crystallize. Our exposure to

- 1) *Funding (Cash-flow) Liquidity Risk*: These risks arise from investment-linked products especially in circumstances where there are liquidity constraints to meet financial obligations to customers.

- 2) *Market (Asset) Liquidity Risk*: risk of loss which is occasioned by the incapacity to sell assets at or near their carrying value at the time needed.

Operational risk

This is risk of loss resulting from inadequate or failed processes, people (human factors) and systems or from external events.

Health and Safety Management

A Health and Safety Management system has been institutionalized to provide and maintain safe and healthy working environment and conditions for all staff. This responsibility also extends to visitors, contractors and others who may potentially be affected by our activities or present within our business premises. The Health and Safety Policy framework underpins the policy statements, roles and responsibilities of HSE officer, First Aid services, Safety Marshalls/Deputies and emergency procedures, etc.

Reputational risk

The risk that an event will negatively influence stakeholders' perception or threaten to violate public trust in our brand. We firmly appreciate that Stakeholders are crucial to the success of our business and we are committed to continually conduct our business in an affirmative manner that facilitates building sustainable relationships with our stakeholders.

Reputational Risk Management

The Group recognizes that in extreme cases, *black swan* events could result in significant reputational damage. It is to this end, that the Group maintains a top-down approach to managing its potential and actual corporate culture and values against untoward events that may erode its brand value. Our reputation management objectives are two-fold; to proactively manage and reactively protect and leverages on a strong internal stakeholders collaboration between Legal, Compliance and Quality Assurance, Risk Management and Brand Management & Corporate Communications.

Business Continuity & Crisis Management (CMBC):

The Business Continuity Framework has been designed to ensure continuous availability of processes and delivery of products and services at acceptable predefined levels in the event of a disaster or disruption to critical operations.

The Crisis Management Plan (CMP) ensures that AXA Mansard has the capacity to prepare for, anticipate, respond to and recover from crisis as a result of a serious incident that immediately prevents, or threatens the continuity of business operations and the delivery of our key products and services.

The CMBC policy reinforces the unequivocal commitment of all internal stakeholders of AXA Mansard towards CM & BC processes.

Legal risks include but not limited to exposure to fines, penalties or punitive damages resulting from supervisory actions, as well as private settlements.

**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 audited financial statements for the year ended 31 December 2019 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

Management's Discussion and Analysis

This "Management discussion and analysis" (MD&A) has been prepared as at 31 December 2019 and should be read in conjunction with the consolidated financial statements of AXA Mansard Insurance Plc and subsidiary companies.

Forward looking statements

The MD&A contains forward looking statements related to AXA Mansard Insurance Plc financial and other projections, expected future plans, event, financial and operating results, objectives and performance as well as underlying assumptions all of which involve risk and uncertainties. When used in this MD&A the words "believe", "anticipate", "intended" "estimate" and similar expression are used to identify forward looking statements, although not all forward-looking statements contain such words. These statements reflect management's current belief and are based on information available to AXA Mansard Insurance Plc. and are subject to certain risk, uncertainties and assumptions. As a member of the AXA Group, consequent upon the acquisition of 100% stake in Assur Africa Holdings Limited in 2015, AXA Mansard Insurance Plc is poised to extending its corporate and retail coverage within the Nigerian insurance space and the wider Africa region.

Business strategy of the Company and overall performance

The Company is registered and incorporated in Nigeria and is engaged in providing insurance, investment and pension solutions to both the corporate and retail sectors of Nigeria. It also aims to establish itself as the apex insurance company in Nigeria and the West African. The Company's strategy is to use technology and international best practice to provide it's customers with tailored solutions, superior services and specially designed programs to assist its patrons through a network of regional and agency offices spread over Nigeria.

Operating results

(in thousands of Nigerian Naira)

	Group			Parent		
	31-Dec-2019	31-Dec-2018	%Chg	31-Dec-2019	31-Dec-2018	%Chg
Gross written premium	43,620,265	33,923,949	29%	28,014,854	23,026,817	22%
Net premium income	26,290,070	19,700,281	33%	12,687,959	10,416,786	22%
Total underwriting profit	6,118,066	5,938,355	3%	3,587,832	4,673,395	-23%
Total investment income	6,307,929	6,290,179	0%	7,303,233	4,028,195	81%
Profit before tax	3,927,500	3,380,073	16%	4,978,919	1,828,263	172%
Profit after tax	2,908,272	2,482,282	17%	4,839,330	1,621,216	198%
Earnings per share - basic (kobo)	26	21	23%	47	16	198%

Directors' Report

The Directors have pleasure in presenting their Annual Report on the affairs of AXA Mansard Insurance Plc ("the Company") and its subsidiaries ("the Group"), together with the Group audited financial statements and the auditor's report for the year ended December 31, 2019.

Legal form and principal activity

The Company was incorporated on 23 June 1989 as a private limited liability company called "Heritage Assurance Limited" and issued with a composite insurance license by the National Insurance Commission in March 2004. The Company's name was changed to Guaranty Trust Assurance Limited in September 2004 following the acquisition of a majority share holding by Guaranty Trust Bank Plc, and changed again to Guaranty Trust Assurance Plc in March 2006 following the increase in number of members beyond the maximum required for a private company. In November 2009, the Company became listed on the Nigerian Stock Exchange.

The beneficial ownership of the Company changed to Societe Beaujon S.A.S (AXA S.A) in December 2014 by the acquisition of 100% of Assur Africa Holding (AAH). The Company modified its name and corporate identity to AXA Mansard Insurance Plc in July 2015.

The principal activity continues to be the provision of life and general business risk management solutions and financial services to corporate and retail customers in Nigeria.

The Company has two wholly owned and two partly owned subsidiaries: AXA Mansard Investments Limited, AXA Mansard Health Limited, AXA Mansard Pensions Limited and APD Limited a special purpose company which is now an indirect subsidiary.

AXA Mansard Investments Limited was incorporated as a private limited liability company on 9 January 2008 and its principal activity involves provision of portfolio management services to both individual and corporate clients. AXA Mansard Health Limited was incorporated as a private limited liability company on the 7th of August 2003 and its principal activities is to manage the provision of health care services through health care providers and for that purpose accredited with the National Health Insurance Scheme. APD Limited was incorporated on 2 September 2010 for the purpose of leasing, holding and developing the Company's commercial property located at Plot 928A/B, Bishop Aboyade Cole Street, Victoria Island, Lagos to an ultra modern office structure. AXA Mansard Pensions Limited was incorporated on 1 February 2005 as a private limited liability company. The Company's name was changed to AXA Mansard Pensions Limited in June 2015 following the acquisition of the majority share holding of the company by AXA Mansard Insurance Plc. in January 2015. The Company's principal activity continues to be the administration and management of Pension Fund Assets in line with the provisions of the Pension Reform Act 2014 and the relevant National Pension Commission circulars.

Operating results

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

(in thousands of Nigerian Naira)

	Note	Group 31-Dec-2019	Group 31-Dec-2018	Parent 31-Dec-2019	Parent 31-Dec-2018
Profit before tax		3,927,500	3,380,073	4,978,919	1,828,263
Taxation	42	(1,019,228)	(897,791)	(139,589)	(207,047)
Profit after tax		2,908,272	2,482,282	4,839,330	1,621,216
Non Controlling Interest	28	(199,598)	(278,070)	-	-
Transfer to contingency reserve	27.3	(131,368)	(523,639)	(131,368)	(523,639)
Dividend paid		-	630,000	-	630,000
Earnings per share – Basic (in kobo)	43	26	21	47	16
Dividend per share - (in kobo)	43	-	6k	-	6k

Directors' Report

Directors and their interests

The Directors who held office during the year, together with their direct and indirect interests in the issued share capital of the Company as recorded in the register of Directors shareholding and/or as notified by the Directors for the purposes of sections 275 and 276 of the Companies and Allied Matters Act and the listing requirements of the Nigerian Stock Exchange is noted below:

		Direct / Indirect Holdings 31-Dec-2019	Direct / Indirect Holdings 31-Dec-2018
Mr. Olusola Adeeyo	Chairman	Nil	Nil
Mr. Kunle Ahmed	Chief Executive Officer	20,080,371	20,080,371
Mr. Tosin Runsewe	Executive Director	92,694,600	113,056,410
Mr. Frédéric Coppin **	Non Executive Director	Nil	Nil
Mr. Sohail Ali***	Executive Director	Nil	Nil
Mr. Hassan El-Shabrawishi****	Non Executive Director	Nil	Nil
Mrs Karima Silvent *	Non Executive Director	Nil	Nil
Mr Ohis Ohiwerei	Independent Director	Nil	Nil
Mr Lesley Ndlovu	Non Executive Director	Nil	Nil
Mr Tom Wilkinson	Non Executive Director	Nil	Nil
Mr Yomi Onifade	Executive Director	324,833	324,833

* Resigned from the Board effective from May 9, 2019.

**Resignation from the Board effective from October 25, 2019.

***Appointed Effective April 25, 2019

****Appointed Effective March 19, 2019

Resignation of directors

Mrs. Karima Silvent and Mr. Frédéric Coppin resigned from the Board of the Company during the year under review.

Mr. Sohail Ali and Mr. Hassan El-Shabrawishi were appointed to the Board of the Company during the year under review.

Directors' remuneration

The remuneration of the Company's Directors is disclosed pursuant to section 34(5) of the code of corporate governance for public companies as issued by Securities and Exchange Commission as follows:

Remuneration	Description	Timing
Basic salary	Part of gross salary package for Executive Directors only. Reflects the insurance industry competitive salary package and the extent to which the Company's objectives have been met for the financial year	Paid monthly during the financial year
13th month salary	Part of gross salary package for Executive Directors only	Paid last month of the financial year
Share based payments	The amount of this remuneration to Executive directors is subject to achieving specific quantifiable targets, aligned directly with shareholders' interests.	Based on vesting conditions as stipulated in the scheme documents
Director fees	Allowances paid to Non-Executive Directors	Paid during the year
Travelling allowances	Allowances paid to Non-Executive Directors that reside outside Nigeria	Paid during the year
Sitting allowances	Allowances paid to Non-Executive Directors only for sitting at board meetings and other business meetings	Paid during the year

Directors' Report

Directors' interests in contracts

In compliance with Section 277 of the Companies and Allied Matters Act of Nigeria, none of the directors has notified the Company of any declarable interest in contracts deliberated by the Company during the year under review.

Major shareholdings

According to the Register of Members, no shareholder other than the undermentioned held more than 5% of the issued share capital of the Company as at 31 December 2019:

	No. of shareholding	% shareholding
Assur Africa Holdings Limited	8,030,550,380	76.48%
**Stanbic Nominees Nigeria Limited	922,005,936	8.78%

** Stanbic Nominees held the cumulative total of 8.78% of the Company's shares largely in trading accounts on behalf of various investors.

Analysis of shareholding

The analysis of the distribution of the shares of the Company as at 31 December, 2019 is as follows:

Share Range	No. of Shareholders	% Shareholders	No. of Holdings	% of Holdings
1 - 1,000	1,297	32.14%	697,681	0.01%
1001 - 5,000	781	19.35%	2,357,803	0.02%
5,001 - 10,000	389	9.64%	3,329,979	0.03%
10,001 - 50,000	691	17.12%	18,119,710	0.17%
50,001 - 100,000	220	5.45%	18,084,621	0.17%
100,001 - 500,000	323	8.00%	81,552,390	0.78%
500,001 - 1,000,000	127	3.15%	103,559,166	0.99%
1,000,001 - 8,000,000,000	207	5.13%	2,241,748,270	21.35%
8,000,000,001 - 10,000,000,000	1	0.02%	8,030,550,380	76.48%
Total	4,036	100%	10,500,000,000	100%

Property and equipment

Information relating to changes in property and equipment during the year is given in Note 18 to the financial statements.

Donations and charitable gifts

In order to identify with the aspirations of the community and the environment within which the Group operates, a total sum of N4,852,890 (2018: N4,514,550) was given out as donations and charitable contributions during the year. Details of the donations and charitable contributions are as follows:

Organizations:	31-Dec-2019
Sickle Cell Foundation	150,000
I am female foundation	100,000
PIUTA	2,000,000
Adegoke Nursery & Primary School	100,000
ENACTUS	500,000
Special Olympics Nigeria	1,102,890
Children International School	500,000
Lagos Kidi Marathon	500,000
	4,952,890

Directors' Report

Human resources

Employment of disabled persons

The Group operates a non-discriminatory policy in the consideration of applications for employment, including those received from disabled persons. The Group policy is that the most qualified and experienced persons are recruited for appropriate job levels, irrespective of an applicant's state of origin, ethnicity, religion or physical condition. In the event of any employee becoming disabled in the course of employment, the Group is in a position to arrange appropriate training to ensure the continuous employment of such a person without subjecting him/her to any disadvantage in his/her career development.

Health, safety and welfare of employees

The Group maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. In addition, the Group provides medical facilities to its employees and their immediate families at its expense. Fire prevention and fire-fighting equipment are installed in strategic locations within the Company's premises. It also operates a contributory pension plan in line with the Pension Reform Act.

Employee involvement and training

The Group encourages participation of employees in arriving at decisions in respect of matters affecting their well being. Towards this end, the Company provides opportunities for employees to deliberate on issues affecting the Company and employees' interests, with a view to making inputs to decisions thereon. The company places a high premium on the development of its manpower. Consequently, the Company sponsored its employees for various training courses both in Nigeria and abroad in the year under review. The Company also provides its employees with on-the-job training in the Company and at various AXA Mansard locations.

Gender analysis

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

	Male Number	Female Number	Male %	Female %
Employees	173	144	55%	45%
Gender analysis of Board and top management is as follows:				
Board	9	0	100%	0%
Top Management	10	6	62%	38%

Detailed analysis of the Board and top management is as follows:

	Male Number	Female Number	Male %	Female %
Non-Executive Director	5	0	100%	0%
Chief Executive Officer	1	0	100%	0%
Executive Director	3	0	100%	0%
Deputy General Manager	4	1	80%	20%
Assistant General Manager	4	3	57%	43%
Senior Manager	2	2	50%	50%

Acquisition of own shares

The Company did not acquire any of its own shares during the year under review.

Event After Reporting Date

Subsequent to the year end, the Company received approval from the Board and Shareholders to divest its holding in AXA Mansard Pensions. Following these approvals, the Company will commence the divestment process which will be subject to the necessary regulatory approvals.

Auditor

Messrs. KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as auditor to the Company. In accordance with Section 357 (2) of the Companies and Allied Matters Act of Nigeria therefore, the auditor will be re-appointed at the next annual general meeting of the Company.

BY ORDER OF THE BOARD



Mrs. Omowunmi Mabel Adewusi

Company Secretary

FRC/2013/NBA/0000000967

Plot 1412, Ahmadu Bello Way,
Victoria Island, Lagos.

13 February 2020

Statement of directors' responsibilities in Relation to the consolidated and separate financial statements for the year ended 31 December 2019

The directors accept responsibility for the preparation of the consolidated and separate financial statements that give a true and fair view of the statement of financial position of the Group and Company at the reporting date and of its comprehensive income in the manner required by the Companies and Allied Matters Act of Nigeria and the Nigerian Insurance Act. The responsibilities include ensuring that the Group:

- i. keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of the Companies and Allied Matters Act and the Insurance Act;
- ii. establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- iii. prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, that are consistently applied.


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

- International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB);
- the requirements of the Nigerian Insurance Act;
- relevant guidelines and circulars issued by the National Insurance Commission (NAICOM); and
- the requirements of the Companies and Allied Matters Act.
- Financial Reporting Council of Nigeria Act

The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The directors have made an assessment of the Group's ability to continue as a going concern and have no reason to believe that the Group will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



Mr. Adekunle Ahmed
FRC/2017/CIIN/00000017019
12 February 2020



Mr. Olusola Adeeyo
FRC/2013/NIM/00000001919
12 February 2020

Report of the Statutory Audit Committee

To the members of AXA Mansard Insurance Plc:

In compliance with the provisions of Section 359(6) of the Companies and Allied Matters Act of Nigeria, the members of the Audit Committee of AXA Mansard Insurance Plc hereby report as follows:

We have exercised our statutory functions under Section 359(6) of the Companies and Allied Matters Act of Nigeria and acknowledge the co-operation of management and staff in the conduct of these responsibilities.

We are of the opinion that the accounting and reporting policies of the Group are in compliance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 31 December 2019 were satisfactory and reinforce the Group's internal control systems.

We have deliberated with the external auditors, who have confirmed that necessary cooperation was received from Management in the course of their statutory audit and we are satisfied with Management's responses to their recommendations for improvement and with the effectiveness of the Group's system of accounting and internal control.



Mr. Ohis Ohiwerei

FRC/2017/CIBN/00000016412

Chairman, Statutory Audit Committee

12 February 2020

Members of the Statutory Audit Committee are:

1	Mr. Ohis Ohiwerei	Chairman	Chairman
2	Mr. Lesley Ndlovu	Member	Member
3	Mr. Akingbola Akinola	Shareholder's representative	Member
4	Mrs. Ayodeji Oloye	Shareholder's representative	Member

In attendance:

Mr. Olusola Odumuyiwa Secretary

**KPMG Professional Services**

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Victoria Island
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of AXA Mansard Insurance Plc

Report on the Audit of the Consolidated and Separate Financial Statements***Opinion***

We have audited the consolidated and separate financial statements of AXA Mansard Insurance Plc ("the Company") and its subsidiaries (together, "the group"), which comprise the consolidated and separate statements of financial position as at 31 December, 2019, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information, as set out on pages 38 to 125.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Company and its subsidiaries as at 31 December, 2019, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004, the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") Circulars.

Basis for Opinion

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

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Registered in Nigeria No BN 986925

Partners:

Adebisi O. Lamikanra	Adegoke A. Oyelami	Adekunle A. Elebute	Adetola P. Adeyemi
Adewale K. Ajayi	Ajibola O. Olomola	Ayobami L. Salami	Ayodele A. Soyinka
Ayodele H. Othihiwa	Chibuzor N. Anyanechi	Chineme B. Nwigbo	Ehile A. Aibangbee
Elijah O. Oladunmoye	Goodluck C. Obi	Ibitomi M. Adepoju	Ijeoma T. Emezie-Ezigo
Joseph O. Tegbe	Kabir O. Okunola	Lawrence C. Amadi	Mohammed M. Adama
Nneka C. Eluma	Oguntayo I. Ogungbenro	Olabinpe S. Afolabi	Oladimeji I. Salaudeen
Olanike I. James	Olumide O. Olayinka	Olusegun A. Sowande	Olutoyin I. Ogunlowo
Oluwafemi O. Awotoye	Oluwatoyin A. Gbagi	Temitope A. Onitiri	Tolulope A. Odukafe
Victor U. Onyenkpa			



Key Audit Matters

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

Valuation of insurance contract liabilities

The Company has significant life and non-life insurance contract liabilities. The valuation of insurance contract liabilities involves high estimation uncertainties and significant judgment over uncertain future outcomes.

Provisions for reported claims are based on historical experience. However, the eventual liabilities may differ from the estimated amounts. Furthermore, the estimated liability for claims that have occurred but are yet to be reported in respect of non-life insurance contracts involve economic assumptions about inputs such as inflation rate, ultimate loss ratio and discount rates; hence the eventual outcome is uncertain.

The actuarial assumptions used in the valuation of life insurance contract liabilities are judgmental, particularly with respect to mortality rates and discount rates. The level of complexity, the assumptions and judgment involved in estimating these amounts make insurance contract liabilities a matter of significance to our audit.

The Group's accounting policy on valuation of insurance contract liabilities and related disclosures are shown in notes 2.2(j) (accounting policy), note 2.3(b) (critical accounting estimates and judgments) and note 20 (insurance contract liabilities).

How the matter was addressed in our audit

Our audit procedures included the following:

- We evaluated the design and implementation of key controls instituted by the Company which includes management review of data used for the valuation of insurance contract liabilities.
- We agreed the underlying data used in actuarial valuations of insurance contract liabilities to source documentation.
- We engaged our actuarial specialists to assess the appropriateness of the methodology used by the Company's external actuary for determining the insurance contract liabilities.
- With the assistance of our actuarial specialist, we evaluated the reasonableness of the actuarial assumptions used by the Company's external actuary including assumptions on the projected cash flows, basic chain ladder runoff period, inflation rate, mortality and discount rate.



Other Information

The Directors are responsible for the other information. The other information comprises the Corporate Information, Corporate addresses, Vision, Mission and values, 2019 Corporate Social Responsibility initiatives, Complaints and feedback, Sustainability report, Corporate Governance report, Risk management, Certification Pursuant to Section 60(2) of Investment and Securities Act No 29 of 2007, Management's discussion and analysis, Directors' report, Statement of directors' responsibilities, Report of the statutory audit committee and Other national disclosures, which we obtained prior to the date of this auditor's report. Other information also includes the Chairman's statement and report from the Executives, together the "outstanding reports", which are expected to be made available to us after that date.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Outstanding reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the audit committee.

Responsibilities of the Directors for the Consolidated and separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011 the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") Circulars, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



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

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

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

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and Section 28(2) of the Insurance Act 2003.

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Penalties

The Company did not pay penalties in respect of contravention of the requirements of the National Insurance Commission of Nigeria's Operational Guidelines during the year.

Oluwafemi O. Awotoye

Oluwafemi O. Awotoye, FCA
FRC/2013/ICAN/00000001182
For: KPMG Professional Services
Chartered Accountants
12 March 2020
Lagos, Nigeria





AXA Mansard Insurance Plc and Subsidiary Companies

Consolidated and Separate Financial Statements

31 December 2019

Consolidated Statement of Financial Position

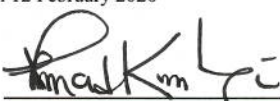
as at 31 December 2019


(All amounts in thousands of Naira)

	Notes	Group 31-Dec-19	Group 31-Dec-18	Parent 31-Dec-19	Parent 31-Dec-18
ASSETS					
Cash and cash equivalents	8	17,911,416	5,238,705	16,133,274	4,218,348
<i>Investment securities:</i>					
– Fair value through profit or loss	9.1	5,302,005	3,266,048	5,302,005	3,266,048
– Available-for-sale assets	9.2	27,836,825	22,313,670	22,032,646	17,888,088
Financial assets designated at fair value	9.3	4,154,695	3,073,457	4,154,695	3,073,457
Trade receivables	10	5,418,424	3,615,646	1,224,373	572,586
Reinsurance assets	11	8,974,246	12,549,017	8,895,612	12,504,524
Deferred acquisition cost	12	331,047	436,772	321,055	415,213
Other receivables	13	1,548,652	1,507,844	801,891	779,072
Loans and receivables	14	403,548	311,449	882,168	323,287
Investment property	15	15,801,949	17,525,962	1,350,000	3,040,000
Investment in subsidiaries	16	-	-	3,537,247	4,997,374
Intangible assets	17	1,580,297	1,588,175	215,450	190,086
Property and equipment	18	1,989,781	1,843,362	1,784,543	1,667,654
Right of use	18c	535,863	-	462,082	-
Statutory deposit	19	500,000	500,000	500,000	500,000
TOTAL ASSETS		92,288,748	73,770,107	67,597,041	53,435,737
LIABILITIES					
Insurance liabilities	20	25,162,941	22,538,993	17,491,746	16,964,677
<i>Investment contract liabilities:</i>					
– At amortised cost	21.1	4,275,765	3,691,424	4,275,765	3,691,424
– Liabilities designated at fair value	21.2	4,154,695	3,073,457	4,154,695	3,073,457
Trade payables	22	16,567,712	11,180,754	16,478,545	11,108,223
Other liabilities	23	3,305,822	2,658,787	1,894,835	1,572,156
Current income tax liabilities	24	935,546	773,819	203,650	257,967
Borrowings	25	6,965,804	3,493,234	-	-
Deferred tax liability	26	841,496	837,061	-	-
TOTAL LIABILITIES		62,209,781	48,247,529	44,499,236	36,667,904
EQUITY					
Share capital	27.1	5,250,000	5,250,000	5,250,000	5,250,000
Share premium	27.2	4,443,453	4,443,453	4,443,453	4,443,453
Contingency reserve	27.3	4,270,458	4,139,090	4,270,458	4,139,090
Other reserves	27.4	2,687,483	2,663,582	2,652,077	2,634,904
Treasury shares	27.5	(304,924)	(304,924)	(304,924)	(304,924)
Fair value reserves	27.6	1,080,718	(550,226)	923,562	(549,906)
Retained earnings	27.7	7,832,957	5,262,379	5,863,179	1,155,216
SHAREHOLDERS' FUNDS		25,260,145	20,903,354	23,097,805	16,767,833
Total equity attributable to the owners of the parent		25,260,145	20,903,354	23,097,805	16,767,833
Non-controlling interest in equity	28	4,818,822	4,619,224	-	-
TOTAL EQUITY		30,078,967	25,522,578	23,097,805	16,767,833
TOTAL LIABILITIES AND EQUITY		92,288,748	73,770,107	67,597,041	53,435,737

Signed on behalf of the Board of Directors on 12 February 2020


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 year ended 31 December 2019

(All amounts in thousands of Naira unless otherwise stated)

	Notes	Group 31-Dec-19	Group 31-Dec-18	Parent 31-Dec-19	Parent 31-Dec-18
Continuing operations					
Gross written premium	30	43,620,265	33,923,949	28,014,854	23,026,817
Gross premium income	30	41,609,412	32,701,781	27,867,055	23,296,043
Re-insurance expenses	30	(15,319,342)	(13,001,500)	(15,179,096)	(12,879,257)
Net premium income	30	26,290,070	19,700,281	12,687,959	10,416,786
Fee and commission on insurance contracts	31	1,875,748	1,781,955	1,875,748	1,781,955
Net underwriting income		28,165,818	21,482,236	14,563,707	12,198,741
<i>Claims:</i>					
Claims expenses (gross)	32	(18,614,268)	(16,468,206)	(7,887,283)	(8,748,745)
Claims expenses recovered from reinsurers	32	1,124,047	4,337,629	1,012,179	4,311,699
Underwriting expenses	33	(3,491,524)	(3,355,411)	(3,034,764)	(3,030,407)
Changes in individual life reserves	20.3	(742,809)	(234,893)	(742,809)	(234,893)
Changes in annuity reserves	20.4	(323,198)	177,000	(323,198)	177,000
Net underwriting expenses		(22,047,752)	(15,543,881)	(10,975,875)	(7,525,346)
Total underwriting profit		6,118,066	5,938,355	3,587,832	4,673,395
Investment income	34	5,640,376	5,089,463	4,006,523	3,226,956
Net gains/(losses) on financial instruments	35	311,973	202,913	311,441	57,278
Net gains/ Loss on investment in property	15	(404,575)	233,074	(390,000)	-
Net gains on sale of investment in subsidiary	35	-	-	2,939,873	-
Profit on investment contracts	36	380,846	298,958	380,846	298,958
Other income	37	379,309	465,771	54,550	445,003
Total investment income		6,307,929	6,290,179	7,303,233	4,028,195
Expenses for marketing and administration	38	(1,901,732)	(1,835,353)	(1,692,076)	(1,533,836)
Employee benefit expense	39	(2,779,139)	(2,590,264)	(1,188,516)	(1,751,534)
Other operating expenses	40	(3,369,000)	(2,835,711)	(2,953,481)	(2,479,161)
(Impairment)/writeback of other assets	14	(45,700)	(1,098,632)	(45,700)	(1,098,632)
(Impairment)/writeback of premium receivables	10.1	40,911	(44,644)	4,902	(10,164)
Results of operating activities		4,371,335	3,823,930	5,016,194	1,828,263
Finance cost	41	(443,835)	(443,857)	(37,275)	-
Profit before tax		3,927,500	3,380,073	4,978,919	1,828,263
Income tax expense	42	(1,019,228)	(897,791)	(139,589)	(207,047)
Profit for the year		2,908,272	2,482,282	4,839,330	1,621,216
Profit attributable to:					
Owners of the parent		2,708,674	2,204,212	4,839,330	1,621,216
Non-controlling interest	28	199,598	278,070	-	-
		2,908,272	2,482,282	4,839,330	1,621,216
<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)	27.6	1,630,944	(976,357)	1,473,468	(818,748)
<i>Items that will not be subsequently reclassified to profit or loss account</i>					
		-	-	-	-
Other comprehensive income for the year		1,630,944	(976,357)	1,473,468	(818,748)
Total comprehensive income for the year		4,539,216	1,505,925	6,312,798	802,468
Attributable to:					
Owners of the parent		4,339,618	1,227,855	6,312,798	802,468
Non-controlling interests	28	199,598	278,070	-	-
Total comprehensive income for the year		4,539,216	1,505,925	6,312,798	802,468
<i>Earnings per share:</i>					
Basic (kobo)	43	26	21	47	16
Diluted (kobo)	43	26	21	46	15

Consolidated Statements of Changes in Equity

(All amounts in thousands of Naira unless otherwise stated)

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
Additional subsidiary investment with NCI	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners of equity	-	-	-	-	17,173	-	-	-	17,173	-	17,173
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

Year ended 31 December 2018

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 2018	5,250,000	4,443,453	3,615,451	2,530,376	95,103	(304,924)	426,131	4,229,226	20,284,816	3,477,776	23,762,592
<i>Total comprehensive income for the year</i>											
Profit for the year	-	-	-	-	-	-	-	2,204,212	2,204,212	278,070	2,482,282
Transfer to contingency reserves	-	-	523,639	-	-	-	-	(523,639)	-	-	-
Transfer to statutory reserves	-	-	-	(1,698)	-	-	-	(17,420)	(19,118)	19,118	-
Other comprehensive income											
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	-	(976,357)	-	(976,357)	(12,950)	(989,307)
Total comprehensive income for the year	-	-	523,639	(1,698)	-	-	(976,357)	1,663,153	1,208,737	284,238	1,492,975
Transactions with owners, recorded directly in equity											
Dividends to equity holders	-	-	-	-	-	-	-	(630,000)	(630,000)	-	(630,000)
Equity-settled share-based payments expense	-	-	-	-	39,801	-	-	-	39,801	-	39,801
Additional subsidiary investment with NCI	-	-	-	-	-	-	-	-	-	857,210	857,210
Total transactions with owners of equity	-	-	-	-	39,801	-	-	(630,000)	(590,199)	857,210	267,011
Balance at 31 December 2018	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

Statement of Changes in Equity

(All amounts in thousands of Naira unless otherwise stated)

Year ended 31 December 2019

Parent	Share Capital	Share premium	Contingency reserve	Capital 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	-	-	-	-	-	-	-	4,839,330	4,839,330
Transfer to contingency reserves	-	-	131,368	-	-	-	-	(131,368)	-
Other comprehensive income									
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	-	1,473,468	-	1,473,468
Total comprehensive income for the year	-	-	131,368	-	-	-	1,473,468	4,707,962	6,312,798
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Dividends to equity holders	-	-	-	-	-	-	-	-	-
Equity- settled share-based expense for the year	-	-	-	-	17,173	-	-	-	17,173
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

Year ended 31 December 2018

Parent	Share Capital	Share premium	Contingency reserve	Other reserves	Share scheme reserve	Treasury shares	Fair value reserves	Retained earnings	Total
Balance at 1 January 2018	5,250,000	4,443,453	3,615,451	2,500,000	95,103	(304,924)	268,842	687,639	16,555,564
<i>Total comprehensive income for the year</i>									
Profit for the year	-	-	-	-	-	-	-	1,621,216	1,621,216
Transfer to contingency reserves	-	-	523,639	-	-	-	-	(523,639)	-
Other comprehensive income									
Change in fair value of available-for-sale financial assets	-	-	-	-	-	-	(818,748)	-	(818,748)
Total comprehensive income for the year	-	-	523,639	-	-	-	(818,748)	1,097,577	802,468
Transactions with owners, recorded directly in equity									
Equity- settled share-based transactions	-	-	-	-	39,801	-	-	-	39,801
Dividends to equity holders	-	-	-	-	-	-	-	(630,000)	(630,000)
Transfer of vested portion of equity settled share based payment to retained earnings	-	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	39,801	-	-	(630,000)	(590,199)
Balance at 31 December 2018	5,250,000	4,443,453	4,139,090	2,500,000	134,904	(304,924)	(549,906)	1,155,216	16,767,833

Statement of Cashflows

for the year ended 31 December 2019

(All amounts in thousands of Naira unless otherwise stated)

	Notes	Group 31-Dec-2019	Group 31-Dec-2018	Parent 31-Dec-2019	Parent 31-Dec-2018
Cash flows from operating activities					
Cash premium received		36,806,834	27,964,659	22,388,423	18,400,952
Cash paid as reinsurance premium		(14,534,957)	(11,885,750)	(14,394,711)	(11,763,507)
Fee income received		1,802,389	1,804,619	1,802,389	1,804,619
Cash received on investment contract liabilities	21.1 & 21.2	2,488,928	1,481,715	2,488,928	1,481,715
Cash paid to investment contract holders	21.1 & 21.2	(1,475,651)	(1,564,391)	(1,475,651)	(1,564,391)
Claims paid	32	(19,067,180)	(16,412,022)	(8,574,020)	(9,396,907)
Cash received from reinsurers on recoveries for claims paid	11f	2,459,919	3,154,617	2,459,919	3,154,617
Cash paid to/ received from coinsurers on recoveries and claims paid	10.2a	491,052	324,389	491,052	324,389
Underwriting expenses paid	33	(3,597,249)	(3,413,223)	(3,128,922)	(3,096,271)
Employee benefits paid		(2,803,332)	(2,395,418)	(1,271,140)	(1,595,529)
Rent received		984,181	937,800	-	-
Other operating expenses paid		(4,955,804)	(4,419,910)	(4,392,932)	(3,734,011)
Reinsurance premium paid in advance	11	-	(1,833,795)	-	(1,833,795)
Premium received in advance	22	6,384,351	5,694,996	6,384,351	5,694,996
Changes in working capital		4,983,482	(561,714)	2,777,686	(2,123,123)
Income tax paid	24	(477,448)	(383,027)	(193,906)	(184,039)
Net cash from operating activities		4,506,034	(944,741)	2,583,780	(2,307,162)
Cash flows from investing activities					
Purchases of property, plant and equipment	18	(555,723)	(615,113)	(436,108)	(556,130)
Dividend received		1,007,621	523,049	1,778,020	1,268,370
Investment income received	34	3,923,513	2,756,755	3,298,565	1,957,126
Purchase of intangible assets	17	(73,480)	(33,695)	(72,955)	(28,025)
Proceeds from the disposal of property and equipment	18	8,192	22,723	8,172	22,206
Proceeds from the disposal of investment property	15	1,300,000	-	1,300,000	-
Proceeds from the disposal of investment in subsidiary	35	-	-	4,400,000	-
Purchase of fair value through profit or loss financial assets	9.1a	(9,391,714)	(3,251,303)	(9,391,714)	(3,251,303)
Sale of fair value through profit or loss financial assets	9.1a	8,147,793	-	8,147,793	-
Sale of available-for-sale financial assets	9.2c	38,068,193	66,942,582	30,819,132	54,612,453
Purchase of available-for-sale financial assets	9.2c	(37,538,476)	(64,078,404)	(30,075,369)	(54,555,665)
Increase in loans and receivables	14d	(141,092)	(85,886)	(586,015)	(69,436)
Repayment of loans and receivables	14a & 14d	46,068	48,358	45,115	2,847,370
Net cash used in investing activities		4,800,895	2,229,066	9,234,635	2,246,965
Cash flows from financing activities					
Dividend paid		-	(630,000)	-	(630,000)
Interest & principal repayment on borrowings		(783,915)	(4,174,439)	-	-
Borrowed funds received		4,047,000	3,447,605	-	-
Net cash used in financing activities		3,263,085	(1,356,834)	-	(630,000)
Net increase/decrease in cash and cash equivalents		12,570,013	(72,509)	11,818,416	(690,197)
Cash and cash equivalent at beginning of year	8	5,238,705	5,174,283	4,218,348	4,779,865
Effect of exchange rate changes on cash and cash equivalent		102,698	136,931	96,510	128,680
Cash and cash equivalent at end of year	8	17,911,416	5,238,705	16,133,274	4,218,348

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

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 317 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) Standards and interpretations effective during the reporting year

Amendments to the following standard became effective in the annual period starting from 1st January, 2019. The new reporting requirements as a result of the amendments and/or clarifications have been evaluated and their impact or otherwise are noted below:

IFRS 16: Leases

The Group has adopted IFRS 16, "Leases" as issued by the IASB in July 2014 with a date of transition of 1 January 2019

which resulted in changes in accounting policies. As permitted by the transitional provision of the standard, the Group has chosen the modified retrospective approach to the application of IFRS 16. This approach allows the Group not to restate comparative financial information. The major impact of the adoption of this standard is that the Group will be required to capitalize all leases (i.e. recognize a right-of-use asset and a lease liability) with the exemption of certain short-term leases and leases of low-value assets.

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

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.

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.

(b) 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.	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. <i>Classification and measurement</i> 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. 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. 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. <i>Impairment:</i> 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. The approach to impairment assessment under IFRS 9 will be determined by the final classification adopted in 2022.
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	<p>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.</p> <p>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.</p> <p>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.</p>	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.
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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
		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

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

Fair value disclosures

a) 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 acquire 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 acquire 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.

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 derecognized 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.

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

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 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) Leases

Policy applicable from 2019

Previously, the Group classified property leases as operating leases under IAS 17. These properties are the Company's branch offices.

(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. Accordingly, the comparative information presented for 2018 is not restated – i.e it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below.

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 will apply 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.

At transition, for leases classified as operating leases under IAS 17, 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 2019. 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.

2.3 Critical accounting estimates and judgments

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Fair value of financial assets

(i) Impairment of available-for-sale equity financial assets

The Group determines that available-for-sale equity financial assets are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the Group evaluates among other factors, the normal volatility in share price, the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flow. In this respect, a decline of 20% or more is regarded as significant, and a period longer than 12 months 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. For the year ended 31 December 2019, if the decline in the value of the AFS equity instruments were considered prolonged, an impairment of N53 million (2018: N21 million) would have been adjusted for in the Statement of Comprehensive Income.

(ii) Fair value of unquoted equity financial instruments

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using the income approach. In these cases the fair values are estimated from observable data using valuation models. The models used to determine fair values are validated and periodically reviewed by qualified personnel independent of those that sourced them. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(b) Liabilities arising from insurance contracts

(i) Claims arising from non-life insurance contracts

Claims on non-life insurance contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occur during the term of the contract. There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures adopted. The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. A sensitivity analysis was done to determine how the IBNR reserve amount would change if we were to consider the 75th percentile as opposed to the best estimate figures included in the reserve reviews as at 31 December 2019 and an additional gross provision of N110 million (2018: N170 million) would have been reported.

(ii) Liabilities arising from life insurance contracts

The liabilities for life insurance contracts are estimated using appropriate and acceptable base tables of standard mortality according to the type of contract being written. Management make various assumptions such as expenses inflation, valuation interest rate, mortality and further mortality improved in estimating the required reserves for life contracts. However if the group should change its basis for mortality by -5%, the group would have recognised an actuarial valuation surplus of N36 million (2018: N7.7 million) in the Statement of Comprehensive Income.

(c) Impairment for receivables

The Group tests periodically whether premium receivables have suffered any impairment. With the no premium no cover policy, all premium transactions are paid for immediately except in the case of brokered transactions. For brokered transactions, the period is extended for 30 days if credit notes have been received from the broker. If all insurance receivables within 30 days and reinsurance receivables within 90 days were deemed as impaired, an impairment would have been recognised in the income statement.

(d) Intangibles (goodwill)

Goodwill represents the cost of acquisition less the aggregate of the fair value of the purchased entity's identifiable net assets and liabilities. Goodwill has been recognised by the group at the acquisition of AXA Mansard Pensions Limited (formerly Penman Pensions Limited) in 2015 and AXA Mansard Health Limited in 2013. Additional judgments and assumptions are as disclosed in note 17(c). Based on the impairment assessment carried out as at 31 December 2019, no charge has been recognised. See note 17 for details of the sensitivity performed for goodwill.

(e) Investment property

The Group's Investment property -Mansard Place- is accounted for in the books of APD Limited. The property was valued using the income approach. The valuation was based on market data such as discount rates, rental risk and reversionary rates. Management estimated the market value of the leasehold interest based on the highest and best use of the property.

(f) Share based payments

The Group measures the cost of equity settled transactions using fair value of the equity instrument at the grant date. The estimation of the fair value requires the determination of the most appropriate model which is dependent on the terms of the grant. The estimate also requires making assumption on the most appropriate inputs for the valuation model on items such as expected life of the share option, volatility and dividend yield. The assumptions used in estimating the fair value of the share based payments have been disclosed in Note 45.

(g) Current income tax

General Business:

Income tax

Income tax expense comprises current tax (company income tax, tertiary education tax National Information Technology Development Agency levy and Nigeria Police Trust Fund levy) and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Company had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

(a) Current

tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years.

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows: 1

- Company income tax is computed on taxable profits
- Tertiary education tax is computed on assessable profits
- National Information Technology Development Agency levy is computed on profit before tax
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year)

Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the period are treated as income tax in line with IAS 12.

Minimum tax

In line with the Finance Act 2019, minimum tax is determined based on:

For Life business: 0.5% of gross income and;

For General business: 0.5% of gross premium

The Company offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised.

(b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences.

If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

(b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences.

If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Otherwise, the amount of unrecognized deferred tax assets is disclosed in the financial statements.

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

Non life Business and Life Actuarial Valuation

Non life business Reserving

AXA Mansard Insurance Plc ("AXA Mansard") commissioned QED Actuaries & Consultants to calculate non life business reserves as at 31 December 2019.

The eight (8) classes of business that were reviewed are Aviation, Oil and Energy, Engineering, Fire, General Accident, Marine Cargo, Marine Hull and Motor.

The reserves have been analysed gross of reinsurance. However, net IBNR reserve is calculated by multiplying the gross IBNR reserve by a factor that is calculated as the ratio of the gross incurred claims to the net incurred claims over the past three years.

Reserving methodology

For the Engineering, Energy, Fire, Marine Hull and Aviation classes of business, claims paid data was sub-divided into large and attritional claims. This was to allow for separate reserves to be calculated for attritional and large claims as the large claims are expected to behave differently from the attritional claims in terms of reporting and settlement. The limits used are given in the table below:

Class	Large Claim Definition (N'000)
Engineering	100,000
Marine Hull	200,000
Fire	300,000

Claims of such a large nature are expected to have a very short reporting delay, and as such, no new large claims are expected to be reported.

The methodologies governing the attritional claim reserve calculations are described below:

Basic Chain Ladder Method (BCL)

Development factors were calculated using the last 1 to 10 years' data by accident period. Ultimate development factors were calculated and judgment was applied in the selection of these factors.

Ultimate development factors were then applied to the paid data per accident period and an ultimate claim amount is calculated. The future claims (the ultimate claim amount less paid claims to date) were allocated to future payment periods in line with the development patterns calculated above. The outstanding claims reported to date are then subtracted from the total future claims to give the resulting IBNR figure per accident half-year period.

$$\begin{aligned} \text{IBNR} = & \text{Ultimate claim amount (excl. extreme large losses)} \\ & \text{minus paid claims to 31 December, 2019 (excl. extreme large losses)} \\ & \text{minus claims outstanding (excl. extreme large losses)} \end{aligned}$$

Assumptions underlying the BCL

The Basic Chain Ladder Method assumes that past experience is indicative of future experience i.e. that claims recorded to date will continue to develop in a similar manner in the future. An implicit assumption is that, for an immature accident year, the claims observed thus far tell something about the claims yet to be observed. A further assumption is that it assumes consistent claim processing, a stable mix of types of claims, stable inflation and stable policy limits.

Loss Ratio method

Due to the limited data in Energy and Aviation portfolios, using the Basic Chain Ladder method was therefore inappropriate. The Loss ratio method is often used when there is little experience (claims history) in the line of business.

We allowed for expected experience to date and the average assumed ultimate loss ratio in carrying out the calculation.

$$\begin{aligned} \text{IBNR} = & \text{Expected average ultimate annual loss ratio} \\ & \text{multiplied by earned premium} \\ & \text{minus experience to date} \end{aligned}$$

Assumptions underlying the Loss Ratio Method

An estimate of the average ultimate loss ratio needed to be assumed. We based the loss ratios off of experience that has been seen to date in previous

Unearned Premium Reserve (UPR) and Deferred Acquisition Cost (DAC)

The unearned premium reserve and deferred acquisition cost were calculated using a time-apportionment basis, in particular, the 365ths method. In the calculations, it was assumed that both the start and end date were included in the coverage period.

Sensitivity Analysis

A sensitivity analysis was done to determine how the IBNR reserve amount would change if we were to consider the 75th percentile and 90th percentile as opposed to our best estimate figures (which would represent the 50th percentile) included in reserve reviews as at 31 December 2019. The 75th percentile is a generally accepted level of prudence. Overall, there is 9% increase from the gross best estimate reserves to the gross reserves calculated at the 75th percentile and a 28% increase from the gross best estimate reserves to the gross reserves calculated on the 90th percentile. In conclusion, there is only a 25% chance that the IBNR reserves required will exceed NGN 2,151 million and only a 10% chance that the IBNR reserves required will exceed NGN 2,516 million as at 31 December 2019.

Gross IBNR - Attritional Reserves			
In thousands on naira	Best Estimate	75th Percentile	90th Percentile
Aviation	110,819	71,148	78,899
Energy	1,162,911	1,210,871	1,312,765
Engineering	30,960	32,257	33,938
Fire	137,673	142,809	149,130
General Accident	199,555	225,380	259,131
Marine Cargo	70,256	95,468	203,982
Marine Hull	48,026	65,260	139,438
Motor	281,526	307,986	338,366
	2,041,728	2,151,178	2,515,650

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

Life & Savings Reserving

Valuation methods

Individual Life

Individual risk business comprises whole life assurances, credit life business, term assurances of various descriptions, including mortgage protection and annuity. For all individual risk business the gross premium method of valuation was adopted.

Reserves were calculated via a cashflow projection approach, taking into account future office premiums, expenses and benefit payments including an allowance for rider benefits and surrenders where applicable. Future cashflows were discounted back to the valuation date at the valuation rate of interest.

The reserve for the individual deposit based policies has been taken as the amount standing to the credit of the policyholders at the valuation date. Where policies have active life cover this has been valued using a cashflow projection approach as described above for other risk business.

Annuity

Annuities are reserved for using a discounted cash flow approach. Here, reserves were set equal to the present value of future annuity payments plus expenses, with allowance being made for any guaranteed periods as required.

As at 31 December 2019, the Company did not underwrite any new annuity policies but received additional annuity premium from existing customers.

The movement in the annuity portfolio is analysed below:

	Number of annuity policies	Annual Annuity (N'000)
At 31 December 2018	406	293,496
New entrants	-	-
Additional Funds	-	-
Deaths	(2)	(1,051)
At 31 December 2019	404	292,445

Group Life

Reserves for Group Life comprise an Unexpired Premium Reserve (UPR) and a reserve for Incurred But Not Reported Claims (IBNR) to make an allowance for the delay in reporting of claims. The UPR represents the unexpired portion of the premium for each scheme, net of an expense margin reflecting the acquisition cost loadings. The adequacy of the UPR is then tested by comparing against an Additional Unexpired Risk Reserve (AURR), which is calculated using pooled industry claims data for the underlying assumptions. An AURR was held in cases where the UPR was deemed insufficient to meet claims in respect of the unexpired period.

An allowance was made for IBNR (Incurred But Not Reported) claims in Group Life to take care of the delay in reporting claims. This was based on an Ultimate Loss Ratio approach, which uses historical claims experience to estimate the pattern of future emerging claims, from which the IBNR portion is determined.

Assumptions used

The assumptions used for the insurance contracts disclosed in this note are as follows:

Valuation interest rate

The proposed valuation interest rate is based on current market risk-free yields with adjustments. This is in line with the requirements of IFRS 4 (Paragraph 24). The use of a risk-free rate also implies that future investment margins (in excess of the risk-free return) will not be capitalized upon, which satisfies paragraph 27 of IFRS 4. Further, the result is a "fair value" liability calculation which aids the comparability of accounts between insurers.

We adopted net valuation interest rates of 11.42% pa for all long term business 11.90% pa for Annuity business. as at 31 December 2019, the average yield on 20 year FGN bonds was 12.4%. For the purpose of determining the valuation interest rate for individual risk business, we considered a prudence margin of 0.25% whilst for Annuity, an additional margin of 0.25% for reinvestment risks were deducted from the gross yield. These made some allowance for the volatility of the "risk free" yields as well as duration mismatch between available bonds and the liabilities. Future tax was taken into account by deducting 6% of the gross yield less the margins to arrive at net rates to adopt for valuation purposes.

Expense

Expense for Individual Life (including annuity) and individual deposit-based business were reserved explicitly at N5,700 per policy per annum excluding AIP, for which an expense of N750 was used. Credit Life Expenses were reserved for at N750 per policy annum. All expenses were assumed to increase with inflation at 11% pa.

Future maintenance expenses

The regulatory maintenance expenses are derived from the best estimate maintenance expenses plus a prudence margin for adverse deviations. Some expense lines were removed from the reported Individual Life operating expenses which were identified as being directly attributable to new business, e.g. advertising, sales promotion and merchandising. 35% of the remaining reported operating expenses was allocated to new business. We allowed for a notional expense per policy of N750 pa for Credit Life business. This is predominantly short term retail business from our financial institution partners which requires less policy administration compared to other Individual Life business. The remaining expenses were apportioned over the remaining Individual Life policies to estimate the 2019 maintenance expense incurred which was N5,700 per policy per annum.

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

Commission

Commission rates are set as known, and understood to be 10% of each premium for all individual products (excluding annuity).

Mortality and Future Improvements

The Mortality Table used in the valuation is the UK's Mortality of Assured Lives A6770 (1967-70) table. The exception is the annuity business for which the UK's Pension Annuitants table, PA90 (rated -3) was used.

Withdrawals

Surrenders are permitted for the Whole Life Plan. An allowance has been made in the valuation for exits by surrender using the rates: Single premium policies-0%, Year 1 (lapse without value) - 10%, Year 2 (lapse without value) - 7.5%, Year 3 - 5%, Years 4 and above - 2.5%. The payment of the surrender value at the exit date has been allowed for within the cashflows.

The account balance has been held for investment and deposit linked policies that have lapsed by the valuation date but the funds have not been paid out. A provision has also been made for the reinstatement of life cover assuming a reinstatement rate of 20%. No allowance has been made in the valuation for the reinstatement of traditional policies that lapsed before the valuation date. An allowance has been made for future lapses at the following rates: Single premium policies: 0%, Year 1 - 10%, Year 2 - 7.5%, Year 3 - 5% whilst Year 4 and above - 2.5%.

Reinsurance Agreements

Reinsurance is allowed for in the valuation by having gross and reinsurance ceded records in the policy files. For IFRS compliance purposes all reserves were reported gross of reinsurance, with the value of the reinsurance asset calculated and reported separately.

Health Reserving

The product offerings from the Health business includes products under the Corporate, Personal and International plans. IBNR (Incurred But Not Reported) was calculated for products under each plan.

Reserving Methodology and Assumptions

For the Corporate plans, ultimate claims were projected using Basic Chain Ladder ("BCL") and Bornhuetter Ferguson ("BF") methods. Paid claims and outstanding claims are then deducted from the ultimate claims to determine the IBNR. For the Personal plans and International Plans, the Loss Ratio ("LR") method is used to project the ultimate claims. Paid claims and Outstanding claims are then deducted from the ultimate claims to determine the IBNR.

Basic Chain Ladder Method

BCL method is appropriate where there is significant data as we see for the Corporate plans. The methodology assumes that past experience is indicative of future experience i.e. claims recorded to date will continue to develop in a similar manner in the future.

Bornhuetter-Ferguson Method

BF method is used to determine reserves for periods where there is high variability in loss development patterns. This is the methodology we have used to determine reserves for the most recent two (2) months of the Corporate plans. This method is based on the expected loss ratios.

Loss Ratio Method

LR method is appropriate where there is limited data available as we see in the Personal plans and International plans. An ultimate loss ratio is assumed from previous years' experience and the reserve is calculated as:

(Ultimate Loss Ratio x Earned Premiums) - Paid Claims - Outstanding Claims

Sensitivity Analysis

A sensitivity analysis was done to determine how the IBNR reserve amount would change if we were to consider the 75th percentile and 90th percentile as opposed to our best estimate figures (which would represent the 50th percentile) included in reserve reviews as at 31st December 2019. The 75th percentile is a generally accepted level of prudence.

	Best Estimate	Gross IBNR (N'000)	
		75th Percentile	90th Percentile
Corporate Platinum	180,723	239,957	334,198
Corporate Gold	399,229	468,458	605,606
Corporate Silver	264,688	304,097	427,122
Corporate Bronze	811,755	925,476	1,243,804
Personal Platinum	1,482	3,689	4,708
Personal Gold	11,338	17,283	20,942
Personal Silver	7,919	13,521	15,798
Personal Bronze	4,332	8,882	10,393
AXA Mansard International - AMIHP	43,329	60,131	76,501
IMED	48,227	65,513	82,799
Total	1,773,023	2,107,007	2,821,871

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

Sensitivity analysis

The analysis which follows is performed for reasonably possible movements in key assumptions with all other assumptions held constant, and shows the impact on gross and net liabilities, profit before tax and equity. These variables are valuation interest rate, claims handling expenses, inflation, lapses and mortality rate. Movements in these assumptions are non-linear and sensitivity information vary according to the current economic assumptions, mainly due to the impact of changes to both the intrinsic cost and time value of options and guarantees. These variables have been tested by +/-1%, +/-2%, +/-5% and +/-10%

The results of the changes in the variables have been summarised below:

The sensitivity analysis of the life business indicates that a +1% change in Valuation Interest Rate (VIR) will result in a reduction of the Life fund liability to N12,601,276 whilst a -1% change in VIR will result in additional Life fund liability to N12,929,836.

The sensitivity analysis also indicates that an increase of mortality rates by 5% will increase the Life fund liability to N12,790,554 whilst a reduction of mortality rate by 5% will decrease the Life fund liability to N12,717,602.

A movement of expenses by +10% will result in an increase the Life fund liability to N12,768,790 whilst a -10% change will reduce the Life fund liability to N12,738,780. Expense inflation moving by +2% will increase the life fund to N12,775,021 whilst a -2% will produce a reduced Life fund liability of N 12,738,637.

A 5% increase in the Lapse rate will also reduce the Life fund liability to N12,753,697 whilst a 5% decrease in the Lapse rate will increase the Liability to N12,753,783.

SENSITIVITY OF LIABILITIES TO CHANGES IN LONG TERM VALUATION ASSUMPTIONS FOR THE 31 DECEMBER 2019 VALUATION

N°000	Base	VIR +1%	VIR -1%	Expense +10%	Expense -10%	Expense Inflation +2%	Expense Inflation -2%	Lapse +5%	Lapse -5%	Mortality +5%	Mortality -5%
Individual Traditional	1,413,850	1,380,500	1,456,318	1,424,772	1,403,018	1,424,881	1,406,262	1,413,807	1,413,893	1,435,081	1,392,800
PRA Regulated Annuities	2,177,817	2,058,703	2,311,445	2,181,945	2,173,689	2,188,068	2,170,302	2,177,817	2,177,817	2,193,399	2,162,730
Individual DA	8,066,388	8,066,388	8,066,388	8,066,388	8,066,388	8,066,388	8,066,388	8,066,388	8,066,388	8,066,388	8,066,388
Group Life - UPR	613,431	613,431	613,431	613,431	613,431	613,431	613,431	613,431	613,431	613,431	613,431
Group Life - AURR	-	-	-	-	-	-	-	-	-	-	-
Group Life - IBNR	1,186,716	1,186,716	1,186,716	1,186,716	1,186,716	1,186,716	1,186,716	1,186,716	1,186,716	1,186,716	1,186,716
Reinsurance	- 704,462	- 704,462	- 704,462	- 704,462	- 704,462	- 704,462	- 704,462	- 704,462	- 704,462	- 704,462	- 704,462
Net liability	12,753,740	12,601,276	12,929,836	12,768,790	12,738,780	12,775,021	12,738,637	12,753,697	12,753,783	12,790,554	12,717,602
% Change in net liability	-	-1.20%	1.38%	0.12%	-0.12%	0.17%	-0.12%	0.00%	0.00%	0.29%	-0.28%
Summary	Base	VIR +1%	VIR -1%	Expense +10%	Expense -10%	Expense Inflation +2%	Expense Inflation -2%	Lapse +5%	Lapse -5%	Mortality +5%	Mortality -5%
Individual	11,658,055	11,505,591	11,834,151	11,673,105	11,643,095	11,679,336	11,642,952	11,658,012	11,658,098	11,694,869	11,621,917
Group	1,095,685	1,095,685	1,095,685	1,095,685	1,095,685	1,095,685	1,095,685	1,095,685	1,095,685	1,095,685	1,095,685
Net liability	12,753,740	12,601,276	12,929,836	12,768,790	12,738,780	12,775,021	12,738,637	12,753,697	12,753,783	12,790,554	12,717,602
% change in liability	-	0	0	0	0	0	0	-	-	0	0

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

SENSITIVITY OF LIABILITIES TO CHANGES IN LONG TERM VALUATION ASSUMPTIONS FOR THE 31 DECEMBER 2018 VALUATION

N°000	Base	VIR +1%	VIR -1%	Expenses +10%	Expenses - 10%	Expense inflation +2%	Expense inflation - 2%	Lapses +5%	Lapses -5%	Mortality +5%	Mortality -5%
Individual Traditional	725,525	704,526	752,771	741,048	710,264	740,562	714,950	725,497	725,554	743,599	707,457
PRA Regulated Annuities	1,854,619	1,769,123	1,949,000	1,857,305	1,851,934	1,859,966	1,850,523	1,854,619	1,854,619	1,844,517	1,865,028
Individual DA	6,898,383	6,898,383	6,898,383	6,898,383	6,898,383	6,898,383	6,898,383	6,898,383	6,898,383	6,898,383	6,898,383
Group Life - UPR	635,357	635,357	635,357	635,357	635,357	635,357	635,357	635,357	635,357	635,357	635,357
Group Life - AURR	2,026	2,026	2,026	2,026	2,026	2,026	2,026	2,026	2,026	2,026	2,026
Group Life - IBNR	793,350	793,350	793,350	793,350	793,350	793,350	793,350	793,350	793,350	793,350	793,350
Reinsurance	(692,099)	(692,099)	(692,099)	(692,099)	(692,099)	(692,099)	(692,099)	(692,099)	(692,099)	(692,099)	(692,099)
Net liability	10,267,162	10,160,666	10,388,788	10,285,370	10,249,215	10,287,545	10,252,491	10,267,133	10,267,191	10,275,133	10,259,503
% Change in net liability		-1.04%	1.18%	0.18%	-0.17%	0.20%	-0.14%	0.00%	0.00%	0.08%	-0.07%
Summary	Base	VIR +1%	VIR -1%	Expenses +10%	Expenses - 10%	Expense inflation +2%	Expense inflation - 2%	Lapses +5%	Lapses -5%	Mortality +5%	Mortality -5%
Individual	9,528,528	9,422,032	9,650,154	9,546,736	9,510,581	9,548,911	9,513,857	9,528,499	9,528,557	9,536,499	9,520,869
Group	738,634	738,634	738,634	738,634	738,634	738,634	738,634	738,634	738,634	738,634	738,634
Net liability	10,267,162	10,160,666	10,388,788	10,285,370	10,249,215	10,287,545	10,252,491	10,267,133	10,267,191	10,275,133	10,259,503
% change in liability	-	-1.04%	1.18%	0.18%	-0.17%	0.20%	-0.14%	0.00%	0.00%	0.08%	-0.07%

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

3 Financial Risk Management

(a) Introduction and overview

The Group is exposed to a range of financial risks through its financial instruments, insurance assets and insurance liabilities. The key financial risk is that in the long term its investments proceeds are not sufficient to fund the obligations arising from its insurance and investment contracts. The most important components of the financial risks are:

- Market risk
- Credit risk
- Liquidity risk

3.1 Market risk

Market risk is the risk of loss in On-or Off-balance sheet positions, as a result of adverse movement in foreign exchange rate, interest rate, and equity or commodity prices. The identification, management, control, measurement and reporting of market risk are aligned towards the sub-risk categories namely:

- Price risk
- Foreign exchange risk
- Interest-rate risk

3.1.1 Price risk

The Group's management of price risk is guided by the following limits:

- Investment quality and limit analysis
- Stop loss limit analysis
- Stock to total loss limit analysis

Investment quality and limit analysis

Management Underwriting & Investment Committee establishes and approves a list of eligible listed and unlisted stocks aligned with investment approval/dealer limits as approved by the Board through its Board Finance and Investment Committee.

The approved stop loss limit below shows the percentage of stock positions that can be sold given a position of events: a given percentage loss and absolute loss amounts. For example, a combination of 20% loss and N10 million loss would require the Company to sell down 25% of the position.

Stop loss limit analysis

Market capitalizations, liquidity and market volatiles are criteria used to classify certain eligible stocks. These are in categories A, B and C. Stop loss limits (which depict the volume of loss the Group is willing to accept) are ascribed to each stock category. Periodic reviews and reassessments are undertaken on the performance of the stocks. The stop loss limits on categories of stocks as approved by Management Underwriting & Investment Committee are depicted below:

CLASS	STOP LOSS LIMIT	CHARACTERISTICS
A	25%	Very liquid, high market capitalisation, low market volatility
B	23%	Very liquid, moderate market capitalisation, low market volatility
C	20%	Liquid, moderate market capitalisation, low market volatility

Maximum losses permissible in Naira	Percentage losses		
	15%	20%	25%
N10,000,000	0.0%	25%	50%
N15,000,000	25%	50%	75%
N20,000,000	50%	75%	100%
>N25,000,000	100%	100%	100%

The Group's Enterprise Risk Management (ERM) function monitors compliance of the Investment arm to these limits and reports to Management on a weekly basis.

A summary of the Group's Stop Loss Limit position on trading equities is as follows:

December 2019

Amounts in thousands of Naira

STOP LOSS LIMIT ANALYSIS ON GROUP'S QUOTED SECURITY PORTFOLIO

SECTOR OF STOCK	COST PRICE	MARKET PRICE	STOCK CLASS	% GAIN/LOSS	BENCHMARK	EXCEPTION
Banking and other financial institutions	67,928	68,754	A	1%	25%	NO
Building materials	17,318	13,147	A	-24%	25%	NO
Consumer goods	24,352	22,798	C	-6%	20%	NO
Insurance	4,191	6,287	A	50%	25%	NO
Oil and gas	18,784	11,600	C	-38%	20%	NO
Real estate	-	-	C	0%	20%	NO
Total	132,573	122,586				

STOP LOSS LIMIT ANALYSIS ON COMPANY'S QUOTED SECURITY

SECTOR OF STOCK	COST PRICE	MARKET PRICE	STOCK CLASS	% GAIN/LOSS	BENCHMARK	EXCEPTION
Banking and other financial institutions	7,016	10,501	A	50%	25%	NO
Building materials	17,318	13,147	A	-24%	25%	NO
Consumer goods	24,352	22,798	C	-6%	20%	NO
Insurance	4,191	6,287	A	50%	25%	NO
Oil and gas	18,784	11,600	C	-38%	20%	NO
Real estate	-	-	C	0%	20%	NO
Total	71,661	64,333				

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

December 2018

Amounts in thousands of Naira

STOP LOSS LIMIT ANALYSIS ON COMPANY'S QUOTED SECURITY

SECTOR OF STOCK	COST PRICE	MARKET PRICE	STOCK CLASS	% GAIN/LOSS	BENCHMARK	EXCEPTION
Banking and other financial institutions	40,265	64,039	A	59%	25%	NO
Building materials	36,818	37,064	A	1%	25%	NO
Consumer goods	16,914	17,857	C	6%	20%	NO
Insurance	4,191	4,191	A	0%	25%	NO
Oil and gas	18,784	21,233	C	13%	20%	NO
Real estate	-	-	C	0%	20%	NO
Total	116,972	144,385				

STOP LOSS LIMIT ANALYSIS ON COMPANY'S QUOTED SECURITY

SECTOR OF STOCK	COST PRICE	MARKET PRICE	STOCK CLASS	% GAIN/LOSS	BENCHMARK	EXCEPTION
Banking and other financial institutions	24,021	30,577	A	27%	25%	NO
Building materials	36,818	37,064	A	1%	25%	NO
Consumer goods	16,914	17,857	C	6%	20%	NO
Insurance	4,191	4,191	A	0%	25%	NO
Oil and gas	18,784	21,233	C	13%	20%	NO
Real estate	-	-	C	0%	20%	NO
Total	100,728.00	110,923				

The Group manages its exposure to price risk through adherence to stop loss limits and investment in eligible stocks as approved by the Board. Potential losses and exception as seen in the schedule above were within the Group's stated risk appetite.

The Group further reduces its exposure to price risk with relatively low investment in quoted equities. The position held on quoted equities by the Company and Group is less than 2% of its investment portfolio mitigating the effect of price volatilities.

Stock to Total Limit Analysis

Considering the volatility of stocks (typically quoted stocks), the Group monitors the contribution of stocks within each sector to the total stocks holding in a portfolio. The objective of the analysis is to evaluate the Company's concentration on stocks within each sector and ultimately exposure to market volatility if the price of any of the stocks should drastically plummet.

A summary of the Group's stock to total limit position on equities is as follows:

STOCK TO TOTAL LIMIT ON GROUP'S INVESTMENT EQUITY SECURITY				
	DEC 2019	DEC 2019	DEC 2018	DEC 2018
	GROUP	GROUP	GROUP	GROUP
SECTOR OF STOCK	MARKET PRICE	% of Total	MARKET PRICE	% of Total
Banking and other financial institutions	68,754	56%	87,589	52%
Building materials	13,147	11%	37,064	22%
Consumer goods	22,798	19%	17,857	11%
Insurance	6,287	5%	4,191	2%
Oil and Gas	11,600	9%	21,233	13%
Real estate	-	0%	-	0%
Telecommunication	-	0%	-	0%
Total	122,586		167,935	

STOCK TO TOTAL LIMIT ON COMPANY'S INVESTMENT EQUITY SECURITY

	DEC 2019	DEC 2019	DEC 2018	DEC 2018
	PARENT	PARENT	PARENT	PARENT
SECTOR OF STOCK	MARKET PRICE	%	MARKET PRICE	%
Banking and other financial institutions	10,501	16%	54,127	40%
Building materials	13,147	20%	37,064	28%
Consumer goods	22,798	35%	17,857	13%
Insurance	6,287	10%	4,191	3%
Oil and Gas	11,600	18%	21,233	16%
Real estate	-	0%	-	0%
Telecommunication	-	0%	-	0%
Total	64,333		134,473	

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

31 December 2019

PRICE RISK SENSITIVITY

Group	Gross amount	Increase by 13.5%	Increase by 20%	Decrease by 13.5%	Decrease by 20%
Investment securities					
Financial assets fair valued through profit or loss	5,302,005	715,771	1,060,401	(715,771)	(1,060,401)
Government & corporate bonds	12,820,184	1,730,725	2,564,037	(1,730,725)	(2,564,037)
Tenored deposits with maturity above 90 days	1,077,894	145,516	215,579	(145,516)	(215,579)
Treasury bills	4,846,197	654,237	969,239	(654,237)	(969,239)
Equity securities	182,602	24,651	36,520	(24,651)	(36,520)
Investment funds	8,909,948	1,202,843	1,781,990	(1,202,843)	(1,781,990)
Financial assets designated at fair value	4,154,695	560,884	830,939	(560,884)	(830,939)
Impact on profit after tax		3,524,238	5,221,094	(3,524,238)	(5,221,094)

Parent	Gross amount	Increase by 13.5%	Increase by 20%	Decrease by 13.5%	Decrease by 20%
Investment securities					
Financial assets fair valued through profit or loss	5,302,005	715,771	1,060,401	(715,771)	(1,060,401)
Government & corporate bonds	11,498,908	1,552,353	2,299,782	(1,552,353)	(2,299,782)
Tenored deposits with maturity above 90 days	1,077,895	145,516	215,579	(145,516)	(215,579)
Treasury bills	1,546,058	208,718	309,212	(208,718)	(309,212)
Equity securities	124,349	16,787	24,870	(16,787)	(24,870)
Investment funds	7,785,436	1,051,034	1,557,087	(1,051,034)	(1,557,087)
Financial assets designated at fair value	4,154,695	560,884	830,939	(560,884)	(830,939)
Impact on profit before tax		3,535,291	5,237,468	(3,535,291)	(5,237,468)

31 December 2018

PRICE RISK SENSITIVITY

Group	Gross amount	Increase by 13.5%	Increase by 20%	Decrease by 13.5%	Decrease by 20%
Investment securities					
Financial assets fair valued through profit or loss	3,266,048.00	440,916	653,210	(440,916)	(653,210)
Government & corporate bonds	10,879,158	1,468,686	2,175,832	(1,468,686)	(2,175,832)
Tenored deposits with maturity above 90 days	515,184	69,550	103,037	(69,550)	(103,037)
Treasury bills	5,787,634	781,331	1,157,527	(781,331)	(1,157,527)
Equity securities	258,252	34,864	51,650	(34,864)	(51,650)
Investment funds	4,873,442	657,915	974,688	(657,915)	(974,688)
Financial assets designated at fair value	3,073,457	414,917	614,691	(414,917)	(614,691)
Impact on profit before tax		3,868,179	5,730,635	(3,868,179)	(5,730,635)
Tax charge		-	-	-	-
Impact on profit after tax		2,707,725.04	4,011,445	(2,707,725)	(4,011,445)

Parent	Gross amount	Increase by 13.5%	Increase by 20%	Decrease by 13.5%	Decrease by 20%
Investment securities					
Financial assets fair valued through profit or loss	3,266,048	440,916	653,210	(440,916)	(653,210)
Government & corporate bonds	9,809,282	1,324,253	1,961,856	(1,324,253)	(1,961,856)
Tenored deposits with maturity above 90 days	459,119	61,981	91,824	(61,981)	(91,824)
Treasury bills	4,057,998	547,830	811,600	(547,830)	(811,600)
Equity securities	224,790	30,347	44,958	(30,347)	(44,958)
Investment funds	3,336,899	450,481	667,380	(450,481)	(667,380)
Financial assets designated at fair value	3,073,457	414,917	614,691	(414,917)	(614,691)
Impact on profit before tax		2,829,809	4,192,309	(2,829,809)	(4,192,309)

4.1.2 Foreign Exchange Risk

AXA Mansard Insurance Group is exposed to foreign exchange currency risk primarily through undertaking certain transactions denominated in foreign currency. The Group is exposed to foreign currency risk through its investment in bank balances, fixed deposits and bonds denominated in foreign currencies.

The carrying amounts of the Group's foreign currency denominated assets and liabilities at end of the year are as follows:

Group	31 December 2019			31 December 2018		
	USD	EUR	GBP	USD	EUR	GBP
Cash and cash equivalents	2,691,444	21,828	72,625	989,586	63,078	48,306
Investment securities -Available-for-sale	1,662,437	-	-	1,888,360	-	-
Borrowings	6,965,804	-	-	3,479,693	-	-

Parent	31 December 2019			31 December 2018		
	USD	EUR	GBP	USD	EUR	GBP
Cash and cash equivalents	2,552,413	21,783	540	969,280	61,837	3,162
Investment securities -Available-for-sale	1,494,948	-	-	1,577,534	-	-
Investment securities -Held to maturity	-	-	-	-	-	-

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

Foreign currency changes are monitored by the investment committee and holdings are adjusted when there is a deviation from the investment policy. The Group further manages its exposure to foreign risk exchange using sensitivity analysis to assess potential changes in the value of foreign exchange positions and impact of such changes on the Group's investment income. At the year end, the foreign currency investments held in the portfolio were on unquoted equity, bonds, treasury bills and cash and cash equivalents. APD Limited manages the Group's investment property and the rental payments are in USD per the tenancy agreement.

The following table details the effect of foreign exchange risk on the profit as at 31 December 2019:

31 December 2019

FOREIGN EXCHANGE SENSITIVITY

Group	Increase by 15%	Increase by 10%	Decrease by 10%	Decrease by 15%
Investment securities exposed to foreign exchange risk	Gains/(losses)			
Cash and cash equivalents	417,885	278,590	(278,590)	(417,885)
<i>Investment securities</i>				
Available-for-sale	249,365	166,244	(166,244)	(249,365)
Financial liabilities exposed to foreign exchange risk				
Borrowings	(1,044,871)	(696,580)	696,580	1,044,871
Effect on profit before tax	(626,986)	(417,991)	417,991	626,986
Taxation @ 30%	(188,096)	(125,397)	125,397	188,096
Effect on profit after tax	(438,890)	(292,593)	292,593	438,890
Effect on other components of equity -OCI	74,810	49,873	(49,873)	(74,810)
Parent				
	Increase by 15%	Increase by 10%	Decrease by 10%	Decrease by 15%
Investment securities exposed to foreign exchange risk	Gains/(losses)			
Cash and cash equivalents	386,210	257,474	(257,474)	(386,210)
<i>Investment securities</i>				
Available-for-sale	224,242	149,495	(149,495)	(224,242)
Effect on profit before tax	386,210	257,474	(257,474)	(386,210)
Taxation @ 30%	115,863	77,242	(77,242)	(115,863)
Effect on profit after tax	270,347	180,232	(180,232)	(270,347)
Effect on other components of equity -OCI	67,273	44,848	(44,848)	(67,273)

31 December 2018

FOREIGN EXCHANGE SENSITIVITY

Group	Increase by 15%	Increase by 10%	Decrease by 10%	Decrease by 15%
Investments securities exposed to foreign exchange risk	Gains/(losses)			
Cash and cash equivalents	165,145	110,097	(110,097)	(165,145)
<i>Investment securities</i>				
Available-for-sale	283,254	188,836	(188,836)	(283,254)
Financial liabilities exposed to foreign exchange risk				
Borrowings	(521,954)	(347,969)	347,969	521,954
Effect on profit before tax	(356,809)	(237,872)	237,872	356,809
Taxation @ 30%	(107,043)	(71,362)	71,362	107,043
Effect on profit after tax	(249,766)	(166,511)	166,511	249,766
Effect on other components of equity -OCI	84,976	56,651	(56,651)	(84,976)
Parent				
	Increase by 15%	Increase by 10%	Decrease by 10%	Decrease by 15%
Investments securities exposed to foreign exchange risk	Gains/(losses)			
Cash and cash equivalents	155,142	103,428	(103,428)	(155,142)
<i>Investment securities</i>				
Available-for-sale	236,630	157,753	(157,753)	(236,630)
Effect on profit before tax	155,142	103,428	(103,428)	(155,142)
Taxation @ 30%	46,543	31,028	(31,028)	(46,543)
Effect on profit after tax	108,599	72,400	(72,400)	(108,599)
Effect on other components of equity -OCI	70,989	47,326	(47,326)	(70,989)

The method used to arrive at the possible risk of foreign exchange rate was based on statistical analysis. The statistical analysis has been based on main currencies movement for the last five years. This information is then revised and adjusted for reasonableness under the current economic circumstances.

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

4.1.3 Interest-rate risk

The Company is moderately exposed to interest-rate risk through its conservative investment approach with high investment in fixed income and money market instruments which have fixed interest rates rather than floating rates. Interest rate risk also exists in policies that carry investment guarantees on early surrender or at maturity, where claim values can become higher than the value of backing assets as a result of rises or falls in interest rates.

A significant portion of the Group's assets relate to its capital rather than liabilities, the value of its interest rate based assets exceeds its interest rate based liabilities. As a result, the Company's investment income will move with fixed interest rates over the medium to long-term with short-term interest rate fluctuations creating unrealized fair value gains or losses in other comprehensive income.

The Group's major exposure to interest-rate sensitive liabilities arises from investment-linked products which accounts for a small portion of its business which are linked to the CBN Monetary Policy Rates (MPR). The fluctuations in interest rates cannot significantly impact our statement of financial position as interest-rate sensitive liabilities are quite small compared with assets.

Interest rate risk is managed principally through monitoring interest rate gaps and sensitivity analysis across all investment portfolios.

The table below, however, details the maturity profile of the interest rate sensitivity analysis of AXA Mansard Insurance Plc. as at 31 December 2019, holding all other variables constant and assuming that all interest rates are floating and move in line with prevailing interest rates. Based on historical data, 100 and 500 basis points changes are deemed to be reasonably possible and are used when reporting interest rate risk.

31 December 2019

GROUP	Non interest bearing	1-3 months	3-6 months	> 6 months	Total
		Interest earning assets			
Cash and cash equivalents	7,603,647	10,307,769	-	-	17,911,416
Financial assets fair valued through profit or loss	-	-	-	5,302,005	5,302,005
Bonds	-	103,236	-	12,716,948	12,820,184
Tenored deposits with initial maturity of 90 days and above	-	-	944,408	133,485	1,077,894
Treasury bills	-	26,140	208,405	4,611,652	4,846,197
Equity securities	182,602	-	-	-	182,602
Investment funds	-	-	-	8,909,948	8,909,948
Financial assets designated at fair value	-	-	-	4,154,695	4,154,695
Loans and receivables	403,548	-	-	-	403,548
Statutory deposit	-	-	-	500,000	500,000
	8,189,797	10,437,144	1,152,814	36,328,734	56,108,488
Interest bearing liabilities					
Investment contract liabilities					
- At amortised cost	-	698,232	811,968	2,765,565	4,275,765
- Liabilities designated at fair value	-	-	-	4,154,695	4,154,695
Borrowings	-	-	-	6,965,804	6,965,804
	-	698,232	811,968	13,886,064	15,396,264
Gap		9,738,912	340,846	22,442,670	40,712,224
Cumulative gap - Sensitivity analysis		9,738,912	10,079,758	32,522,427	
Increase by 100bp		97,389	3,408	224,427	407,122
Increase by 500bp		486,946	17,042	1,122,133	2,035,611
Decrease by 100bp		(97,389)	(3,408)	(224,427)	(407,122)
Decrease by 500bp		(486,946)	(17,042)	(1,122,133)	(2,035,611)

*Notes to the financial statements
for the year ended 31 December 2019*

*AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019*

PARENT	Non interest bearing	1-3 Months	3-6 months	> 6 months	Total
		Interest earning assets			
Cash and cash equivalents	6,024,334	10,108,940	-	-	16,133,274
Financial assets fair valued through profit or loss	-	-	-	5,302,005	5,302,005
Bonds	-	102,482	-	11,396,426	11,498,908
Tenored deposits with initial maturity of 90 days and above	-	-	944,408	133,487	1,077,895
Treasury bills	-	-	121,059	1,424,999	1,546,058
Equity securities	124,349	-	-	-	124,349
Investment funds	-	-	-	7,785,436	7,785,436
Financial assets designated at fair value	-	-	-	4,154,695	4,154,695
Loans and receivables	882,168	-	-	-	882,168
Statutory deposit	-	-	-	500,000	500,000
	7,030,851	10,211,422	1,065,467	30,697,048	49,004,787
Interest bearing liabilities					
Investment contract liabilities					
- At amortised cost	-	698,232	811,968	2,765,565	4,275,765
- liabilities designated at fair value	-	-	-	4,154,695	4,154,695
	-	698,232	811,968	6,920,260	8,430,460
Gap		9,513,190	253,499	23,776,788	40,574,327
Cumulative gap - Sensitivity analysis		9,513,190	9,766,689	33,543,477	
Increase by 100bp		95,132	2,535	237,768	405,743
Increase by 500bp		475,659	12,675	1,188,839	2,028,716
Decrease by 100bp		(95,132)	(2,535)	(237,768)	(405,743)
Decrease by 500bp		(475,659)	(12,675)	(1,188,839)	(2,028,716)

31 December 2019

GROUP	Non interest bearing	1-3 months	3-6 months	> 6 months	Total
		Interest earning assets			
Cash and cash equivalents	3,709,200	1,529,505	-	-	5,238,705
Financial assets fair valued through profit or loss	-	180,548	162,467	2,923,033	3,266,048
Bonds	-	-	164,755	10,714,403	10,879,158
Tenored deposits with initial maturity of 90 days and above	-	-	515,184	-	515,184
Treasury bills	-	69,710	509,809	5,208,115	5,787,634
Equity securities	258,252	-	-	-	258,252
Investment funds	-	-	-	4,873,442	4,873,442
Financial assets designated at fair value	17,193	130,273	465,244	2,460,747	3,073,457
Loans and receivables	101,479	-	-	209,970	311,449
Statutory deposit	-	-	-	500,000	500,000
Total interest earning assets	4,086,124	1,910,036	1,817,460	26,889,709	34,703,329
Interest bearing liabilities					
Investment contract liabilities					
- At amortised cost	-	602,806	701,063	2,387,555	3,691,424
- Liabilities designated at fair value	17,193	130,273	465,244	2,460,747	3,073,457
Borrowings	-	121,803	736,398	2,635,033	3,493,234
Total interest bearing liabilities	17,193	854,882	1,902,705	7,483,335	10,258,115
Gap		1,055,154	(85,246)	19,406,374	24,445,214
Cumulative gap - Sensitivity analysis		1,055,154	969,908	20,376,283	
Increase by 100bp		10,552	(852)	194,064	244,452
Increase by 500bp		52,758	(4,262)	970,319	1,222,261
Decrease by 100bp		(10,552)	852	(194,064)	(244,452)
Decrease by 500bp		(52,758)	4,262	(970,319)	(1,222,261)

PARENT	Non interest bearing	1-3 Months	3-6 months	> 6 months	Total
		Interest earning assets			
Cash and cash equivalents	2,710,257	1,508,091	-	-	4,218,348
Financial assets fair valued through profit or loss	-	180,548	208,714	2,876,786	3,266,048
Bonds	-	-	159,524	9,649,758	9,809,282
Tenored deposits with initial maturity of 90 days and above	-	-	459,119	-	459,119
Treasury bills	-	46,506	416,544	3,594,948	4,057,998
Equity securities	224,790	-	-	-	224,790
Investment funds	-	-	-	3,336,899	3,336,899
Financial assets designated at fair value	17,193	130,273	465,244	2,460,747	3,073,457
Loans and receivables	147,310	-	-	175,977	323,287
Statutory deposit	-	-	-	500,000	500,000
Total interest earning assets	3,099,550	1,865,418	1,709,145	22,595,115	29,269,228

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

Interest bearing liabilities					
Investment contract liabilities					
– At amortised cost	-	602,806	701,063	2,387,555	3,691,424
– Liabilities designated at fair value	17,193	130,273	465,244	2,460,747	3,073,457
Total interest bearing liabilities	17,193	733,079	1,166,307	4,848,302	6,764,881
Gap	3,082,357	1,132,340	542,838	17,746,812	22,504,347
Cumulative gap - Sensitivity analysis					
Increase by 100bp		11,323	5,428	177,468	272,987
Increase by 500bp		56,617	27,142	887,341	1,364,934
Decrease by 100bp		(11,323)	(5,428)	(177,468)	(272,987)
Decrease by 500bp		(56,617)	(27,142)	(887,341)	(1,364,934)

4.2 Non-financial asset exposed to price risk

The Group is exposed to property risk through its investment in property. AXA Mansard Insurance Group manages such risk by monitoring the contribution of property to its portfolio.

GROUP'S EXPOSURE TO PROPERTY PRICE RISK			
Instrument		Amount	% Exposure
Property		15,801,949	24.80%
Interest Generating Assets		47,918,692	75.20%
		63,720,641	

COMPANY'S EXPOSURE TO PROPERTY PRICE RISK			
Instrument		Amount	% Exposure
Property		1,350,000	3%
Interest Generating Assets		41,973,937	97%
		43,323,937	

4.3 Credit risk

AXA Mansard Insurance Group is exposed to risk relating to its investment securities (bonds, treasury bills, fixed deposits and loan receivables. Its receivables comprise trade receivables from customers, reinsurers and coinsurers recoverable and other receivables.

Collateral held and other credit enhancements, and their financial effect

The group does not hold collateral or any other enhancements against any of its receivables as at 31 December 2019.

Trade receivables

The Group has placed more responsiveness on effective management of credit risk exposure that relates to trade receivables. In general, the regulator has laid great emphasis on "No Premium, No Cover" and this has positively changed the phase of credit management within the industry. The Group defines credit risk as the risk of counterparty's failure to meet its contractual obligations. Credit risk arises from insurance cover granted to parties with payment instruments or payments plan issued by stating or implying the terms of contractual agreement.

The Company has placed stringent measures to guard against credit default. Credit risk exposure operates from the level of brokered transactions with little emphasis placed on direct business. The Company's credit risk exposure to brokered business is very low as the Company requires brokers to provide payment within 30 days after which impairment trigger is identified and the receivable is assessed for impairment.

Sources of credit risk:

- Direct default risk: risk that the Group will not receive the cash flows or assets to which it is entitled because a party with which the Group has a bilateral contract defaults on one or more obligations.
- Downgrade Risk: risk that changes in the possibility of a future default by an obligor will adversely affect the present value of the contract with the obligor today.
- Settlement Risk: risk arising from the lag between the value and settlement dates of securities transactions.

Management of credit risk due to trade receivables

The Company constantly reviews brokers' contribution to ensure that adequate attention is paid to high premium contributing brokers.

The Group credit risk is constantly reviewed and approved during the Management Underwriting & Investment Committee (MUIC) meeting. There is also a Criticized Assets Committee (CAC) which is responsible for the assessment and continued review of the Company's premium debt and direct appropriate actions in respect of delinquent ones. It also ensured that adequate provisions are taken in line with IAS 39. Other credit risk management measures include:

- Formulating credit policies with strategic business units, underwriters, brokers, covering brokers grading, reporting, assessment, legal procedures and compliance with regulatory and statutory bodies.
- Identification of credit risk drivers within the Group in order to coordinate and monitor the probability of default that could have an unfortunate impact.
- Developing and monitoring credit limits. The Group is responsible for setting credit limits through grading in order to categorize risk exposures according to the degree of financial loss and the level of priority expected from management.
- Assessment of credit risk. All first-hand assessment and review of credit exposures in excess of credit limits, prior to granting insurance cover are subject to review process and approval given during MUIC meeting.
- Continuous reviewing of compliance and processes in order to maintain credit risk exposure within acceptable parameters.

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

Impairment model

Premium debtors are measured at amortized cost, less provision for impaired receivables. Under IFRS, an asset is impaired if the carrying amount is greater than the recoverable amount. The standard favours the use of the incurred loss model in estimating the impairment of its receivables.

By the provisions of IAS 39, the impairment of the premium debtors is to be assessed at two different levels, individually or collectively. However, based on NAICOM's "No Premium No Cover" guidelines which state that "all insurance covers shall be provided on a strict 'no premium no cover' basis", only cover for which payment has been received shall be booked. However, brokers have a 30 day period to make payments from the date of the credit notes. The Company uses the aging of receivables as the major parameter in calculating impairment.

Below is the analysis of the group's maximum exposure to credit risk at the year end.

		Group		Parent	
Maximum exposure to credit risk	Notes	Carrying amount Dec 2019	Carrying amount Dec 2018	Carrying amount Dec 2019	Carrying amount Dec 2018
<i>In thousands of Naira</i>					
Cash and cash equivalents	8	17,911,416	5,238,705	16,133,274	4,218,348
Financial assets fair valued through profit or loss	9.1	5,302,005	3,266,048	5,302,005	3,266,048
Available-for-sale (less equity security)	9.2	27,654,223	22,055,418	21,908,297	17,663,298
Financial assets designated at fair value (less equity security)	9.3	4,140,271	3,056,264	4,140,271	3,056,264
Loans and receivable	14	403,548	311,449	882,168	323,287
Trade receivable	10	5,418,424	3,615,646	1,224,373	572,586
Reinsurance assets (less prepaid reinsurance, reserves and IBNR)	11	5,156,197	6,943,206	5,142,841	6,936,148
Other receivable (less prepayment)	13	974,148	820,817	347,282	274,078
Statutory deposit	19	500,000	500,000	500,000	500,000
		67,460,232	45,807,554	55,580,511	36,810,057

The Group's investment policy puts limits on the Fixed Income and Money Market instruments including portfolio composition limits, issuer type limits, aggregate issuer limits and corporate sector limits.

The Group's investment portfolio is exposed to credit risk through its fixed income and money market instruments.

The Group's exposure to credit risk is low as Government sector (government bonds and treasury bills) accounted for largest part 30% (2018: 42%) of the investment as at 31 December 2019.

The Group further manages its exposure to credit risk through counterparty risk via established limits as approved by the Board. These limits are determined based on credit ratings of the counterparty amongst other factors. All fixed income investments are measured for performance on a quarterly basis and monitored by management on a monthly basis.

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

Exposures to credit risks is managed through counterparty risks using instituted limits as approved the MUIC. These limits are based on counter party credit ratings amongst other factors.

Disclosure of treasury bills of less than 90 days maturity

For the purpose of IFRS 7 disclosures, treasury bills classified as cash and cash equivalents in the statement of financial position has been disclosed as part of available for sale assets.

4.3.1 Credit quality

Except for staff loans included in loans and receivables, other receivables and trade receivables, all financial assets are neither past due nor impaired. The credit quality of the assets are as analysed below:

Group

31 December 2019

<i>In thousands of Nigerian Naira</i>	Unrated	A/A-	AA	B/B+	BB-	BBB	TOTAL
	High credit quality		Very strong	Strong financial security	Substantive	Doubtful	
Cash and cash equivalents	8,178,582	950,000	2,354,929	4,317,942	1,865,262	244,702	17,911,416
Financial assets fair valued through profit or loss	-	-	-	5,302,005	-	-	5,302,005
Available-for-sale assets	358,059	9,356,312	-	16,751,057	1,188,795	-	27,654,223
Financial assets designated at fair value	505,035	776,991	-	2,356,863	87,549	413,832	4,140,271
Loans and receivables	403,548	-	-	-	-	-	403,548
Trade receivable	5,418,424	-	-	-	-	-	5,418,424
Reinsurance assets (less prepaid reinsurance, reserves and IBNR)	5,156,197	-	-	-	-	-	5,156,197
Other receivable (less prepayment)	974,148	-	-	-	-	-	974,148
Statutory deposit	-	-	-	500,000	-	-	500,000
	20,993,994	11,083,303	2,354,929	29,227,867	3,141,606	658,534	67,460,233

31 December 2018

<i>In thousands of Nigerian Naira</i>	Unrated	A/A-	AA	B/B+	BB-	BBB	TOTAL
	High credit quality		Very strong	Strong financial security	Substantive	Doubtful	
Cash and cash equivalents	132,785	1,497,663	1,900,807	1,258,888	19,280	429,283	5,238,705
Financial assets fair valued through profit or loss	-	-	-	3,266,048	-	-	3,266,048
Available-for-sale	3,418,624	1,791,829	-	16,318,105	526,691	169	22,055,418
Financial assets designated at fair value	40,019	57,773	-	2,747,890	111,700	98,883	3,056,264
Loans and receivables	311,449	-	-	-	-	-	311,449
Trade receivables	3,615,646	-	-	-	-	-	3,615,646
Reinsurance assets (less prepaid reinsurance, reserves and IBNR)	6,943,206	-	-	-	-	-	6,943,206
Other receivables (less prepayment)	820,817	-	-	-	-	-	820,817
Statutory deposit	-	-	-	500,000	-	-	500,000
	15,282,545	3,347,266	1,900,807	24,090,930	657,670	528,335	45,807,553

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

Parent

31 December 2019

<i>In thousands of Nigeria Naira</i>	Unrated	A/A-	AA	B/B+	BB-	BBB	TOTAL
	High credit quality		Very strong	Strong financial security	Substantive	Doubtful	
Cash and cash equivalents	6,400,440	950,000	2,354,929	4,317,942	1,865,262	244,702	16,133,274
Financial assets fair valued through profit or loss	-	-	-	5,302,005	-	-	5,302,005
Available-for-sale	292,910	9,334,010	-	11,279,298	1,002,079	-	21,908,297
Financial assets designated at fair value	505,035	776,991	-	2,356,863	87,549	413,832	4,140,271
Loans and receivables	882,168	-	-	-	-	-	882,168
Trade receivables	1,224,373	-	-	-	-	-	1,224,373
Reinsurance assets (less prepaid reinsurance and IBNR)	5,142,841	-	-	-	-	-	5,142,841
Other receivables (less prepayment)	347,282	-	-	-	-	-	347,282
Statutory deposit	-	-	-	500,000	-	-	500,000
	14,795,050	11,061,001	2,354,929	23,756,108	2,954,890	658,534	55,580,511

Parent

31 December 2018

<i>In thousands of Nigeria Naira</i>	Unrated	A/A-	Aa	B/B+	BB-	BBB	TOTAL
	High credit quality	Strong financial security	Very strong	Substantive	Doubtful	Doubtful	
Cash and cash equivalents	132,785	1,364,275	1,195,037	769,803	591	755,858	4,218,348
Financial assets fair valued through profit or loss	-	-	-	3,266,048	-	-	3,266,048
Available-for-sale	2,694,024	3,366,878	-	11,307,141	295,255	-	17,663,298
Financial assets designated at fair value	40,019	57,773	-	2,747,890	111,700	98,883	3,056,264
Loans and receivables	323,287	-	-	-	-	-	323,287
Trade receivables	572,586	-	-	-	-	-	572,586
Reinsurance and co-insurance recoverable	6,936,148	-	-	-	-	-	6,936,148
Other receivables (less prepayment)	274,078	-	-	-	-	-	274,078
Statutory deposit	-	-	-	500,000	-	-	500,000
	10,972,926	4,788,925	1,195,037	18,590,882	407,546	854,741	36,810,058

Global Corporate Rating (GCR)'s Rating Symbols and Definitions Summary

AAA	Extremely strong financial security characteristics and is the highest FSR assigned by GCR.
AA	Has very strong financial security characteristics, differing only slightly from those rated higher.
A	Has strong financial security characteristics, but is somewhat more likely to be affected by adverse business conditions than assurers with higher ratings.
BBB	Has good financial security characteristics, but is much more likely to be affected by adverse business conditions than assurers with higher ratings.
BB	Has vulnerable financial security characteristics, which might outweigh its strengths. The ability of these companies to discharge obligations is not well safeguarded in the future.
B	Possessing substantial risk that obligations will not be paid when due. Judged to be speculative to a high degree.

Trade receivable and reinsurance assets (claims receivable) subject to credit risk are further assessed below:

<i>Amounts in thousands of Naira</i>	Group		Parent	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Gross premium receivable	4,416,751	3,380,138	220,743	299,112
Co-insurance receivable	1,034,697	309,443	1,034,697	309,443
Reinsurers' share of outstanding claims	3,418,524	5,111,932	3,405,168	5,104,874
Recoverables from reinsurers on claims paid	1,737,673	1,831,274	1,737,673	1,831,274
Total	10,607,645	10,632,787	6,398,281	7,544,703
Neither due nor impaired	10,574,621	10,558,852	6,367,214	7,508,734
Individually impaired	33,024	73,935	31,067	35,969
Gross total	10,607,645	10,632,787	6,398,281	7,544,703
Impairment allowance	(33,024)	(73,935)	(31,067)	(35,969)
Carrying amount	10,574,621	10,558,852	6,367,214	7,508,734

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

Loans & receivables and other receivables subject to credit risk are further assessed below:

Neither due nor impaired

Amounts in thousands of Naira	Group		Parent	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Other receivable (less prepayment)	974,148	820,817	347,282	323,803
Loans and receivable	403,548	311,449	882,168	7,562,215
Total	1,377,696	1,132,266	1,229,450	7,886,018
Total receivables neither due nor impaired	288,696	242,297	767,316	6,710,247
Individually impaired	1,221,471	1,175,771	1,221,471	1,175,771
Gross total	1,510,167	1,418,068	1,988,787	7,886,018
Impairment allowance	(1,221,471)	(1,175,771)	(1,221,471)	(1,175,771)
Carrying amount	288,696	242,297	767,316	6,710,247
Individually impaired	1,221,471	1,175,771	1,221,471	1,175,771
Over 365 days	1,221,471	1,175,771	1,221,471	1,175,771

Credit quality

Credit Rating

Credit rating under the new dispensation of *No Premium, No Cover policy* has taken a different turn. We continually review credit notes issued by brokers and adequately follow-up to ensure prompt payments as stated.

Internally, the Company categorizes brokers and reinsurers into grade A, B, C, D and E on the basis of previous premium contribution, future prospect and recommendation. The rating determines the outstanding credit limit of the broker. The credit limit of brokers is as follows:

CATEGORIZATION	CREDIT	CREDIT PERIOD
Grade A	No credit limit	Exposure of 20 million for a max. of 60 days
Grade B	Outstanding credit limit not exceeding N50 million	Exposure of 5 million for a max. of 60 days
Grade C	Outstanding credit limit not exceeding N25 million	Exposure of 2.5 million for a max. of 60 days
Grade D	Outstanding credit limit not exceeding N0.5 million	Any exposure after 45 days
Grade E	Zero Credit	Cash only

The Group's categorization of Trade and Reinsurance receivable (less prepaid reinsurance and IBNR) as at 31 December 2019 is as follows:

	Group		Parent	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Trade receivable	5,418,424	3,615,646	1,224,373	572,586
Reinsurance receivable	5,156,197	6,943,206	5,142,841	6,936,148
Total	10,574,621	10,558,852	6,367,214	7,508,734

Group

31 December 2019

Category	A	B	C	D	TOTAL
Insurance brokers	3,194	6,709	2,816	228,837	241,556
Insurance companies	1,034,697	-	-	-	1,034,697
Reinsurance companies	5,156,197	-	-	-	5,156,197
Policy holders	-	4,175,195	-	-	4,175,195
	6,194,088	4,181,904	2,816	228,837	10,607,645
Impairment	-	-	(3,243)	(29,781)	(33,024)
Collective impairment	-	-	-	-	-
Net carrying amount	6,194,088	4,181,904	(426)	199,055	10,574,621

31 December 2018

Category	A	B	C	D	TOTAL
Insurance brokers	122,211	114,526	5,836	66,395	308,968
Insurance companies	309,443	-	-	-	309,443
Reinsurance companies	6,943,206	-	-	-	6,943,206
Policy holders	-	3,071,170	-	-	3,071,170
	7,374,860	3,185,696	5,836	66,395	10,632,787
Impairment	-	(37,966)	(1,892)	(34,077)	(73,935)
Collective impairment	-	-	-	-	-
Net carrying amount	7,374,860	3,147,730	3,943	32,319	10,558,852

Parent

31 December 2019

Category	A	B	C	D	TOTAL
Insurance brokers	3,194	6,709	2,816	208,023	220,743
Insurance companies	1,034,697	-	-	-	1,034,697
Reinsurance companies	5,142,841	-	-	-	5,142,841
Policy holders	-	-	-	-	-
	6,180,732	6,709	2,816	208,023	6,398,281
Impairment	-	-	(3,243)	(27,824)	(31,067)
Collective impairment	-	-	-	-	-
Net carrying amount	6,180,732	6,709	(426)	180,199	6,367,214

31 December 2018

Category	A	B	C	D	TOTAL
Insurance brokers	112,355	114,526	5,836	66,395	299,112
Insurance companies	309,443	-	-	-	309,443
Reinsurance companies	6,936,148	-	-	-	6,936,148
	7,357,946	114,526	5,836	66,395	7,544,703
Impairment	-	-	(1,892)	(34,077)	(35,969)
Collective impairment	-	-	-	-	-
Net carrying amount	7,357,946	114,526	3,943	32,319	7,508,734

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

4.3.2 Concentration of credit risk

The Group monitors concentration of credit risk by sector.

31 December 2019

GROUP

Concentration of credit risk	Financial institutions	Real estate	Public sector	Whole-sale and retail trade	Individuals	Total
Cash and cash equivalents	17,911,416	-	-	-	-	17,911,416
Financial assets fair valued through profit or loss	-	-	5,302,005	-	-	5,302,005
Available-for-sale	13,705,044	-	14,077,949	53,832	-	27,836,825
Financial assets designated at fair value	1,974,984	-	2,178,351	1,360	-	4,154,695
Loans and receivables	403,548	-	-	-	-	403,548
Trade receivables	-	-	-	5,418,424	-	5,418,424
Reinsurance assets	-	-	-	8,974,246	-	8,974,246
Other receivables	-	-	-	1,548,652	-	1,548,652
Statutory deposit	-	-	500,000	-	-	500,000
Total	33,994,992	-	22,058,305	15,996,514	-	72,049,811

PARENT

Concentration of credit risk	Financial institutions	Real estate	Public sector	Whole-sale and retail trade	Individual	Total
Cash and cash equivalents	16,133,274	-	-	-	-	16,133,274
Financial assets fair valued through profit or loss	-	-	5,302,005	-	-	5,302,005
Available-for-sale	11,459,015	-	10,519,799	53,832	-	22,032,646
Financial assets designated at fair value	1,974,984	-	2,178,351	1,360	-	4,154,695
Loans and receivables	882,168	-	-	-	-	882,168
Trade receivables	1,224,373	-	-	-	-	1,224,373
Reinsurance assets	-	-	-	8,895,612	-	8,895,612
Other receivables	-	-	-	801,891	-	801,891
Statutory deposit	-	-	500,000	-	-	500,000
Total	31,673,814	-	18,500,155	9,752,695	-	59,926,664

GROUP

31 December 2018

Concentration of credit risk	Financial institutions	Real estate	Public sector	Whole-sale and retail trade	Individuals	Total
Cash and cash equivalents	5,238,705	-	-	-	-	5,238,705
Financial assets fair valued through profit or loss	-	-	3,266,048	-	-	3,266,048
Available-for-sale	2,197,192	-	19,858,226	-	-	22,055,418
Financial assets designated at fair value	293,418	-	2,762,847	-	-	3,056,265
Loans and receivables	311,449	-	-	-	-	311,449
Trade receivables	686,163	-	-	2,929,483	-	3,615,646
Reinsurance assets	3,872,036	-	-	3,071,170	-	6,943,206
Other receivables	-	-	-	820,817	-	820,817
Statutory deposit	-	-	500,000	-	-	500,000
Total	12,598,963	-	26,387,121	6,821,470	-	45,807,554

PARENT

Concentration of credit risk	Financial institutions	Real estate	Public sector	Whole-sale and retail trade	Individuals	Total
Cash and cash equivalents	4,218,348	-	-	-	-	4,218,348
Financial assets fair valued through profit or loss	-	-	3,266,048	-	-	3,266,048
Available-for-sale	1,857,624	-	15,805,674	-	-	17,663,298
Financial assets designated at fair value	176,544	-	2,879,721	-	-	3,056,264
Loans and receivables	323,287	-	-	-	-	323,287
Trade receivables	572,586	-	-	-	-	572,586
Reinsurance assets	3,864,978	-	-	3,071,170	-	6,936,148
Other receivables	-	-	-	274,078	-	274,078
Statutory deposit	-	-	500,000	-	-	500,000
Total	11,013,367	-	22,451,443	3,345,248	-	36,810,058

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

4.3.3 Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the statement of financial position.

Similar financial assets and liabilities include trade receivables and payables.

None of these agreements met the criteria for offsetting in the statement of financial position. Reinsurance payable and receivables create for the parties to the agreement a right of set-off of recognised amounts that is enforceable only following predetermined events as stipulated within the treaty agreements. Also, under the 'IFRS 4 - Insurance contract' requirements, reinsurance assets and liabilities are disclosed gross. Receivables and payables from insurance companies and insurance brokers or agents allow for a net settlement by the counterparties when both elect to settle on a net basis. Each party to the agreement will have the option to settle all such amounts on a net basis in the event of default of the other party. An event of default includes a failure by a party to make payment when due. At the point of payment, the offsetting agreement is used to settle on a net basis with the Counterparty.

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements (not offset in the financial statements)

GROUP

31 December 2019

Related amounts not offset in the statement of financial position						
	Gross amount of recognised financial asset	Gross amount of financial liabilities offset in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Financial instruments not offset in the statement of financial position	Cash collateral received	Net amount
<i>In thousands of Nigerian Naira</i>						
Trade receivables	5,418,424	-	5,418,424	-	-	5,418,424
Reinsurance assets	5,156,197	-	5,156,197	-	-	5,156,197
Total	10,574,621	-	10,574,621	-	-	10,574,621

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements

Related amounts not offset in the statement of financial position						
	Gross amount of recognised financial liability	Gross amount of financial assets offset in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position	Financial instruments not offset in the statement of financial position	Cash collateral received	Net amount
<i>In thousands of Nigerian Naira</i>						
Trade payables	11,579,928	-	11,579,928	-	-	11,579,928
Reinsurance payables	2,645,937	-	2,645,937	-	-	2,645,937
Total	14,225,865	-	14,225,865	-	-	14,225,865

Parent

31 December 2019

Related amounts not offset in the statement of financial position						
	Gross amount of recognised financial asset	Gross amount of financial liabilities offset in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Financial instruments not offset in the statement of financial position	Cash collateral received	Net amount
<i>In thousands of Nigerian Naira</i>						
Trade receivables	1,224,373	-	1,224,373	-	-	1,224,373
Reinsurance assets	5,142,841	-	5,142,841	-	-	5,142,841
Total	6,367,214	-	6,367,214	-	-	6,367,214

AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019

Related amounts not offset in the statement of financial position

<i>Group</i>	
31 December 2018	Related amounts not offset in the statement of

Related amounts not offset in the statement of financial position

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements

Related amounts not offset in the statement of financial position

Parent	
31 December 2018	Related amounts not offset in the statement of

Related amounts not offset in the statement of financial position

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements

Related amounts not offset in the statement of financial position

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

The gross amount of financial assets and financial liabilities and their net amounts disclosed in the above tables have been measured in the statement of financial position on the following bases:

Trade receivables and payables Amortised cost
Reinsurance receivables and payables Amortised cost

4.4 Liquidity risk

Liquidity risk is the risk that financial resources may not be available to meet maturing obligations at a reasonable cost. The Group mitigates this risk by monitoring liquidity and expected outflows. The Group's current liabilities arise as claims are made and/or clients request for termination of their investment-linked products. It also arises from other normal business activities across the subsidiaries within the group. The Group has no material commitments for capital expenditures and there is no need for such expenditures in the normal course of business. Claims payments are funded by current operating cash flow including investment income.

The Company's investment policy requires that a minimum of 35% of the Company's life and non-life portfolio be held in liquid money market instruments and highlighting the availability of liquid marketable securities sufficient to meet its liabilities as at when due. The money market instruments include cash, treasury bills and term deposits with an original maturity of less than 90 days.

The limits are monitored and reported on a weekly and monthly basis to ensure that exposure of the Group's investment portfolio to this risk is properly managed.

Below is a summary of undiscounted contractual cashflows of financial assets matched with financial liabilities.

31 December 2019							
GROUP	Carrying amount	Gross total	1-3 months	3-6 months	6-12 months	1-5 years	> 5years
Cash and cash equivalents	17,911,416	18,117,563	18,117,563	-	-	-	-
Financial assets fair valued through profit or loss	5,302,005	5,302,005	279,526	5,022,479	-	-	-
Available-for-sale (less equity investments)	27,654,223	31,672,191	11,529,558	413,869	844,940	10,073,003	8,810,821
Financial assets designated at fair value	4,140,271	4,140,271	4,140,271	-	-	-	-
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	-	-	-	-
Total financial assets	66,960,232	71,184,346	40,863,037	5,436,348	6,001,137	10,073,003	8,810,821
	Carrying amount	Gross total	1-3 months	3-6 months	6-12 months	1-5 years	> 5years
<i>Investment contract liabilities:</i>							
- At amortised cost	4,275,765	4,275,765	3,623,972	-	651,793	-	-
- Liabilities designated at fair value	4,154,695	4,154,695	4,154,695	-	-	-	-
Borrowings	6,965,804	6,965,804	1,211,750	1,811,750	2,023,500	1,918,804	-
Trade payables (less premium received in advance)	10,183,361	10,183,361	10,183,361	-	-	-	-
Other liabilities (less deferred income)	2,171,970	2,171,970	2,171,970	-	-	-	-
Total financial liabilities	27,751,595	27,751,595	21,345,747	1,811,750	2,675,293	1,918,804	-
Net financial assets/ (liabilities)	39,208,638	43,432,752	19,517,290	3,624,598	3,325,843	8,154,199	8,810,821
Insurance contract liabilities	25,162,941	25,162,941	5,935,970	3,885,028	2,628,632	5,282,111	7,431,200
Net policyholders' assets/(liabilities)	14,045,697	18,269,811	13,581,320	(260,430)	697,211	2,872,089	1,379,621

The Group manages its cashflows in a way to ensure that net cash outflow positions through rental inflows and advance payments on service charge

31 December 2019							
PARENT	Carrying amount	Gross total	1-3 months	3-6 months	6-12 months	1-5 years	> 5years
Cash and cash equivalents	16,133,274	16,335,453	16,335,453	-	-	-	-
Financial assets fair valued through profit or loss	5,302,005	6,605,536	279,526	5,022,479	-	-	1,303,531
Available-for-sale (less equity investments)	21,908,297	23,985,851	11,439,220	395,955	839,775	3,014,998	8,295,903
Financial assets designated at fair value	4,140,271	4,140,271	4,140,271	-	-	-	-
Loans and receivables	882,168	350,238	350,238	-	-	-	-
Trade receivables	1,224,373	1,224,373	1,224,373	-	-	-	-
Reinsurance assets (less prepaid reinsurance, IBNR and reserves)	5,142,841	5,142,841	-	-	5,142,841	-	-
Other receivables (less prepayment)	347,282	392,955	392,955	-	-	-	-
Total financial assets	55,080,511	58,177,518	34,162,036	5,418,434	5,982,616	3,014,998	9,599,433
<i>Insurance contract liabilities</i>							
Investment contract liabilities:							
- At amortised cost	4,275,765	4,275,765	3,623,972	-	651,793	-	-
- Liabilities designated at fair value	4,154,695	4,154,695	4,154,695	-	-	-	-
Trade payables (less premium received in advance)	10,094,194	10,094,194	10,094,194	-	-	-	-
Other liabilities (less deferred income)	1,661,523	1,661,523	1,661,523	-	-	-	-
Total financial liabilities	20,186,177	20,186,177	19,534,384	-	651,793	-	-
Net financial assets/ (liabilities)	34,894,334	37,991,341	14,627,652	5,418,434	5,330,823	3,014,998	9,599,433
Insurance contract liabilities	17,491,746	17,491,746	935,970	1,213,833	2,628,632	5,282,111	7,431,200
Net policyholders' assets/(liabilities)	17,402,588	20,499,595	13,691,682	4,204,601	2,702,191	(2,267,112)	2,168,233

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

31 December 2018

GROUP	Carrying amount	Gross total	1-3 months	3-6 months	6-12 months	1-5 years	above 5yrs
Cash and cash equivalents	5,238,705	5,238,705	5,238,705	-	-	-	-
Financial assets fair valued through profit or loss	3,266,048	3,266,047	1,336,307	626,210	-	-	1,303,531
Available-for-sale (less equity investments)	22,055,418	22,055,418	2,474,354	820,377	3,671,189	8,681,239	6,408,259
Financial assets designated at fair value	3,056,264	3,056,264	3,056,264	-	-	-	-
Loans and receivables	311,449	311,449	311,449	-	-	-	-
Trade receivables	3,615,646	3,615,646	3,615,646	-	-	-	-
Reinsurance assets (less prepaid reinsurance, IBNR & Reserves)	6,943,206	6,943,206	6,943,206	-	-	-	-
Other receivables (less prepayment)	820,817	820,817	820,817	-	-	-	-
Total financial assets	45,307,553	45,307,553	23,796,749	1,446,586	3,671,189	8,681,239	7,711,790
Investment contract liabilities:							
- At amortised cost	3,691,424	3,691,424	3,128,813	-	562,611	-	-
- Liabilities designated at fair value	3,073,457	3,073,457	3,073,457	-	-	-	-
Borrowings	3,493,234	3,567,103	18,698	-	636,802	2,911,603	-
Trade payables	5,485,758	5,485,758	5,485,758	-	-	-	-
Other liabilities (less deferred income and premium received in advance)	1,530,244	1,530,244	1,530,244	-	-	-	-
Total financial liabilities	17,274,117	17,347,986	13,236,970	-	1,199,413	2,911,603	-
Net financial assets/ liabilities	28,033,436	27,959,566	10,559,778	1,446,586	2,471,777	5,769,635	7,711,790
Insurance contract liabilities	22,538,993	22,538,993	5,408,901	1,788,149	2,628,632	5,282,111	7,431,200
Net policyholders' assets/(liabilities)	5,494,443	5,420,573	5,150,877	(341,563)	(156,855)	487,525	280,590

31 December 2018

PARENT	Carrying amount	Total	1-3 months	3-6 months	6-12 months	1-5 years	above 5yrs
Cash and cash equivalents	4,218,348	4,218,348	4,218,348	-	-	-	-
Financial assets fair valued through profit or loss	3,266,048	3,266,047	1,336,307	626,210	-	-	1,303,531
Available-for-sale (less equity investments)	17,663,298	17,627,083	1,747,512	713,159	3,351,688	5,633,776	6,180,947
Financial assets designated at fair value	3,056,264	3,056,264	3,056,264	-	-	-	-
Loans and receivables	323,287	350,238	350,238	-	-	-	-
Trade receivables	572,586	572,586	572,586	-	-	-	-
Reinsurance assets (less prepaid reinsurance, IBNR and reserves)	6,936,148	6,936,148	6,936,148	-	-	-	-
Other receivables (less prepayment)	274,078	392,955	392,955	-	-	-	-
Total financial assets	36,310,057	36,419,671	18,610,359	1,339,369	3,351,688	5,633,777	7,484,478
Investment contract liabilities:							
- At amortised cost	3,691,424	4,254,035	3,691,424	-	562,611	-	-
- Liabilities designated at fair value	3,073,457	3,073,457	3,073,457	-	-	-	-
Trade payables	5,413,227	5,413,227	5,413,227	-	-	-	-
Other liabilities (less deferred income and premium received in advance)	1,265,485	1,265,485	1,265,485	-	-	-	-
Total financial liabilities	13,443,592	14,006,204	13,443,593	-	562,611	-	-
Net financial assets and liabilities	22,866,465	22,413,467	5,166,766	1,339,369	2,789,077	5,633,777	7,484,478
Insurance contract liabilities	16,964,677	16,964,677	408,901	1,213,833	2,628,632	5,282,111	7,431,200
Net policyholders' assets/(liabilities)	5,901,788	5,448,790	4,757,865	125,535	160,445	351,667	53,278

4 Capital Management

The Group's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain the future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. The Group and its individually regulated operations have complied with all externally imposed capital requirements.

Management uses regulatory capital ratios to monitor its capital base. The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily on the regulatory capital, but in some cases the regulatory requirements do not fully reflect the varying degree of risk associated with different activities. In such cases, the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation by Group Risk and Group Credit, and is subject to review by the Group Credit Committee or the Group Asset and Liability Management Committee (ALCO), as appropriate. The Group ensures it maintains the minimum required capital at all times throughout the year. The Regulatory capital for the non-life and businesses is determined as the solvency margin. The table below summarises the minimum required capital across the Group and the regulatory capital held against each of them.

In thousands

	Group		Company	
	31 Dec-2019	31 Dec-2018	31 Dec-2019	31 Dec-2018
Regulatory capital held	23,336,883	16,120,900	18,608,108	12,821,807
Minimum regulatory capital	6,550,000	6,550,000	5,000,000	5,000,000

The Group has different requirements depending on the specific operations which it engages in. The five main businesses are Insurance, Health Insurance, Pensions Fund management, Asset management (fund manager) and Property development.

The insurance business is divided into the life and non life business. The life business has a regulatory minimum capital of N2 billion while the Non life business has a regulatory minimum capital base of N3 billion. The asset management business has a minimum capital base of N500 million, as a fund manager. These three businesses met and exceeded these minimum requirements as at 31 December 2019 as indicated below:

	Health maintenance organisation	Life insurance business	Non life insurance business	Asset management business	Pension Funds management
<i>In thousands of Naira</i>	31 Dec-2019	31 Dec-2019	31 Dec-2019	31 Dec-2019	31 Dec-2019
Regulatory capital held	1,766,468	5,377,882	13,487,137	1,063,186	1,642,210
Minimum regulatory capital	400,000	2,000,000	3,000,000	150,000	1,000,000

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Group to particular operations or activities, it is not the sole basis used for decision making. Account is also taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Group's longer-term strategic objectives. The Group's policies in respect of capital management and allocation are reviewed regularly by the board of directors.

Insurance industry regulator measures the financial strength of insurance companies using the capital adequacy requirements for composite companies. This test compares insurers' capital against the risk profile. The regulator indicated that insurers should produce a minimum solvency margin of 15% which is calculated as 15% of net premium or the minimum paid up share capital whichever is higher. The regulator has the authority to request more extensive reporting and can place restrictions on the Parent's operations if the Parent falls below this requirement if deemed necessary. Over the years, the Parent Company has consistently exceeded this minimum.

RECAPITALIZATION PLAN & NEW MINIMUM CAPITAL REQUIREMENT

Based on the NAICOM circular dated 20th May, 2019 and revised circular dated 30th December 2019, AXA Mansard Insurance being a composite insurer is required to have a minimum paid up capital of N18billion by 31 December 2020. The Company is poised to meet these new requirements through the divestment of investment assets and expects to meet them ahead of the deadline of 31 December 2020 set.

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

The Solvency Margin for the parent as at 31 December 2019 is as follows:

	31-Dec-19			31-Dec-18		
	TOTAL	ADMISSIBLE	INADMISSIBLE	TOTAL	ADMISSIBLE	INADMISSIBLE
ASSETS						
Cash and cash equivalents	16,133,274	15,265,926	867,349	4,218,348	3,857,886	360,462
Investment securities:						
– Fair value through profit or loss	5,302,005	5,302,005	-	3,266,048	3,266,048	-
– Available-for-sale assets	22,032,646	22,032,646	-	17,888,088	17,888,088	-
Financial assets designated at fair value	4,154,695	4,154,695	-	3,073,457	3,073,457	-
Trade receivables	1,224,373	189,675	1,034,698	572,586	263,143	309,443
Reinsurance assets	8,895,612	8,895,612	-	12,504,524	12,504,524	-
Deferred acquisition cost	321,055	321,055	-	415,213	415,213	-
Other receivables	801,891	-	801,891	779,072	-	779,072
Loans and receivables	882,168	205,086	677,082	323,287	175,977	147,310
Investment property	1,350,000	703,405	646,595	3,040,000	1,666,667	1,373,333
Investment in subsidiaries	3,537,247	3,537,247	-	4,997,374	4,997,374	-
Intangible assets	215,450	215,450	-	190,086	190,086	-
Property and equipment	1,784,543	1,784,543	-	1,667,654	691,248	976,406
Right of use	462,082	-	462,082	-	-	-
Statutory deposit	500,000	500,000	-	500,000	500,000	-
TOTAL ASSETS	67,597,041	63,107,344	4,489,697	53,435,737	49,489,711	3,946,026
LIABILITIES						
Insurance liabilities	17,491,746	17,491,746	-	16,964,677	16,964,677	-
Investment contract liabilities:						
– At amortised cost	4,275,765	4,275,765	-	3,691,424	3,691,424	-
– Liabilities designated at fair value	4,154,695	4,154,695	-	3,073,457	3,073,457	-
Trade payables	16,478,545	16,478,545	-	11,108,223	11,108,223	-
Current income tax liabilities	203,650	203,650	-	257,967	257,967	-
Other liabilities	1,894,835	1,894,835	-	1,572,156	1,572,156	-
Borrowings	-	-	-	-	-	-
Deferred tax liability	-	-	-	-	-	-
TOTAL LIABILITIES	44,499,236	44,499,236	-	36,667,904	36,667,904	-
Excess of admissible assets over liabilities		18,608,108			12,821,807	
The higher of 15% of Net premium income and shareholders funds		5,000,000			5,000,000	
Solvency Ratio		372%			256%	

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

5 Measurement of financial assets and liabilities

5.1.Accounting classification measurement basis and fair value

The table below set out the group's classification of each class of financial instruments and liabilities and their fair value

In thousands of Nigerian Naira

Group		Fair value through profit or loss	Designated at fair value	Loan and receivables	Available for sale	Other financial instruments at amortised cost	Carrying amount	Fair value
31 Dec 2019	<i>Notes</i>							
Cash and cash equivalents	8	-	-	17,911,416	-	-	17,911,416	17,911,416
Investment securities:								
- Fair value through profit or loss	9.1	5,302,005	-	-	-	-	5,302,005	5,302,005
- Available-for-sale assets	9.2	-	-	-	27,836,825	-	27,836,825	27,836,825
Financial assets designated at fair value	9.3	-	4,154,695	-	-	-	4,154,695	4,154,695
Trade receivables	10	-	-	5,418,424	-	-	5,418,424	5,418,424
Loans and receivables	14	-	-	403,548	-	-	403,548	403,548
Reinsurance receivables (excluding prepaid re-insurance, IBNR & Reserves)	11	-	-	5,156,197	-	-	5,156,197	5,156,197
Other receivables (excl. prepayment)	13	-	-	974,148	-	-	974,148	974,148
Statutory deposit	19	-	-	-	-	500,000	500,000	500,000
		5,302,005	4,154,695	29,863,733	27,836,825	500,000	67,657,258	67,657,258
Investment contracts:								
- Designated at fair value	21.2	-	4,154,695	-	-	-	4,154,695	4,154,695
- At amortised cost	21.1	-	-	-	-	4,275,765	4,275,765	4,275,765
Borrowing	25	-	-	-	-	6,965,804	6,965,804	6,965,804
Trade payables	22	-	-	-	-	16,567,712	16,567,712	16,567,712
Other liabilities (excluding deferred income)	23	-	-	-	-	2,171,970	2,171,970	2,171,970
		-	4,154,695	-	-	29,981,251	34,135,946	34,135,946
Parent		Fair value through profit or loss	Designated at fair value	Loan and receivables	Available for sale	Other financial instruments at amortised cost	Carrying amount	Fair value
31 Dec 2019	<i>Notes</i>							
Cash and cash equivalents	8	-	-	16,133,274	-	-	16,133,274	16,133,274
Investment securities:								
- Fair value through profit or loss	9.1	5,302,005	-	-	-	-	5,302,005	5,302,005
- Available for sale	9.2	-	-	-	22,032,646	-	22,032,646	22,032,646
Financial assets designated at fair value	9.3	-	4,154,695	-	-	-	4,154,695	4,154,695
Trade receivables	10	-	-	1,224,373	-	-	1,224,373	1,224,373
Loans and receivables	14	-	-	882,168	-	-	882,168	882,168
Reinsurance receivables (excluding prepaid re-insurance)	11	-	-	5,142,841	-	-	5,142,841	5,142,841
Other receivables (excl. prepayment)	13	-	-	347,282	-	-	347,282	347,282
Statutory deposit	19	-	-	-	-	500,000	500,000	500,000
		5,302,005	4,154,695	23,729,938	22,032,646	500,000	55,719,284	55,719,284
Investment contracts:								
- Designated at fair value	21.2	-	4,154,695	-	-	-	4,154,695	4,154,695
- At amortised cost	21.1	-	-	-	-	4,275,765	4,275,765	4,275,765
Trade payables	22	-	-	-	-	16,478,545	16,478,545	16,478,545
Other liabilities (excluding deferred income and advance premium)	23	-	-	-	-	1,661,523	1,661,523	1,661,523
		-	4,154,695	-	-	22,415,833	26,570,528	26,570,528

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

31 December 2018

Group		Fair value through profit or loss	Designated at fair value	Loan and receivables	Available for sale	Other financial instruments at amortised cost	Carrying amount	Fair value
	<i>Notes</i>							
Cash and cash equivalents	8	-	-	5,238,705	-	-	5,238,705	5,238,705
Investment securities:	9.2							-
- Fair value through profit or loss		3,266,048	-	-	-	-	3,266,048	3,266,048
- Available-for-sale assets		-	-	-	22,313,670	-	22,313,670	22,313,670
Financial assets designated at fair value	9.3	-	3,073,457	-	-	-	3,073,457	3,073,457
Trade receivables	10	-	-	3,615,646	-	-	3,615,646	3,615,646
Loans and receivables	14	-	-	311,449	-	-	311,449	311,449
Reinsurance receivables (excluding prepaid re-insurance, IBNR & Reserves)	11	-	-	6,943,206	-	-	6,943,206	6,943,206
Other receivables (excl. prepayment)	12	-	-	820,817	-	-	820,817	820,817
Statutory deposit	19	-	-	-	-	500,000	500,000	500,000
		3,266,048	3,073,457	16,929,823	22,313,670	500,000	46,082,998	46,082,998
Investment contracts:								
- Designated at fair value	21.2	-	3,073,457	-	-	-	3,073,457	3,073,457
- At amortised cost	21.1	-	-	-	-	3,691,424	3,691,424	3,691,424
Borrowing	25	-	-	-	-	3,493,234	3,493,234	3,493,234
Trade payables	22	-	-	-	-	11,180,754	11,180,754	11,180,754
Other liabilities (excluding deferred income)	23	-	-	-	-	1,530,244	1,530,244	1,530,244
		-	3,073,457	-	-	19,895,656	22,969,113	22,969,113
Parent		Fair value through profit or loss	Designated at fair value	Loan and receivables	Available for sale	Other financial instruments at amortised cost	Carrying amount	Fair value
	<i>Notes</i>							
Cash and cash equivalents	8	-	-	4,218,348	-	-	4,218,348	4,218,348
Investment securities:								
- Fair value through profit or loss	9.1	3,266,048	-	-	-	-	3,266,048	3,266,048
- Available for sale	9.2	-	-	-	17,663,298	-	17,663,298	17,663,298
Loans and receivables	14	-	-	-	-	-	-	-
Financial assets designated at fair value	9.3	-	3,056,264	-	-	-	3,056,264	3,056,264
Loans and receivables	14	-	-	-	-	-	-	-
Trade receivables	10	-	-	572,586	-	-	572,586	572,586
Loans and receivables	14	-	-	323,287	-	-	323,287	323,287
Reinsurance receivables (excluding prepaid re-	11	-	-	6,936,148	-	-	6,936,148	6,936,148
Other receivables (excl. prepayment)	13	-	-	274,078	-	-	274,078	274,078
Statutory deposit	19	-	-	-	-	500,000	500,000	500,000
		3,266,048	3,056,264	12,324,447	17,663,298	500,000	36,810,057	36,810,057
Investment contracts:								
- Designated at fair value	21.2	-	3,056,264	-	-	-	3,056,264	3,056,264
- At amortised cost	21.1	-	-	-	-	3,691,424	3,691,424	3,691,424
Trade payables	22	-	-	-	-	11,108,223	11,108,223	11,108,223
Other liabilities (excluding deferred income and advance premium)	23	-	-	-	-	1,265,485	1,265,485	1,265,485
		-	-	-	-	16,065,132	19,121,396	19,121,396

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

5.2 Fair value hierarchy

The Group's accounting policy on fair value measurements is discussed under note 2.3.

The fair values of financial assets and liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the group determines fair values using other valuation techniques.

For financial instruments that trade infrequently, and had little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risk affecting the specific instrument.

Valuation models

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

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date date. A market is regarded as active 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. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily Nigerian Stock Exchange equity investments classified as trading securities or available for sale.

(b) Financial instruments in level 2

Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

(c) Financial instruments in level 3

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

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

Financial assets and liabilities measured at fair value

(All figures are in thousands of naira)

Group

31-Dec-19

	Level 1	Level 2	Level 3	Total
Available for sale	18,866,861	8,946,414	23,550	27,836,825
Other financial assets designated at fair value	4,046,441	108,254	-	4,154,695
Total	22,913,302	9,054,668	23,550	31,991,520

Liability type

Other financial liabilities designated at fair value	4,046,441	108,254	-	4,154,695
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Group

31-Dec-18

	Level 1	Level 2	Level 3	Total
Available for sale	17,326,361	4,963,759	23,550	22,313,670
Other financial assets designated at fair value	2,929,270	144,187	-	3,073,457
Total	20,255,631	5,107,946	23,550	25,387,127

Liability type

Other financial liabilities designated at fair value	2,929,270	144,187	-	3,073,457
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Parent

31-Dec-19

	Level 1	Level 2	Level 3	Total
Available for sale	14,187,194	7,821,902	23,550	22,032,646
Other financial assets designated at fair value	4,046,441	108,254	-	4,154,695
Total	18,233,635	7,930,156	23,550	26,187,341

Other financial liabilities designated at fair value	4,046,441	108,254	-	4,154,695
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Parent

31-Dec-18

	Level 1	Level 2	Level 3	Total
Available for sale	14,437,322	3,427,216	23,550	17,888,088
Other financial assets designated at fair value	2,929,270	144,187	-	3,073,457
Total	17,366,592	3,571,403	23,550	20,961,545

Other financial liabilities designated at fair value	2,929,270	144,187	-	3,073,457
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**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

Financial instruments in level 2

The fair values of financial instruments measured in level 2 are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). These are as shown in the table below:

Unquoted equity	Recent transaction price
Debt security	Similar securities with close maturity dates

There was no transfer between levels during the year under review.

Financial instruments in level 3

(i) Reconciliation

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in level 3 of the fair value hierarchy.

In thousands of Nigerian Naira

Group	Dec-19	Dec-18
Balance at 1 January	23,550	22,773
Acquisitions	-	-
Changes in fair value recognised in other comprehensive income	-	777
Balance end of year	23,550	23,550

Impact of changes in fair value of available for sale assets

OCI	-	777
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Parent	Dec-19	Dec-18
Balance at 1 January	23,550	22,773
Acquisitions	-	-
Changes in fair value recognised in other comprehensive income	-	777
Balance end of year	23,550	23,550

Impact of changes in fair value of available for sale assets

OCI	-	777
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(ii) Information about fair value measurement using significant unobservable inputs (Level 3)

For the unquoted financial instrument measured at fair value, the group uses a valuation model. Some of the significant inputs may not be observable in the market and are derived from market prices or rates or are estimated based on assumptions. Management's judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected cashflows on the financial instruments being valued, determination of the probability of counterparty default and prepayments and selection of appropriate discount rates.

Fair value estimates obtained from models are adjusted for any other factors such as liquidity risk or model uncertainties, to the extent that the Group believes that a third party market participant would take them into account in pricing a transaction. Model inputs and values are calibrated against historical data and published forecasts. This calibration process is inherently subjective and it yields ranges of possible inputs and estimates of fair value, and management judgement is required to select the most appropriate point in the range.

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

Unobservable market inputs used in measuring the fair value.

Significant unobservable inputs are developed as follows:

Risk-Free rate

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

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

Beta

The beta of a stock measures the sensitivity of the excess expected return on an individual share relative to that of a benchmark equities market or index. It is best derived by the regression analysis of a company's stock price returns to that of the benchmark market index. However, in cases where a company is not publicly listed, it can be derived by using a proxy from a similar company which is publicly listed, or by using the industry average. There are however cases where there are no comparable companies that are publicly listed to use as proxies. In such cases, betas are estimated or assumed based on the sensitivity of the industry to the stock market and/or the overall economy as a guide. The unquoted financial instruments valuation is peculiar in the sense that it is privately held and does not have ready and direct comparables publicly listed on the Nigerian Stock Exchange. We assumed a beta of 1.28 for the unquoted financial instrument based on our perceived sensitivity of its industry to the Nigerian economy.

Market risk premium

This is the premium estimated as required over the long term risk-free rate. In most cases, the unsystematic risk pertaining to countrywide factors such as socio-political risk, a country's sovereign rating etc. is usually priced into risk-free instruments such as government bonds. The unsystematic risk pertaining to the stock market or particular industry is addressed by the market risk premium, while the beta is responsible for company-specific risks. We have used a market risk premium of 6% for the valuation, as we believe most of the inherent risks in the Nigerian capital market have been largely priced in the bond yields.

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

Assumed terminal growth rate

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

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

Financial instruments not measured at fair value

The following table sets out the carrying amount of financial instruments not measured at fair value and the analysis per level in the fair value hierarchy into which each fair value measurement is categorised.

Group

31-Dec-19

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	-	17,911,416	-	17,911,416
Trade receivables	-	5,418,424	-	5,418,424
Loan and receivables	-	403,548	-	403,548
Reinsurance assets (less prepaid reinsurance & RI share of IBNR)	-	5,156,197	-	5,156,197
Other receivables (less prepayment)	-	974,148	-	974,148
Statutory deposit	-	500,000	-	500,000
Total	-	30,363,733	-	30,363,733
Investment contracts at amortised cost	-	4,275,765	-	4,275,765
Borrowings	-	6,965,804	-	6,965,804
Trade payables	-	16,567,712	-	16,567,712
Other liabilities (excluding deferred income)	-	2,171,970	-	2,171,970
Total	-	29,981,251	-	29,981,251

Parent

31-Dec-19

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	-	16,133,274	-	16,133,274
Trade receivables	-	1,224,373	-	1,224,373
Loans and receivables	-	882,168	-	882,168
Reinsurance assets (less prepaid reinsurance & RI share of IBNR)	-	5,142,841	-	5,142,841
Other receivables (less prepayment)	-	347,282	-	347,282
Statutory deposit	-	500,000	-	500,000
Total	-	24,229,938	-	24,229,938
Investment contracts at amortised cost	-	4,275,765	-	4,275,765
Trade payables	-	16,478,545	-	16,478,545
Other liabilities	-	1,661,523	-	1,661,523
Total	-	22,415,833	-	22,415,833

Group

31-Dec-18

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	-	5,238,705	-	5,238,705
Trade receivables	-	3,615,646	-	3,615,646
Loans and receivables	-	311,449	-	311,449
Reinsurance assets (less prepaid reinsurance & RI share of IBNR)	-	6,943,206	-	6,943,206
Other receivables (less prepayment)	-	820,817	-	820,817
Statutory deposit	-	500,000	-	500,000
Total	-	17,429,823	-	17,429,823
Liability type				
Investment contracts at amortised cost	-	3,691,424	-	3,691,424
Borrowings	-	3,493,234	-	3,493,234
Trade payables	-	11,180,754	-	11,180,754
Other liabilities (excluding deferred income)	-	1,530,244	-	1,530,244
Total	-	19,895,656	-	19,895,656

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

Parent

31-Dec-18

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	-	4,218,348	-	4,218,348
Trade receivables	-	572,586	-	572,586
Loans and receivables	-	323,287	-	323,287
Reinsurance assets (less prepaid reinsurance & RI share of IBNR)	-	6,936,148	-	6,936,148
Other receivables (less prepayment)	-	274,078	-	274,078
Statutory deposit	-	500,000	-	500,000
Total	-	12,824,447	-	12,324,447
Liability type				
Investment contracts at amortised cost	-	3,691,424	-	3,691,424
Trade payables	-	11,108,223	-	11,108,223
Other liabilities	-	1,265,485	-	1,265,485
Total	-	16,065,132	-	16,065,132

Determination of fair value

The determination of fair value for each class of financial instruments was based on the particular characteristic of the instruments. The method and assumptions applied are enumerated below:

Cash and cash equivalent and borrowings

The estimated fair value of fixed interest placement with banks, bonds and borrowings is based on the discounted cash flow techniques using prevailing money market interest rates for debts and similar credit risk and remaining maturity.

Quoted securities

The fair value for treasury bills and bonds assets is based on market prices or brokers/dealers price quotations. Where this information is not available, fair valuation is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.

Unquoted equity securities available for sale

The fair value of available-for-sale securities is based on on the market approach which consider similar/ identical transactions.

Trade receivables and payables, reinsurance receivables and other liabilities

The estimated fair value of receivables and payables with no stated maturity which includes no interest payables and receivables is the amount repayable or to be received on demand.

The carrying amounts of other liabilities are reasonable approximation of their fair values which are payable on demand.

Non financial asset measured at fair value

Investment property is valued using the income approach. The rental income/prices of comparable buildings in close proximity are adjusted for differences in key attributes such as property size, beta, growth rates, discount rate, inflation rate, holding period and capitalisation rate. The adjusted rental income/prices forms the cashflows which is discounted using the relevant discount rate. A variation of +/-5% will result in N379 million fair value losses/gain respectively.

Office property

Valuation technique	Fair value as at 31 December 2019	Unobservable inputs	Range of unobservable inputs (probability weighted average)
Discounted Income Capitalisation Cashflow approach	14,451,949	Price per square metre	\$575.53 per metre square (\$615)
		Capitalisation rate	6%

Landed property

Valuation technique	Fair value as at 31 December 2019 (in thousands)	Unobservable inputs	Range of unobservable inputs (probability weighted average)
Market Valuation approach	1,350,000	NA	NA

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

6. Asset and Liability Management (ALM)

The Group is exposed to a range of financial risks through its financial assets, financial liabilities (investment contracts and borrowings), reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long-term its investment proceeds are not sufficient to fund the obligations arising from its insurance and investment contracts. The most important components of this financial risk are interest rate risk, equity price risk, foreign currency risk and credit risk.

These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The risks that the Group primarily faces due to the nature of its investments and liabilities are interest rate risk and equity price risk.

The Group manages these positions within an ALM framework that has been developed to achieve long-term investment returns in excess of its obligations under insurance and investment contracts. Within the ALM framework, the Group periodically produces reports at portfolio, legal entity and asset and liability class level that are circulated to the Group's key management personnel. The principal technique of the Group's ALM is to match assets to the liabilities arising from insurance and investment contracts by reference to the type of benefits payable to contract holders. For each distinct class of liabilities, a separate portfolio of assets is maintained. The Group has not changed the processes used to manage its risks from previous periods.

The Group's ALM is integrated with the management of the financial risks associated with the Group's other classes of financial assets and liabilities not directly associated with insurance and investment liabilities (in particular, borrowings and investments in foreign operations). The notes below explain how financial risks are managed using the categories utilized in the Group's ALM framework. In particular, the ALM Framework requires the management of interest rate risk, equity price risk and liquidity risk at the portfolio level. Foreign currency and credit risk are managed on a group-wide basis.

The table below hypothecates the total assets of the parent into assets that represents insurance funds, shareholders' funds and other funds such as investment contracts and annuity:

31 December 2019						
In thousands of Naira	Non Life	Life Insurance Funds	Investment Contracts Funds	Annuity funds	Life	Total
Total						N'000
Insurance Contract liabilities	11,102,754	4,211,175	-	2,177,817	6,388,992	17,491,746
Investment Contract liabilities	-	-	8,430,460	-	8,430,460	8,430,460
Gross Insurance Funds	11,102,754	4,211,175	8,430,460	2,177,817	14,819,452	25,922,206
Less:						
Reinsurance Receivables						
Reinsurance premium paid in advance for next year's policies	-	-	-	-	-	-
Reinsurance expenses prepaid	2,029,410	253,769	-	-	253,769	2,283,179
Reinsurers share of Claims expense paid	1,651,638	86,035	-	-	86,035	1,737,673
Reinsurers share of Claims expense outstanding	3,301,740	103,428	-	-	103,428	3,405,168
Reinsurers share of Incurred but not reported claims & Ind life res	-	1,469,592	-	-	1,469,592	1,469,592
Net Insurance Funds	4,119,966	2,298,352	8,430,460	2,177,817	12,906,629	17,026,594
Admissible Assets						
Cash and Cash Equivalents	3,805,351	340,643	1,683,506	46,877	2,071,026	5,876,377
Treasury bills and Government Bonds	2,436,611	2,405,451	6,807,691	3,457,639	12,670,782	15,107,393
Placement with Financial Institutions	6,726,800	1,522,183	963,526	11	2,485,720	9,212,521
Corporate Bonds & Debenture	1,478,737	-	425,964	108,640	534,604	2,013,341
Ordinary & Preference Shares	-	-	14,424	55,690	70,113	70,113
Agency Loan	-	-	-	-	-	-
Loan to Policy holders	-	-	-	-	-	-
Other Loans & Investments	6,593	776,964	-	3274	780238	786,831
Investment in subsidiaries,	-	-	-	-	-	-
Investment in Associates	-	-	-	-	-	-
Investment in jointly controlled entities	-	-	-	-	-	-
Investment Properties	-	-	-	-	-	-
Total Admissible Assets	14,454,092	5,045,241	9,895,111	3,672,131	18,612,483	33,066,576
SURPLUS(DEFICIT) IN ASSETS COVER	10,334,127	2,746,889	1,464,651	1,494,314	5,705,855	16,039,981

The following tables reconcile the consolidated statement of financial position to the classes and portfolios used in the Group's ALM framework.

Group	Insurance fund		Investment Contracts	Shareholders funds		Annuity	Others	Total
31 December 2019								
In thousands of Naira	Non-life	Life		Non-life	Life			
ASSETS								
Cash and cash equivalents	10,532,152	1,862,826	1,683,506	1,344,183	663,670	46,888	1,778,192	17,911,416
Fair value through profit or loss	-	3,412,576	-	-	-	1,889,429	-	5,302,005
Available-for-sale	4,821,525	1,404,084	3,506,952	9,205,809	1,358,514	1,735,814	5,804,128	27,836,825
Financial assets designated at fair value	-	-	4,154,695	-	-	-	-	4,154,695
Trade receivables	787,979	436,394	-	-	-	-	4,194,051	5,418,424
Reinsurance assets	8,005,396	890,216	-	-	-	-	78,634	8,974,246
Other receivables	-	-	-	696,906	104,985	-	746,761	1,548,652
Deferred acquisition cost	321,055	-	-	-	-	-	9,992	331,047
Loans and receivables	-	-	-	833,896	48,272	-	(478,620)	403,548
Investment properties	-	-	-	1,350,000	-	-	14,451,949	15,801,949
Investment in subsidiaries	-	-	-	3,137,247	400,000	-	-	-
Intangible assets	-	-	-	193,133	22,318	-	1,364,847	1,580,297
Property and equipment	-	-	-	1,784,134	409	-	205,238	1,989,781
Right of use	-	-	-	402,061	60,021	-	73,781	535,863
Statutory deposit	-	-	-	300,000	200,000	-	-	500,000
TOTAL ASSETS	24,468,107	8,006,095	9,345,153	19,247,369	2,858,189	3,672,131	28,228,953	92,288,748
LIABILITIES								
Insurance liabilities	11,102,754	4,211,175	-	-	-	2,177,817	7,671,195	25,162,941
<i>Investment contract liabilities:</i>								
- At amortised cost	-	-	4,275,765	-	-	-	-	4,275,765
- Financial liabilities designated at fair value	-	-	4,154,695	-	-	-	-	4,154,695
Trade payables	-	-	-	14,262,553	2,215,992	-	89,167	16,567,712
Other liabilities	-	-	-	1,565,835	328,999	-	1,410,988	3,305,822
Current income tax liabilities	-	-	-	129,300	74,350	-	731,896	935,546
Borrowings	-	-	-	-	-	-	6,965,804	6,965,804
Deferred tax liability	-	-	-	-	-	-	841,496	841,496
TOTAL LIABILITIES	11,102,754	4,211,175	8,430,460	15,957,688	2,619,341	2,177,817	17,710,546	62,209,781
SURPLUS	13,365,353	3,794,920	914,693	3,289,681	238,848	1,494,314	10,518,407	30,078,967

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

Parent

Parent	Insurance fund		Investment Contracts	Shareholders funds		Annuity	Total
31 December 2019 In thousands of Naira	Non-life	life		Non-life	life		
ASSETS							
Cash and cash equivalents	10,532,152	1,862,826	1,683,506	1,344,233	663,670	46,888	16,133,274
Fair value through profit or loss	-	3,412,576	-	-	-	1,889,429	5,302,005
Available-for-sale	4,821,525	1,404,084	3,506,952	9,205,757	1,358,514	1,735,814	22,032,646
Financial assets designated at fair value	-	-	4,154,695	-	-	-	4,154,695
Trade receivables	787,979	436,394	-	-	-	-	1,224,373
Reinsurance assets	8,005,396	890,216	-	-	-	-	8,895,612
Other receivables	-	-	-	696,906	104,985	-	801,891
Deferred acquisition cost	321,055	-	-	-	-	-	321,055
Loans and receivables	-	-	-	833,896	48,272	-	882,168
Investment properties	-	-	-	1,350,000	-	-	1,350,000
Investment in subsidiaries	-	-	-	3,137,247	400,000	-	3,537,247
Intangible assets	-	-	-	193,133	22,318	-	215,450
Property and equipment	-	-	-	1,784,134	409	-	1,784,543
Right of use	-	-	-	402,061	60,021	-	462,082
Statutory deposit	-	-	-	300,000	200,000	-	500,000
TOTAL ASSETS	24,468,107	8,006,095	9,345,153	19,247,367	2,858,189	3,672,131	67,597,041
LIABILITIES							
Insurance liabilities	11,102,754	4,211,175	-	-	-	2,177,817	17,491,746
<i>Investment contract liabilities:</i>							
— At amortised cost	-	-	4,275,765	-	-	-	4,275,765
— Financial liabilities designated at fair value	-	-	4,154,695	-	-	-	4,154,695
Trade payables	-	-	-	14,262,553	2,215,992	-	16,478,545
Other liabilities	-	-	-	1,565,836	328,999	-	1,894,835
Current income tax liabilities	-	-	-	129,300	74,350	-	203,650
Deferred income tax	-	-	-	-	-	-	-
TOTAL LIABILITIES	11,102,754	4,211,175	8,430,460	15,957,689	2,619,341	2,177,817	44,499,236
SURPLUS	13,365,353	3,794,920	914,693	3,289,678	238,848	1,494,314	23,097,805

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

The table below hypothecates the total assets of the parent into assets that represents insurance funds, shareholders' funds and other funds such as investment contracts:

31 December 2018 <i>In thousands of Naira</i>	Non Life	Life				Total
	Policy-holders' Fund	Policy-holders' Fund	Investment Contracts Funds	Annuity funds	Total Life	
Total						N'000
Insurance Contract liabilities	12,258,774	2,851,283		1,854,619	4,705,903	16,964,677
Investment Contract liabilities			6,764,881		6,764,881	6,764,881
Gross Insurance Funds	12,258,774	2,851,283	6,764,881	1,854,619	11,470,784	23,729,558
Less:						
Reinsurance Receivables						
1. Reinsurance premium paid in advance for next year's policies	1,833,795	-			-	1,833,795
2. Reinsurance expenses prepaid	1,892,293	354,165			354,165	2,246,459
3. Reinsurers share of Claims expense paid	1,828,521	2,752			2,752	1,831,274
4. Reinsurers share of Claims expense outstanding	4,869,509	235,366			235,366	5,104,874
5. Reinsurers share of Incurred but not reported claims & Ind life reserves	1,150,189	337,934			337,934	1,488,123
Net Insurance Funds	684,467	1,921,067	6,764,881	1,854,619	10,540,567	11,225,034
Admissible Assets						
1. Cash and Cash equivalent	2,162,868	2,268	24,680	92,645	119,593	2,282,461
2. Treasury bills and Government Bonds	2,525,509	1,935,780	7,037,808	2,526,460	11,500,048	14,025,557
3. Placement with Financial Institutions	1,416,698	212,930	321,133	23,865	557,928	1,974,625
4. Corporate Bonds & Debenture	1,709,690	-	149,314	196,109	345,422	2,055,112
5. Ordinary & Preference Shares	-	-	17,193	68,202	85,394	85,394
6. Agency Loan	-	-	-	-	-	-
7. Loan to Policy holders	-	-	-	-	-	-
8. Other Loans & Investments	15,184	1,524,519	-	2,894	1,527,413	1,542,597
9. Investment in subsidiaries,	-	-	-	-	-	-
10. Investment in Associates	-	-	-	-	-	-
11. Investment in jointly controlled entities	-	-	-	-	-	-
12. Investment Properties	-	-	-	-	-	-
Total Admissible assets	7,829,949	3,675,498	7,550,127	2,910,174	14,135,799	21,965,747
SURPLUS(DEFICIT) IN ASSETS COVER	7,145,482	1,754,431	785,246	1,055,555	3,595,232	10,740,714

The following tables reconcile the consolidated statement of financial position to the classes and portfolios used in the Group's ALM framework.

Group	Insurance fund		Investment Contracts	Shareholders funds		Annuity	Others	Total
31 December 2018	Non-life	Life		Non-life	Life			
ASSETS								
Cash and cash equivalents	3,579,566	215,198	55,232	120,003	131,840	116,509	1,020,357	5,238,705
Fair value through profit or loss	-	2,500,725	-	-	-	765,323	-	3,266,048
Available-for-sale	4,543,375	283,570	4,442,449	5,205,503	1,384,847	2,028,343	4,425,583	22,313,670
Financial assets designated at fair value	-	-	3,073,457	-	-	-	-	3,073,457
Trade receivables	332,118	240,468	-	-	-	-	3,043,060	3,615,646
Reinsurance assets	11,574,307	930,217	-	-	-	-	44,493	12,549,017
Other receivables	-	-	-	714,792	64,280	-	728,771	1,507,843
Deferred acquisition cost	415,213	-	-	-	-	-	21,559	436,772
Loans and receivables	-	-	-	282,373	40,914	-	(11,837)	311,450
Investment properties	-	-	-	3,040,000	-	-	14,485,962	17,525,962
Investment in subsidiaries	-	-	-	4,597,374	400,000	-	-	-
Intangible assets	-	-	-	152,890	37,196	-	1,398,089	1,588,175
Property and equipment	-	-	-	1,665,700	1,954	-	175,708	1,843,362
Statutory deposit	-	-	-	300,000	200,000	-	-	500,000
TOTAL ASSETS	20,444,578	4,170,179	7,571,137	16,078,635	2,261,031	2,910,175	25,331,745	73,770,107
LIABILITIES								
Insurance liabilities	12,258,773	2,851,285	-	-	-	1,854,619	5,574,316	22,538,993
Investment contract liabilities:	-	-	-	-	-	-	-	-
- At amortised cost	-	-	3,691,424	-	-	-	-	3,691,424
- Financial liabilities designated at fair value	-	-	3,073,457	-	-	-	-	3,073,457
Trade payables	-	-	-	9,869,318	1,238,905	-	72,531	11,180,754
Other liabilities	-	-	-	883,684	688,472	-	1,086,631	2,658,787
Current income tax liabilities	-	-	-	133,300	124,667	-	515,852	773,819
Borrowings	-	-	-	-	-	-	3,493,234	3,493,234
Deferred tax liability	-	-	-	-	-	-	837,061	837,061
TOTAL LIABILITIES	12,258,773	2,851,285	6,764,881	10,886,302	2,052,044	1,854,619	11,579,625	48,247,529
SURPLUS	8,185,805	1,318,894	806,256	5,192,333	208,987	1,055,556	13,752,120	25,522,578

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

Parent

Parent	Insurance fund		Investment Contracts	Shareholders funds		Annuity	Total
31 December 2018	Non-life	life		Non-life	life		
ASSETS							
Cash and cash equivalents	3,579,566	215,198	55,232	120,003	131,840	116,509	4,218,348
Fair value through profit or loss	-	2,500,725	-	-	-	765,323	3,266,048
Available-for-sale	4,543,375	283,570	4,442,449	5,205,503	1,384,849	2,028,343	17,888,088
Financial assets designated at fair value	-	-	3,073,457	-	-	-	3,073,457
Trade receivables	332,118	240,468	-	-	-	-	572,586
Reinsurance assets	11,574,307	930,217	-	-	-	-	12,504,524
Other receivables	-	-	-	714,792	64,280	-	779,072
Deferred acquisition cost	415,213	-	-	-	-	-	415,213
Loans and receivables	-	-	-	282,373	40,914	-	323,287
Investment properties	-	-	-	3,040,000	-	-	3,040,000
Investment in subsidiaries	-	-	-	4,597,374	400,000	-	4,997,374
Intangible assets	-	-	-	152,890	37,196	-	190,086
Property and equipment	-	-	-	1,665,700	1,954	-	1,667,654
Statutory deposit	-	-	-	300,000	200,000	-	500,000
TOTAL ASSETS	20,444,578	4,170,179	7,571,137	15,778,634	2,061,033	2,910,175	53,435,737
LIABILITIES							
Insurance liabilities	12,258,773	2,851,285	-	-	-	1,854,619	16,964,677
Investment contract liabilities:	-	-	-	-	-	-	-
– At amortised cost	-	-	3,691,424	-	-	-	3,691,424
– Financial liabilities designated at fair value	-	-	3,073,457	-	-	-	3,073,457
Trade payables	-	-	-	9,869,318	1,238,905	-	11,108,223
Other liabilities	-	-	-	883,684	688,472	-	1,572,156
Current income tax liabilities	-	-	-	133,300	124,667	-	257,967
Deferred income tax	-	-	-	-	-	-	-
TOTAL LIABILITIES	12,258,773	2,851,285	6,764,881	10,886,302	2,052,044	1,854,619	36,667,904
SURPLUS							
	8,185,805	1,318,894	806,256	4,892,332	8,989	1,055,556	16,767,833

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

Notes to the financial statements

7 (a) The segment information provided by the Management Underwriting & Investment Committee (MUIC) for the reporting segments for the year ended 31 December 2019 is as follows:

December 2019 <i>In thousands of Nigerian Naira</i>	Non life business	Life Business	Elimination between Life & non life	AXA Mansard Insurance	Investment Management	Property Development	Pension Management	Health Maintenance	Elimination adjustments	Total
Cash and cash equivalents	11,876,433	4,256,841	-	16,133,274	91,181	285,072	185,716	1,216,173	-	17,911,416
Fair value through profit or loss	-	5,302,005	-	5,302,005	-	-	-	-	-	5,302,005
Available-for-sale assets	14,027,230	8,005,416	-	22,032,646	985,896	493	1,232,804	3,584,986	-	27,836,825
Financial assets designated at fair value	-	4,154,695	-	4,154,695	-	-	-	-	-	4,154,695
Trade receivables	787,979	436,394	-	1,224,373	-	-	-	4,194,051	-	5,418,424
Reinsurance assets	8,005,397	890,215	-	8,895,612	-	-	-	78,634	-	8,974,246
Deferred acquisition cost	321,055	-	-	321,055	-	-	-	9,992	-	331,047
Other receivables	696,907	104,984	-	801,891	197,320	131,742	193,863	223,836	-	1,548,652
Loans and receivables	576,983	48,274	256,911	882,168	7,495	-	1,983	1,284,682	(1,772,780)	403,548
Investment properties	1,350,000	-	-	1,350,000	-	14,451,949	-	4,400,000	(4,400,000)	15,801,949
Investment in subsidiaries	3,137,247	400,000	-	3,537,247	-	-	-	-	(3,537,247)	-
Intangible assets	193,132	22,318	-	215,450	19,710	455	3,220	2,931	1,338,531	1,580,297
Property, plant and equipment	1,784,135	408	-	1,784,543	16,198	48,079	86,569	54,393	-	1,989,781
Right of Use	402,061	60,021	-	462,082	4,199	-	69,582	-	-	535,863
Statutory deposit	300,000	200,000	-	500,000	-	-	-	-	-	500,000
TOTAL ASSETS	43,458,559	23,881,571	256,911	67,597,041	1,321,998	14,917,790	1,773,737	15,049,677	(8,371,496)	92,288,748
Insurance liabilities	11,102,754	6,388,992	-	17,491,746	-	-	-	7,671,195	-	25,162,941
<i>Investment contract liabilities:</i>										
- At amortised cost	-	4,275,765	-	4,275,765	-	-	-	-	-	4,275,765
- Financial liabilities designated at fair value	-	4,154,695	-	4,154,695	-	-	-	-	-	4,154,695
Trade payables	14,262,553	2,215,992	-	16,478,545	-	-	-	89,167	-	16,567,712
Other Liabilities	708,326	929,598	256,911	1,894,835	266,656	512,476	122,630	1,009,640	(500,415)	3,305,822
Current income tax liabilities	129,300	74,350	-	203,650	13,494	253,607	8,897	455,898	-	935,546
Borrowings	-	-	-	-	-	4,190,149	-	4,047,000	(1,271,345)	6,965,804
Deferred income tax	-	-	-	-	(21,338)	852,525	-	10,309	-	841,496
TOTAL LIABILITIES	26,202,933	18,039,392	256,911	44,499,236	258,812	5,808,757	131,527	13,283,209	(1,771,760)	62,209,781
EQUITY										
Share capital	4,250,000	1,000,000	-	5,250,000	150,000	5,152	1,033,836	700,000	(1,888,989)	5,250,000
Share premium	3,643,453	800,000	-	4,443,453	790,000	1,454,974	-	-	(2,244,974)	4,443,453
Contingency reserve	3,591,710	678,748	-	4,270,458	-	-	-	-	-	4,270,458
Other reserves	1,652,077	1,000,000	-	2,652,077	-	-	35,059	-	347	2,687,483
Treasury shares	(304,924)	-	-	(304,924)	-	-	-	-	-	(304,924)
Retained earnings	4,348,053	1,515,126	-	5,863,179	102,134	3,613,605	(133,910)	974,362	(2,586,413)	7,832,957
Fair value reserves	75,257	848,305	-	923,562	21,052	-	43,998	92,106	-	1,080,718
	17,255,626	5,842,179	-	23,097,805	1,063,186	5,073,731	978,983	1,766,468	(6,720,029)	25,260,145
Non-controlling interests in equity	-	-	-	-	-	4,035,302	663,227	-	120,293	4,818,822
TOTAL EQUITY	17,255,626	5,842,179	-	23,097,805	1,063,186	9,109,033	1,642,210	1,766,468	(6,599,736)	30,078,967
TOTAL LIABILITIES AND EQUITY	43,458,559	23,881,571	256,911	67,597,041	1,321,998	14,917,790	1,773,737	15,049,677	(8,371,496)	92,288,748

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

December 2018	Non life business	Life Business	Elimination between Life	AXA Mansard Insurance	Investment Management	Property Development	Pension Management	Health Maintenance	Elimination adjustments	Total
<i>In thousands of Nigerian Naira</i>										
Cash and cash equivalents	3,699,568	518,780	-	4,218,348	71,320	70,971	95,196	782,871	-	5,238,705
Fair value through profit or loss	-	3,266,048	-	3,266,048	-	-	-	-	-	3,266,048
Available-for-sale assets	9,748,878	8,139,210	-	17,888,088	907,779	714	1,163,300	2,353,789	-	22,313,670
Financial assets designated at fair value	-	3,073,457	-	3,073,457	-	-	-	-	-	3,073,457
Trade receivables	332,118	240,468	-	572,586	-	-	-	3,043,060	-	3,615,646
Reinsurance assets	11,574,307	930,217	-	12,504,524	-	-	-	44,493	-	12,549,017
Deferred acquisition cost	415,213	-	-	415,213	-	-	-	21,559	-	436,772
Other receivables	714,792	64,280	-	779,072	173,032	252,594	185,693	117,453	-	1,507,844
Loans and receivables	644,330	40,914	(361,957)	323,287	21,766	-	1,339	1,335,260	(1,370,203)	311,449
Investment properties	3,040,000	-	-	3,040,000	-	14,485,962	-	-	-	17,525,962
Investment in subsidiaries	4,597,374	400,000	-	4,997,374	-	-	-	-	(4,997,374)	-
Intangible assets	152,890	37,196	-	190,086	29,803	-	5,867	3,887	1,358,532	1,588,175
Property, plant and equipment	1,665,700	1,954	-	1,667,654	14,186	32,268	80,179	49,075	-	1,843,362
Statutory deposit	300,000	200,000	-	500,000	-	-	-	-	-	500,000
TOTAL ASSETS	36,885,170	16,912,524	(361,957)	53,435,737	1,217,886	14,842,509	1,531,574	7,751,447	(5,009,045)	73,770,107
Insurance liabilities	12,258,774	4,705,903	-	16,964,677	-	-	-	5,574,316	-	22,538,993
<i>Investment contract liabilities:</i>										
- At amortised cost	-	3,691,424	-	3,691,424	-	-	-	-	-	3,691,424
- Financial liabilities designated at fair value	-	3,073,457	-	3,073,457	-	-	-	-	-	3,073,457
Trade payables	9,869,318	1,238,905	-	11,108,223	-	-	-	72,531	-	11,180,754
Other Liabilities	1,245,640	688,473	(361,957)	1,572,156	174,602	216,905	46,994	696,558	(48,428)	2,658,787
Current income tax liabilities	133,300	124,667	-	257,967	62,599	228,071	14,103	211,079	-	773,819
Borrowings	-	-	-	-	-	4,812,835	-	-	(1,319,601)	3,493,234
Deferred income tax	-	-	-	-	(21,154)	849,986	-	8,229	-	837,061
TOTAL LIABILITIES	23,507,032	13,522,829	(361,957)	36,667,904	216,047	6,107,797	61,097	6,562,713	(1,368,029)	48,247,529
EQUITY										
Share capital	4,250,000	1,000,000	-	5,250,000	150,000	5,152	1,033,836	700,000	(1,888,988)	5,250,000
Share premium	3,643,453	800,000	-	4,443,453	790,000	1,454,974	-	-	(2,244,974)	4,443,453
Contingency reserve	3,591,710	547,380	-	4,139,090	-	-	-	-	-	4,139,090
Other reserves	1,634,904	1,000,000	-	2,634,904	-	-	28,678	-	-	2,663,582
Treasury shares	(304,924)	-	-	(304,924)	-	-	-	-	-	(304,924)
Retained earnings	822,400	332,816	-	1,155,216	42,707	3,405,108	(172,422)	502,598	329,173	5,262,379
Fair value reserves	(259,405)	(290,501)	-	(549,906)	19,132	-	(5,588)	(13,864)	-	(550,226)
	13,378,138	3,389,695	-	16,767,833	1,001,839	4,865,234	884,504	1,188,734	(3,804,789)	20,903,354
Non-controlling interests in equity	-	-	-	-	-	3,869,478	585,973	-	163,773	4,619,224
TOTAL EQUITY	13,378,138	3,389,695	-	16,767,833	1,001,839	8,734,712	1,470,477	1,188,734	(3,641,016)	25,522,578
TOTAL LIABILITIES AND EQUITY	36,885,170	16,912,524	(361,957)	53,435,737	1,217,886	14,842,509	1,531,574	7,751,447	(5,009,045)	73,770,107

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

(b) The consolidated financial data for the reporting segments for the year ended 31 December 2019 is as follows:

31 December 2019	Non life Business	Life business	Insurance	Investment management	Property development	Health Maintenance	Pension management	Elimination Adjustments	Total
Revenue:									
Derived from external customers:									
Gross written premium	20,079,263	7,935,591	28,014,854	-	-	15,779,132	-	(173,721)	43,620,265
Gross premium income	19,909,539	7,957,516	27,867,055	-	-	13,916,079	-	(173,721)	41,609,412
Reinsurance expenses	(12,940,167)	(2,238,929)	(15,179,096)	-	-	(140,247)	-	-	(15,319,342)
Net premium income	6,969,372	5,718,587	12,687,959	-	-	13,775,832	-	(173,721)	26,290,070
Fees and commission income	1,497,174	378,574	1,875,748	-	-	-	-	-	1,875,748
Net underwriting income	8,466,546	6,097,161	14,563,707	-	-	13,775,832	-	(173,721)	28,165,818
Claims:									
Claims expenses (gross)	4,567,395	3,319,888	7,887,283	-	-	10,726,985	-	-	18,614,268
Claims expenses recovered from reinsurers	(642,359)	(369,820)	(1,012,179)	-	-	(111,868)	-	-	(1,124,047)
Underwriting expenses	2,179,542	855,222	3,034,764	-	-	456,760	-	-	3,491,524
Changes in individual life reserves	-	742,809	742,809	-	-	-	-	-	742,809
Increase/(decrease) in annuity reserves	-	323,198	323,198	-	-	-	-	-	323,198
Net underwriting expenses	6,104,578	4,871,297	10,975,875	-	-	11,071,877	-	-	22,047,752
Total underwriting profit	2,361,968	1,225,864	3,587,832	-	-	2,703,955	-	(173,721)	6,118,066
Investment income	2,358,150	1,648,373	4,006,523	755,592	-	578,730	612,408	(1,390,690)	4,562,563
Net gains on financial instruments	(239,893)	551,334	311,441	(1,639)	(18,340)	744	19,767	-	311,973
Net gains/ Loss on investment	(390,000)	-	(390,000)	-	(14,575)	-	-	(2,939,874)	(3,344,449)
Net gain on sale of investment in subsidiary	2,939,873	-	2,939,873	-	-	-	-	-	2,939,873
Profits on investment contracts	-	380,846	380,846	-	-	-	-	-	380,846
Other income	52,525	2,025	54,550	1,874	241,247	162,124	2,527	(83,012)	379,309
Rental income	-	-	-	-	1,126,955	-	-	(49,142)	1,077,813
Total investment income	4,720,655	2,582,578	7,303,233	755,827	1,335,287	741,598	634,702	(4,462,718)	6,307,929
Expenses for marketing and administration	943,637	748,439	1,692,076	77,809	-	96,473	123,741	(88,367)	1,901,732
Employee benefit expense	360,857	827,659	1,188,516	356,373	-	914,174	320,076	-	2,779,139
Other operating expenses	2,071,891	881,590	2,953,481	118,941	89,309	458,841	86,839	(338,411)	3,369,000
Impairment of other assets	45,700	0	45,700	-	-	-	-	-	45,700
Impairment of premium receivables	(2,121)	(2,781)	(4,902)	-	-	(36,009)	-	-	(40,911)
Results of operating activities	3,662,658	1,353,535	5,016,193	202,703	1,245,978	2,012,074	104,046	(4,209,660)	4,371,334
Finance cost	(37,275)	-	(37,275)	-	(466,692)	(13,081)	(9,799)	83,012	(443,835)
Profit before tax	3,625,383	1,353,535	4,978,918	202,703	779,286	1,998,992	94,247	(4,126,648)	3,927,500
Income tax expenses	(99,731)	(39,858)	(139,589)	(8,277)	(404,966)	(456,584)	(9,812)	-	(1,019,228)
Profit for the year	3,525,653	1,313,677	4,839,330	194,426	374,320	1,542,409	84,435	(4,126,648)	2,908,272
Assets and liabilities									
Total assets	43,458,559	23,881,571	67,597,041	1,321,998	14,917,790	15,049,677	1,773,737	(8,114,585)	92,288,747
Total liabilities	26,202,933	18,039,392	44,499,236	258,812	5,808,757	13,283,209	131,527	(1,514,849)	62,209,781
Net assets/(liabilities)	17,255,626	5,842,179	22,048,558	1,063,186	9,109,033	1,766,468	1,642,210	(6,599,736)	30,078,966

Notes to the financial statements

31 December 2019	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	6,969,372	5,718,587	12,687,959	-	-	13,775,832	-	(173,721)	26,290,070
Net interest income	2,358,150	2,029,219	4,387,369	755,592	-	578,730	612,408	(1,390,690)	4,943,409
Net fees and commission	1,497,174	378,574	1,875,748	-	-	-	-	-	1,875,748
Net trading income/(expense)	(239,893)	551,334	311,441	(1,639)	(18,340)	744	19,767	-	311,973
Other income	(337,476)	2,025	(335,451)	1,874	1,353,627	162,124	2,527	(3,072,028)	(1,887,326)
Inter segment revenue	-	-	(173,721)	1,271,345	83,012	137,321	-	(4,462,718)	(2,971,040)
Total segment revenue	10,247,328	8,679,739	18,753,347	2,027,171	1,418,299	14,654,751	634,702	(9,099,156)	28,562,833
Reportable segment profit before tax	3,625,383	1,353,535	4,978,918	202,703	779,286	1,998,992	94,247	(4,126,648)	3,927,500
Reportable segment assets	43,458,559	23,881,571	67,597,041	1,321,998	14,917,790	15,049,677	1,773,737	(8,114,585)	92,288,747
Reportable segment liabilities	26,202,933	18,039,392	44,499,236	258,812	5,808,757	13,283,209	131,527	(1,514,849)	62,209,781

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

(All amounts in thousands of Naira unless otherwise stated)

8 Cash and cash equivalents

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Cash at bank and in hand	7,603,647	3,709,200	6,024,334	2,710,257
Tenored deposits (see note (a) below)	10,307,769	1,529,505	10,108,940	1,508,091
	17,911,416	5,238,705	16,133,274	4,218,348

- (a) Tenored deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group. The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

9 Investment securities

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

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Fair value through profit or loss (see note 9.1)	5,302,005	3,266,048	5,302,005	3,266,048
Available-for-sale (see note 9.2)	27,836,825	22,313,670	22,032,646	17,888,088
Financial assets designated at fair value (see note 9.3)	4,154,695	3,073,457	4,154,695	3,073,457
	37,293,525	28,653,175	31,489,346	24,227,593
Current	1,113,473	701,575	881,306	715,524
Non-current	36,180,052	27,951,600	30,608,040	23,512,069

9.1 Fair value through profit or loss

Fair value through profit or loss instruments represent interests in treasury bills and bonds as at year end.

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Government bonds	3,184,336	1,303,531	3,184,336	1,303,531
Treasury bills	2,117,669	1,962,517	2,117,669	1,962,517
	5,302,005	3,266,048	5,302,005	3,266,048

- (a) Movement in fair value through profit or loss assets

2019						
Group	at 1 January 2019	Additions	Disposal	Fair value	Interest receivable	as at 31 December 2019
Government bonds	1,303,531	2,103,499	(782,590)	435,389	124,507	3,184,336
Treasury bills	1,962,517	7,288,215	(7,365,203)	39,458	192,682	2,117,669
	3,266,048	9,391,714	(8,147,793)	474,847	317,189	5,302,005
Parent						
	at 1 January 2019	Additions	Disposal	Fair value	Interest receivable	as at 31 December 2019
Government bonds	1,303,531	2,103,499	(782,590)	435,389	124,507	3,184,336
Treasury bills	1,962,517	7,288,215	(7,365,203)	39,458	192,682	2,117,669
	3,266,048	9,391,714	(8,147,793)	474,847	317,189	5,302,005
2018						
Group	at 1 January 2018	Additions	Disposal	Fair value	Interest receivable	as at 31 December 2018
Government bonds	-	1,360,277	-	(137,998)	81,252	1,303,531
Treasury bills	-	1,891,026	-	(2,706)	74,197	1,962,517
	-	3,251,303	-	(140,704)	155,449	3,266,048
Parent						
	at 1 January 2018	Additions	Disposal	Fair value	Interest receivable	as at 31 December 2018
Government bonds	-	1,360,277	-	(137,998)	81,252	1,303,531
Treasury bills	-	1,891,026	-	(2,706)	74,197	1,962,517
	-	3,251,303	-	(140,704)	155,449	3,266,048

9.2 Available-for-sale assets

Available for sale instruments represent interests in quoted securities, treasury bills, listed funds and unlisted entities as at year end.

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Government & corporate bonds	12,820,184	10,879,158	11,498,908	9,809,282
Tenored deposits with maturity above 90 days	1,077,894	515,184	1,077,895	459,119
Treasury bills	4,846,197	5,787,634	1,546,058	4,057,998
Equity securities (see table (a) below)	182,602	258,252	124,349	224,790
Investment funds (see table (b) below)	8,909,948	4,873,442	7,785,436	3,336,899
	27,836,825	22,313,670	22,032,646	17,888,088

- (a) Analysis of equity securities is shown below:

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Quoted securities	122,586	144,385	64,333	110,923
Unquoted securities				
Insurance Energy pool	36,466	90,317	36,466	90,317
Imperial Homes Limited	23,500	23,500	23,500	23,500
DML Nominees limited	50	50	50	50
	182,602	258,252	124,349	224,790

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

(All amounts in thousands of Naira unless otherwise stated)

(b) Analysis of investment funds is shown below:

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
AXA Mansard Funds	164,379	164,379	164,379	164,379
Legacy Money Market Funds	11,228	12,148	11,228	12,148
Coral Growth Fund	3,068	2,980	3,068	2,980
AXA Mansard Money Market Fund & Income Growth Fund	6,228,916	4,259,443	5,104,404	2,722,900
IAML Money Market Investment	289,736	250,866	289,736	250,866
ARM Money Market Investment	2,212,621	183,626	2,212,621	183,626
	8,909,948	4,873,442	7,785,436	3,336,899

At the reporting date, there were no available for sale assets that were overdue but not impaired. The AXA Mansard money market & income growth fund is a pool of funds invested in equity, bonds and money market.

(c) Movement in Available-for-sale assets

2019						
Group	at 1 January 2019	Additions	Disposal	Fair value	Interest receivable	as at 31 December 2019
Government & corporate bonds	10,879,158	2,593,333	(5,160,943)	1,547,022	2,961,614	12,820,184
Tenored deposits with maturity above 90 days	515,184	14,168,472	(13,782,163)	-	176,401	1,077,894
Treasury bills	5,787,634	10,617,817	(12,209,247)	194,946	455,047	4,846,197
Equity	281,802	13,145	(57,837)	(54,509)	-	182,602
Investment Funds	4,849,892	10,145,708	(6,749,920)	(56,516)	720,784	8,909,948
	22,313,670	37,538,476	(37,960,111)	1,630,944	4,313,846	27,836,825

Parent	at 1 January 2019	Additions	Disposal	Fair value	Interest receivable	as at 31 December 2019
Government & corporate bonds	9,809,282	2,963,036	(5,123,505)	1,466,617	2,383,478	11,498,908
Tenored deposits with maturity above 90 days	459,119	13,994,916	(13,508,482)	-	132,342	1,077,895
Treasury bills	4,057,998	6,075,907	(9,107,288)	108,259	411,181	1,546,058
Equity	248,340	320	(77,081)	(47,230)	-	124,349
Investment Funds	3,313,349	7,041,190	(2,915,058)	(54,178)	400,133	7,785,436
	17,888,088	30,075,369	(30,731,413)	1,473,468	3,327,134	22,032,646

2018						
Group	at 1 January 2018	Additions	Disposal	Fair value	Interest receivable	as at 31 December 2018
Government & corporate bonds	15,314,518	1,789,006	(6,347,407)	(841,048)	964,090	10,879,158
Tenored deposits with maturity above 90 days	326,733	12,860,178	(12,690,204)	-	18,477	515,184
Treasury bills	4,298,543	33,836,817	(32,438,421)	(97,585)	188,280	5,787,634
Equity	333,186	58,556	(56,068)	(53,872)	-	281,802
Investment Funds	2,418,804	15,533,847	(13,184,158)	16,149	65,250	4,849,892
	22,691,784	64,078,404	(64,716,258)	(976,357)	1,236,096	22,313,670

Parent	at 1 January 2018	Additions	Disposal	Fair value	Interest receivable	as at 31 December 2018
Government & corporate bonds	13,347,980	1,632,287	(5,212,427)	(733,326)	774,769	9,809,282
Tenored deposits with maturity above 90 days	326,733	12,860,178	(12,744,345)	-	16,554	459,119
Treasury bills	2,303,661	29,270,403	(27,603,131)	(61,658)	148,723	4,057,998
Equity	293,172	58,553	(69,198)	(34,187)	-	248,339
Investment Funds	1,406,156	10,734,244	(8,892,998)	10,424	55,523	3,313,349
	17,677,702	54,555,665	(54,522,100)	(818,748)	995,569	17,888,088

9.3 Financial assets designated at fair value

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Investment contracts designated at fair value (see note (i))	4,154,695	3,073,457	4,154,695	3,073,457
	4,154,695	3,073,457	4,154,695	3,073,457

(i) Investment contracts designated at fair value

Financial assets designated at fair value represent the assets of the investment contracts managed on behalf of customers and unavailable for day to day use by the Company. The assets match the financial liabilities carried at fair value as at year end.

The category of financial assets held can be analysed as follows:

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Bank balances	108,254	144,187	108,254	144,187
Short term deposit	1,419,745	146,394	1,419,745	146,394
Government treasury bills	1,673,106	851,337	1,673,106	851,337
Government and corporate bonds	939,167	1,914,346	939,167	1,914,346
Quoted equity securities	14,424	17,193	14,424	17,193
	4,154,695	3,073,457	4,154,695	3,073,457

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

(All amounts in thousands of Naira unless otherwise stated)

10 Trade receivables

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Premium receivable (see 10.1 below)	4,383,727	3,306,203	189,676	263,143
Coinsurance receivable (see 10.2 below)	1,034,697	309,443	1,034,697	309,443
	5,418,424	3,615,646	1,224,373	572,586

All trade receivables fall due within one year.

10.1 Premium receivables

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
(a) Premium receivables	4,416,751	3,380,138	220,743	299,112
Less specific provision for impairment	(33,024)	(73,935)	(31,067)	(35,969)
	4,383,727	3,306,203	189,676	263,143

Analysis of premium receivables:

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Life contracts insurance receivable	185,376	162,525	185,376	162,525
Non-life contracts insurance receivable	4,299	100,617	4,299	100,617
AXA Mansard Health (HMO) receivable	4,194,052	3,043,060	-	-
	4,383,727	3,306,202	189,675	263,142

Counter party categorization of insurance receivable:

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Brokers and agents	220,743	299,112	220,743	299,112
Contract holders	4,196,009	3,081,026	-	-
Total insurance receivables	4,416,752	3,380,138	220,743	299,112

Less impairment of receivables:

- Brokers and agents	(31,067)	(35,969)	(31,067)	(35,969)
- Contract holders	(1,957)	(37,966)	-	-
Total impairment	(33,024)	(73,935)	(31,067)	(35,969)
	4,383,727	3,306,203	189,675	263,143

There is no concentration of credit risk with respect to trade receivables, as the Group has a non-symmetrical portfolio dispersed across many industries in Nigeria.

The aging analysis of gross premium receivable as at the end of the year is as follows:

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
0 – 30 days	3,031,827	2,776,253	7,626	95,364
31 – 90 days	1,356,983	532,071	185,948	169,900
91 – 180 days	617	38,319	269	5,004
Above 180 days	27,325	33,496	26,898	28,844
Total	4,416,752	3,380,138	220,743	299,112

The movement in impairment of insurance receivable is as follows:

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
(b) Impairment of premium receivable				
Balance, beginning of the year	73,936	29,292	35,969	25,805
Additional impairment/(write back) during the year	(40,911)	44,644	(4,902)	10,164
Write off of premium receivables	-	-	-	-
Balance, end of year	33,024	73,936	31,067	35,969

10.2 Co-insurance receivable

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Co-insurers' share of outstanding claims	1,034,697	309,443	1,034,697	309,443
	1,034,697	309,443	1,034,697	309,443

(a) The movement in co-insurance recoverable on claims paid

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Balance, beginning of the year	309,443	189,515	309,443	189,515
Additions in the year	825,585	444,317	825,585	444,317
Receipts during the year	(100,331)	(324,389)	(100,331)	(324,389)
	1,034,697	309,443	1,034,697	309,443

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

(All amounts in thousands of Naira unless otherwise stated)

11 Reinsurance assets	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Total reinsurers' share of outstanding claims (see note (a) below)	3,418,524	5,111,932	3,405,168	5,104,874
Reinsurance premium paid in advance for next year's policies	-	1,833,795	-	1,833,795
Prepaid re-insurance- Non life & health (see note (b) below)	2,075,397	1,926,409	2,029,410	1,892,293
Prepaid re-insurance- group life reserves (see note (c) below)	253,769	305,258	253,769	305,258
Reinsurance share of individual life reserves (see note (d) below)	26,634	48,908	26,634	48,908
Reinsurance share of Incurred But Not Reported (IBNR) claims (see note (e) below)	1,462,249	1,491,441	1,442,958	1,488,122
Recoverables from reinsurers on claims paid (see note (f) below)	1,737,673	1,831,274	1,737,673	1,831,274
	8,974,246	12,549,017	8,895,612	12,504,524
(a) The movement in reinsurers' share of outstanding claims is as follows:	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Balance, beginning of the year	5,111,932	5,048,339	5,104,874	5,043,953
Movement during the year	(1,693,408)	63,593	(1,699,706)	60,921
	3,418,524	5,111,932	3,405,168	5,104,874
Reinsurance share of outstanding claims can be analysed as follows:	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Non-life	3,301,740	4,869,509	3,301,740	4,869,509
Life	103,428	235,365	103,428	235,365
AXA Mansard Health (HMO)	13,356	7,058	-	-
Balance, end of year	3,418,524	5,111,932	3,405,168	5,104,874
(b) The movement in prepaid reinsurance - Non life & health is as follows:	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Balance, beginning of the year	1,926,409	2,127,015	1,892,293	2,088,020
Movement during the year (see note 30)	148,988	(200,606)	137,116	(195,727)
	2,075,397	1,926,409	2,029,410	1,892,293
(c) The movement in prepaid re-insurance- group life reserves:	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Balance, beginning of the year	305,258	277,783	305,258	277,783
Movement during the year (see note 30)	(51,489)	27,475	(51,489)	27,475
	253,769	305,258	253,769	305,258
(d) The movement in reinsurance share of individual life reserves:	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Balance, beginning of the year	48,908	37,936	48,908	37,936
Movement during the year (see note 30)	(22,274)	10,972	(22,274)	10,972
	26,634	48,908	26,634	48,908
Reinsurance Expense for the year:	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Prepaid re-insurance at the beginning of the year (see note 11(b), (c) & (d) above)	2,280,575	2,442,735	2,246,459	2,403,740
Reinsurance cost (see note 30)	15,394,250	12,839,340	15,242,133	12,721,976
Total	17,674,825	15,282,075	17,488,592	15,125,716
Prepaid re-insurance at the end of the year (see note 11(a), (b) & (c) above)	(2,355,800)	(2,280,575)	(2,309,813)	(2,246,459)
Reinsurance expense for the year (see note 30)	15,319,024	13,001,500	15,178,779	12,879,257
(e) Reinsurance share of IBNR can be analysed as follows:	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Non-life	1,022,608	1,150,188	1,022,608	1,150,188
Life	420,350	337,934	420,350	337,934
Health	19,291	3,319	-	-
Balance, end of year	1,462,249	1,491,441	1,442,958	1,488,122
The movement in reinsurance IBNR:	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Balance, beginning of the year	1,491,441	1,122,513	1,488,122	1,115,153
Movement during the year	(29,192)	368,928	(45,164)	372,969
	1,462,249	1,491,441	1,442,958	1,488,122
(f) The movement in recoverables from reinsurers on claims paid	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Balance, beginning of the year	1,831,274	1,552,397	1,831,274	1,552,397
Additions in the year	2,366,318	3,907,780	2,366,318	3,433,494
Receipts during the year	(2,459,919)	(3,628,903)	(2,459,919)	(3,154,617)
	1,737,673	1,831,274	1,737,673	1,831,274

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

(All amounts in thousands of Naira unless otherwise stated)

12 Deferred acquisition cost

This relates to the commission paid on the unexpired premium reserve

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Deferred acquisition cost- Fire	68,161	148,237	68,161	148,237
Deferred acquisition cost- Gen. Accident	40,963	43,343	40,963	43,343
Deferred acquisition cost- Motor	73,221	73,413	73,221	73,413
Deferred acquisition cost- Marine	61,627	56,815	61,627	56,815
Deferred acquisition cost- Engineering	45,872	43,119	45,872	43,119
Deferred acquisition cost- Oil & Gas	24,063	42,459	24,063	42,459
Deferred acquisition cost- Aviation	7,148	7,827	7,148	7,827
Deferred acquisition cost- HMO	9,992	21,559	-	-
Total	331,047	436,772	321,055	415,213

The movement in deferred acquisition cost is as follows:

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Balance, beginning of year	436,772	494,584	415,213	481,077
Movement in deferred acquisition cost	(105,725)	(57,812)	(94,158)	(65,864)
Balance, end of year	331,047	436,772	321,055	415,213

13 Other receivables

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Prepayment (see note (i) below)	574,504	687,027	454,609	504,994
Accrued income (see note (ii) below)	275,932	308,192	35,373	105,435
Other account receivables (see note (iii) below)	813,068	581,777	426,761	237,795
Gross	1,663,504	1,576,996	916,743	848,224
Less: Specific impairment of other receivables (see (a) below)	(114,852)	(69,152)	(114,852)	(69,152)
Net receivables	1,548,652	1,507,844	801,891	779,072

(i) Prepayment includes 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-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Balance, beginning of the year	69,152	69,152	69,152	69,152
Charge for the year	45,700	-	45,700	-
Balance end of year	114,852	69,152	114,852	69,152

As at year end, N114million (2018: N69 million) were past due and have been fully impaired.

Current	1,280,501	1,118,978	613,670	511,561
Non-current	383,003	458,018	303,073	336,663
	1,663,504	1,576,996	916,743	848,224

14 Loans and receivables

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Loans and advances to related party	175,647	101,479	677,082	147,310
Other loans	1,106,619	1,106,619	1,106,619	1,106,619
Staff loans and advances	227,901	209,970	205,086	175,977
Gross	1,510,167	1,418,068	1,988,787	1,429,906
Less:				
Specific impairment of Other loans	(1,106,619)	(1,106,619)	(1,106,619)	(1,106,619)
Specific impairment of staff loans and advances	-	-	-	-
	(1,106,619)	(1,106,619)	(1,106,619)	(1,106,619)
Net loans and receivables	403,548	311,449	882,168	323,287

Increase in loans and advances to related party during the year relates to inter-company transactions between the Company, AMHL, AMIL and APD which occurred close to the year end and will be settled in the short term during the normal course of business.

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

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Balance, beginning of the year	101,479	-	147,310	3,750,465
Additions during the year	95,405	101,479	529,771	-
Accrued Interest during the year	-	-	-	315,858
Converted to equity	-	-	-	(1,077,801)
Payments during the year	(21,237)	-	-	(2,814,681)
Balance end of year	175,647	101,479	677,082	147,310

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

(All amounts in thousands of Naira unless otherwise stated)

(b) Movement in Other loans:	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Balance, beginning of the year	1,106,619	3,698,715	1,106,619	3,698,715
Additions during the year	-	-	-	-
Accrued Interest during the year	-	447,904	-	447,904
Converted to investment property	-	(3,040,000)	-	(3,040,000)
Balance end of year	1,106,619	1,106,619	1,106,619	1,106,619

The Company was to partner with the International Finance Corporation, Africa Capital Alliance and Healthshare Health Solutions in setting up a Special Purpose Vehicle (SPV) - Santa Clara Medical Limited. The SPV was to develop a world class 150-bed acute care hospital in Lagos, Nigeria to further support the development of its health insurance business. However, the project has been put on hold due to unforeseen circumstances while management embarks on further studies in order to determine an appropriate structure of intervention within the Nigerian Healthcare delivery system.

The loan relates to the funding made available to Santa Clara Medical Limited for the purchase of the hospital land and expenses related to other pre-approval processes. The land valued at N3.04 billion initially purchased for the project was transferred to AXA Mansard Insurance Plc in settlement of the loan exposure. The land has been classified as an Investment property in the books of AXA Mansard Insurance Plc as at 31 December 2018 (see note 15).

(c) The movement in impairment of Other loans:	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Balance, beginning of the year	1,106,619	-	1,106,619	-
Additions/(write back) during the year	-	1,106,619	-	1,106,619
Balance end of year	1,106,619	1,106,619	1,106,619	1,106,619

(d) Movement in staff loans and advances:	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Balance, beginning of the year	209,970	152,526	175,977	121,022
Additions during the year	45,687	85,886	56,244	69,436
Accrued Interest during the year	18,312	19,916	17,980	18,207
Payments during the year	(46,068)	(48,358)	(45,115)	(32,688)
Balance end of year	227,901	209,970	205,086	175,977

(e) The movement in impairment of staff loans and advances:	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Balance, beginning of the year	-	7,987	-	7,987
Additions/(write back) during the year	-	(7,987)	-	(7,987)
Balance end of year	-	-	-	-
Current	1,510,167	311,449	1,988,787	323,287
Non-current	-	1,106,619	-	1,106,619

15 Investment property

(a)	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Landed property (Parcel of Land, Located at Bela Vista Estate, Lekki - Lagos) - see note 14(b)	1,350,000	3,040,000	1,350,000	3,040,000
Office property (Office building located at Bishop Aboyade Cole Street, VI - Lagos)	14,451,949	14,485,962	-	-
Balance, end of year	15,801,949	17,525,962	1,350,000	3,040,000
Non-current	15,801,949	17,525,962	1,350,000	3,040,000
	15,801,949	17,525,962	1,350,000	3,040,000

Investment properties comprise of landed and office properties held for the purpose of capital appreciation and rental income. Investment property is carried at fair value which was determined based on the quoted price received from a proposed buyer while office property was valued by Osas & Oseji Estate Surveyors & Valuers (FRC/2012/000000000052) and valuation performed by Aigbekaen Osas Davis (FRC No: FRC/2013/NIESV/00000001140) using the discounted income capitalisation cashflow approach.

The movement in investment property is analysed as follows:

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Balance, beginning of year	17,525,962	14,072,384	3,040,000	-
Additional during the year	-	3,040,000	-	3,040,000
Investment property disposed during the year	(1,300,000)	-	(1,300,000)	-
Foreign exchange gain/(loss)	(19,438)	180,504	-	-
Change in fair value	(404,575)	233,074	(390,000)	-
Investment property at fair value	15,801,949	17,525,962	1,350,000	3,040,000

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 31 December 2019 (in thousands)	Unobservable inputs	Range of unobservable inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Landed Property	Market Valuation approach	1,350,000	NA	NA	NA
Office Property	Discounted Income Capitalisation Cashflow	14,451,949	Forecast price per square metre Capitalisation rate	\$575.53 per metre square 6%	The higher the price per square metre, the higher the fair value The higher the capitalisation rate, the lower the fair value

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

(All amounts in thousands of Naira unless otherwise stated)

16 Investment in subsidiaries

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

	Parent Dec-2019	Parent Dec-2018
AXA Mansard Investments Limited	940,000	940,000
APD Limited	-	1,460,127
AXA Mansard Health Limited	712,000	712,000
AXA Mansard Pensions Limited	1,885,247	1,885,247
	3,537,247	4,997,374

(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 table below:

<i>Company name</i>	<i>Nature of business</i>	<i>Country of origin</i>	<i>% of equity capital controlled</i>
AXA Mansard Investments Limited	Asset management services	Nigeria	100
AXA Mansard Health Limited	Health Maintenance Organisation	Nigeria	100
AXA Mansard Pensions Limited	Pension Funds Administration	Nigeria	60
APD Limited	Property development	Nigeria	55.7

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 AXA Mansard Health Limited was incorporated as a private limited liability company on 7 of August 2003 and its principal activity is to manage the provision of health care services through health care providers and for that 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, Lagos to an ultra modern office structure.

4 AXA Mansard Pensions Limited was incorporated on 1 February 2005 as a private limited liability company. The principal activity of the Company is administration and management of pension fund assets in line with the provisions of the Pension Reform Act 2004. AXA Mansard Insurance Plc acquired 60% equity stake in AXA Mansard Pensions Limited in January 2015. As at date of acquisition, the fair value of the total consideration transferred was N1.885 billion.

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

	Parent Dec-2019	Parent Dec-2018
Balance, beginning of year	4,997,374	3,919,573
Additions, during the year	-	1,077,801
Disposal, during the year	(1,460,127)	-
Balance, end of year	3,537,247	4,997,374

The interest in APD Limited is currently held indirectly through AXA Mansard Health Limited

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

(All amounts in thousands of Naira unless otherwise stated)

(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-2019	Group Dec-2018
NCI percentage	44.3%	44.3%
Cash and cash equivalents	285,072	70,971
Other receivables	131,742	252,594
Available-for-sale assets	493	714
Investment properties	14,451,949	14,485,962
Property and equipment	48,079	32,268
Intangible assets	455	-
Borrowings	(4,190,149)	(4,812,835)
Other liabilities	(1,618,608)	(1,294,962)
Net assets	9,109,033	8,734,712
Carrying amount of NCI	4,035,302	3,869,478
	Dec-2019	Dec-2018
Income	1,335,287	1,844,841
Expenses	1,712,670	2,472,001
Profit before tax	(377,383)	(627,160)
Profit after tax	374,320	518,844
Profit allocated to NCI (44.3%)	165,824	229,848

(i) *AXA Mansard Pensions Limited*

	Group Dec-2019	Group Dec-2018
NCI percentage	40%	40%
Cash and bank balances	185,716	95,196
Other receivables	195,846	187,032
Investment securities	1,232,804	1,163,300
Property and equipment	86,569	80,179
Intangible assets	3,220	5,867
Other liabilities	(122,630)	(46,994)
Net assets	1,581,525	1,484,580
Carrying amount of NCI	663,227	585,973
	Dec-2019	Dec-2018
Income	634,702	607,461
Expenses	113,845	114,981
Profit before tax	520,857	492,480
Profit after tax	84,435	120,554
Profit allocated to NCI (40%)	33,774	48,222

(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 have significant restrictions on its 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.

17 Intangible assets

Analysis of intangible assets:

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Computer software acquired (see note (a) below)	241,765	229,643	215,450	190,086
License fee (see note (a) below)	400,000	420,000	-	-
Goodwill	938,532	938,532	-	-
Total	1,580,297	1,588,175	215,450	190,086

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

(All amounts in thousands of Naira unless otherwise stated)

(a) Group

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

2018

	Computer software	License	Goodwill	Total
Cost:				
Balance, beginning of year	572,997	500,000	938,532	2,011,529
Additions	33,695	-	-	33,695
Balance, end of year	606,692	500,000	938,532	2,045,224
Amortization:				
Balance, beginning of year	302,633	60,000	-	362,633
Amortisation charge	74,416	20,000	-	94,416
Balance, end of year	377,049	80,000	-	457,049
Closing net book value	229,643	420,000	938,532	1,588,175

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

(All amounts in thousands of Naira unless otherwise stated)

Parent	Parent Dec-2019	Parent Dec-2018
Cost:		
Balance, beginning of year	493,165	465,140
Additions	72,955	28,025
Balance, end of year	566,120	493,165
Amortization:		
Balance, beginning of year	303,079	246,368
Amortisation charge	47,591	56,711
Balance, end of year	350,670	303,079
Closing net book value	215,450	190,086

- (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. The amount has been recognised at cost less accumulated amortisation. This has also been assessed for impairment and no impairment indicator was found.

**(c) Analysis of Goodwill allocation to CGUs
31 December 2019**

Entity/CGU	Goodwill	Licence	Net assets	Total carrying amount	Discount rate	Terminal growth rate	Recoverable amount	Excess of recoverable amount over carrying amount
AXA Mansard Pensions Limited	200,000	400,000	1,642,210	2,242,210	16.00%	10.56%	10,023,906	7,781,696
AXA Mansard Insurance Plc- Life business	726,532	-	5,842,179	6,568,711	16.00%	10.00%	17,329,865	10,761,154
AXA Mansard Health Limited	12,000	-	1,766,468	1,778,468	22.57%	8.00%	14,609,926	12,831,458
	938,532	400,000	9,250,857	10,589,389			41,963,697	31,374,308

31 December 2018

Entity/CGU	Goodwill	Licence	Net assets	Total carrying amount	Discount rate	Terminal growth rate	Recoverable amount	Excess of recoverable amount over carrying amount
AXA Mansard Pensions Limited	200,000	420,000	1,470,477	2,090,477	19.27%	10.26%	2,489,067	398,590
AXA Mansard Insurance Plc- Life business	726,532	-	3,389,695	4,116,227	19.27%	10.0%	4,911,326	795,099
AXA Mansard Health Limited	12,000	-	1,188,734	1,200,734	25.63%	7.91%	4,635,819	3,435,085
	938,532	420,000	6,048,906	7,407,438			12,036,212	4,628,774

(i) AXA Mansard Health Limited

On 1 May 2013, AXA Mansard Insurance Plc acquired 99.9% of the share capital of AXA Mansard Health Limited for N12 million. The principal activity of AXA Mansard Health Limited is the provision of health care services through health care providers and for that purpose is accredited with the National Health Insurance Scheme. As a result of this acquisition, the Group has access to the local health insurance market thereby growing the Group's insurance network. The goodwill of N12m arising represents the fair value of the consideration transferred as AXA Mansard Health Limited had a zero carrying value of its net assets at acquisition date. Cash was paid as consideration and there was no contingent consideration. None of the goodwill recognised is expected to be deductible for income tax purposes.

(ii) AXA Mansard Pensions Limited

On 1 January 2015, AXA Mansard Insurance Plc acquired 60% of the share capital of AXA Mansard Pensions Limited (formerly Penman Pensions Limited). The Company's principal activity is the administration and management of Pension Fund Assets in line with the provisions of the Pension Reform Act 2014 and the relevant National Pension Commission circulars. Cash was paid as consideration and there was no contingent consideration. None of the goodwill recognised is expected to be deductible for income tax purposes.

Management reviews the performance based on type of business. Goodwill is monitored by management at the operating segment level. The recoverable amount of all CGUs is to be determined based on the value-in-use calculation. These calculations use pre-tax cash flow projections based on the financial budgets approved by management covering a ten year period. Management is of the opinion that the subsidiary will operate profitably within 3 to 5 years from the date it commences operation based on the positive outlook of the market and the industry which is still in its growth phase.

Allocation of Goodwill to cash generating units

The identified goodwill has been allocated to the different Cash Generating Units (CGUs) within the group as follows:

Cash Generating Units

AXA Mansard Pensions Limited	N'000
AXA Mansard Insurance Plc- Life Business	200,000
	726,532

Goodwill

926,532

The goodwill recognised represents the price paid above the 60% of the fair value of the identifiable net assets of AXA Mansard Pensions Limited at the acquisition date, 1 January 2015. The acquisition of AXA Mansard Pensions Limited is strategic to the AXA Mansard Group in terms of a number of synergies including customer-base synergies, cost synergies and contributing to the Group's goal of becoming Africa's number 1 One- stop financial service provider.

AXA Mansard Pensions Limited and AXA Mansard Insurance Plc - Life business CGUs generate revenues through their life assurance and asset management businesses. The value-in-use calculations for the life assurance operations are determined using the discounted cash flow calculation. The cash flows attributable to the value of the CGUs are determined with reference to latest approved five-year cashflow forecasts. Projections beyond the plan period are extrapolated using an inflation based growth assumption.

The value-in-use calculations for the asset management operations are similarly determined based on discounted cash flow models derived from the latest approved five-year cashflow forecast. An additional two years of projections beyond the plan period are extrapolated using inflation based growth rates. The cash flows are discounted at economic profit rates applicable to each individual CGU.

Annual impairment testing of goodwill

In accordance with the requirements of IAS 36 'Impairment of Assets', goodwill is tested annually for impairment for each CGU, by comparing the carrying amount of each CGU to its recoverable amount, being the higher of that CGU's value-in-use or fair value less costs to sell. An impairment charge is recognised when the recoverable amount is less than the carrying value.

Goodwill was assessed for impairment at the reporting date and was deemed unimpaired.

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

Notes to the financial statements

(All amounts in thousands of Naira unless otherwise stated)

18 Property and equipment

(a) **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	599,759	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	1,667,654
At 31st December 2019	389,664	573,598	341,337	200,032	50,223	168,136	61,551	1,784,543

(i) In the opinion of the directors, the market value of the Company's property and equipment is not less than the value shown in the financial statements

(ii) There were no capitalised borrowing cost related to the acquisition of property and equipment during the year (December 2018: nil)

(iii) All items of property and equipment are non-current

(iv) There was no leased asset included in property and equipment (December 2018: nil)

(v) The company had no capital commitment (December 2018: nil)

(vi) The company had no items pledged for borrowings included in property and equipment (December 2018: nil)

(vii) There were no impairment losses on any class of property and equipment

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

(All amounts in thousands of Naira unless otherwise stated)

18 Property and equipment
(b) Group

	Land	Building	Motor vehicle	Computer equipment	Office equipment	Furniture and fittings	Work in progress	Total
Cost								
Balance, 1 January 2018	389,664	477,875	722,541	677,548	475,414	951,420	169,548	3,864,010
Additions	-	179,290	193,435	221,801	27,079	145,150	(151,642)	615,113
Disposals	-	-	(59,474)	(2,382)	-	-	-	(61,856)
Balance, end of year	389,664	657,165	856,502	896,967	502,493	1,096,570	17,906	4,417,267

Accumulated depreciation

Balance, 1 January 2018	-	58,774	536,768	538,753	324,279	732,921	-	2,191,495
Charge for the year	-	11,649	109,089	119,680	66,032	122,985	-	429,435
Disposals	-	-	(46,098)	(927)	-	-	-	(47,025)
Balance, end of year	-	70,423	599,759	657,506	390,311	855,906	-	2,573,905

Net book value

Balance, 1 January 2018	389,664	419,101	185,773	138,795	151,135	218,499	169,548	1,672,515
At 31 December 2018	389,664	586,742	256,743	239,461	112,182	240,664	17,906	1,843,362

Parent

	Land	Building	Motor vehicle	Computer equipment	Office equipment	Furniture and fittings	Work in progress	Total
Cost								
Balance, 1 January 2018	389,664	477,875	555,979	591,749	326,633	752,248	169,548	3,263,696
Additions	-	179,290	175,184	193,171	21,855	138,272	(151,642)	556,130
Disposals	-	-	(59,474)	-	-	-	-	(59,474)
Balance, end of year	389,664	657,165	671,689	784,920	348,488	890,520	17,906	3,760,352

Accumulated depreciation

Balance, 1 January 2018	-	58,774	441,704	475,958	238,795	610,505	-	1,825,736
Charge for the year	-	11,649	79,530	100,631	36,283	84,967	-	313,060
Disposals	-	-	(46,098)	-	-	-	-	(46,098)
Balance, end of year	-	70,423	475,136	576,589	275,078	695,472	-	2,092,698

Net book value

Balance, 1 January 2018	389,664	419,101	114,275	115,791	87,838	141,743	169,548	1,437,960
At 31 December 2018	389,664	586,742	196,553	208,331	73,410	195,048	17,906	1,667,654

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

(All amounts in thousands of Naira unless otherwise stated)

18 Right of Use

(e)	Group Dec-2019	Group Dec -2018	Parent Dec-2019	Parent Dec -2018
As at January 1st, 2019	477,868	-	335,956	-
Additions	220,503	-	216,304	-
Payment during the year				
Depreciation	(162,508)	-	(90,178)	-
Balance	535,863	-	462,082	-

19 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.

20 Insurance liabilities

	Group Dec-2019	Group Dec -2018	Parent Dec-2019	Parent Dec -2018
– Outstanding claims (see note 20.1a)	6,070,304	6,789,051	5,980,088	6,767,999
– Claims incurred but not reported (see note 20.1b)	5,036,746	4,770,910	3,218,061	3,116,887
– Unearned premium (see note 20.2)	10,359,740	8,348,888	4,597,446	4,449,647
– Individual life reserve (see note 20.3)	1,518,334	775,525	1,518,334	775,525
– Annuity reserves (see note 20.4)	2,177,817	1,854,619	2,177,817	1,854,619
Total insurance liabilities, gross	25,162,941	22,538,993	17,491,746	16,964,677
Reinsurance receivables:				
Reinsurers' share of outstanding claims	3,418,524	5,111,932	3,405,168	5,104,874
Prepaid re-insurance- Non life & health	2,075,397	1,926,409	2,029,410	1,892,293
Reinsurance share of group life reserves	253,769	305,258	253,769	305,258
Reinsurance share of individual life reserves	26,634	48,908	26,634	48,908
Reinsurance share of Incurred But Not Reported (IBNR) claims	1,462,249	1,491,441	1,442,958	1,488,122
Recoverables from reinsurers on claims paid	1,737,673	1,831,274	1,737,673	1,831,274
Total reinsurers' share of insurance liabilities	8,974,246	10,715,222	8,895,612	10,670,729
Net insurance liability	16,188,695	11,823,771	8,596,134	6,293,948
Current	19,062,238	17,504,297	11,391,043	11,929,981
Non-current	6,100,703	5,034,696	6,100,703	5,034,696

For our life business, the reserves calculated as at 31 December 2019 and the comparative periods were done by:

Olurotimi O. Okpaise (FRC/2012/NAS/00000000738)

Ernst & Young Nigeria Limited

For our Non-life business, the reserves calculated as at 31 December 2019 and the comparative periods were done by:

C Van Heerdan (FRC No: FRC/2018/NAS/00000018470)

QED Actuaries & Consultants (Pty) Ltd (FRC No: FRC/2016/NAS/00000013781)

For our Health business, the reserves calculated as at 31 December 2019 and the comparative periods were done by:

Jolaolu Fakoya (FRC No: FRC/2019/002/00000020016)

AXA Mansard (FRC No: FRC/2012/0000000000228)

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

(All amounts in thousands of Naira unless otherwise stated)

20.1a – Outstanding claims

	Group Dec-2019	Group Dec -2018	Parent Dec-2019	Parent Dec -2018
Non-Life	5,077,011	6,122,972	5,077,011	6,122,972
Group life	903,077	645,027	903,077	645,027
Health	90,216	21,052	-	-
	6,070,304	6,789,051	5,980,088	6,767,999
	Group Dec-2019	Group Dec -2018	Parent Dec-2019	Parent Dec -2018
Balance, beginning of year	6,789,051	7,219,166	6,767,999	7,214,576
Additional claims expense during the year	18,275,346	15,832,164	7,713,021	8,800,587
Claims paid during year	(19,067,181)	(16,412,022)	(8,574,020)	(9,396,907)
Foreign exchange impact of dollar denominated claims	73,088	149,743	73,088	149,743
Claims reclassified to other creditors- Group life endowment fund	-	-	-	-
Balance, end of year	6,070,304	6,789,051	5,980,088	6,767,999

As at 31 December 2019

The aging analysis of the outstanding claims for the non life business is as follows:

Outstanding claims per claimant	0 - 90 days	91 - 180 days	181 - 360 days	360 days +	Total
1 - 250,000	21,385	2,325	2,053	31,364	57,126
250,001 - 500,000	129,362	22,485	25,347	207,338	384,532
500,001 - 1,500,000	129,988	42,483	37,246	152,423	362,141
1,500,001 - 2,500,000	35,970	-	35,415	120,471	191,856
2,500,001 - 5,000,000	-	-	25,526	71,140	96,666
5,000,001 - Above	1,905,963	252,623	-	1,826,103	3,984,690
Total	2,222,669	319,916	125,587	2,408,839	5,077,011

The aging analysis of the outstanding claims for the life business is as follows:

Outstanding claims per claimant	0 - 90 days	91 - 180 days	181 - 360 days	360 days +	Total
1 - 250,000	36,761	3,831	2,289	12,746	55,628
250,001 - 500,000	372,332	36,115	54,390	90,391	553,229
500,001 - 1,500,000	104,919	27,830	-	-	132,748
1,500,001 - 2,500,000	16,808	-	-	-	16,808
2,500,001 - 5,000,000	102,768	-	-	41,896	144,664
5,000,001 - Above	-	-	-	-	-
Total	633,588	67,776	56,679	145,033	903,077

The Company opened the year 2019 with 2,162 outstanding claims from prior year, this figure dropped to 1,603 as at 31 December 2019 thus achieving a reduction rate of 26%. Of the outstanding claims, 38% are within 90 days holding days period whilst 62% are above 90 days holding period. Most of the claims in these bands are largely outstanding due to AXA Mansard participation as co-insurer and not the lead, thus making it difficult to get relevant claims documents from the insured/brokers without going through the Lead on the accounts.

As at 31 December 2018

The aging analysis of the outstanding claims for the non life business is as follows:

Outstanding claims per claimant	0 - 90 days	91 - 180 days	181 - 360 days	360 days +	Total
1 - 250,000	17,760	3,986	5,661	78,022	105,430
250,001 - 500,000	42,679	7,842	22,009	35,231	107,763
500,001 - 1,500,000	90,295	38,976	39,557	82,619	251,448
1,500,001 - 2,500,000	20,991	600	6,825	26,392	54,808
2,500,001 - 5,000,000	204,439	45,107	256,264	4,968,801	5,474,611
5,000,001 - Above	45,973	13,249	19,031	50,662	128,915
Total	422,137	109,761	349,347	5,241,727	6,122,976

The aging analysis of the outstanding claims for the life business is as follows:

Outstanding claims per claimant	0 - 90 days	91 - 180 days	181 - 360 days	360 days +	Total
1 - 250,000	10,236	787	1,837	9,040	21,900
250,001 - 500,000	17,102	4,316	3,452	23,660	48,531
500,001 - 1,500,000	3,137	3,436	2,740	16,707	26,020
1,500,001 - 2,500,000	22,656	3,910	2,080	11,412	40,058
2,500,001 - 5,000,000	163,409	17,560	135,057	51,645	367,670
5,000,001 - Above	82,875	3,748	3,747	50,479	140,849
Total	299,414	33,757	148,913	162,943	645,027

The Company opened the year 2018 with 2,724 outstanding claims from prior year, this figure dropped to 2,162 as at 31 December 2018 thus achieving a reduction rate of 21%. Of the outstanding claims, 27% are within 90 days holding days period whilst 73% are above 90 days holding period. Most of the claims in these bands are largely outstanding due to AXA Mansard participation as co-insurer and not the lead, thus making it difficult to get relevant claims documents from the insured/brokers without going through the Lead on the accounts.

20.1b – Claims incurred but not reported

	Group Dec-2019	Group Dec -2018	Parent Dec-2019	Parent Dec -2018
Non life business	2,041,728	2,321,511	2,041,728	2,321,511
Group life	1,176,333	795,376	1,176,333	795,376
Health	1,818,684	1,654,023	-	-
	5,036,745	4,770,910	3,218,061	3,116,887

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

(All amounts in thousands of Naira unless otherwise stated)

20.2 Unearned premium

	Group Dec-2019	Group Dec -2018	Parent Dec-2019	Parent Dec -2018
Non life business	3,984,015	3,814,290	3,984,015	3,814,290
Group life	613,431	635,357	613,431	635,357
Health	5,762,294	3,899,241	-	-
	10,359,740	8,348,888	4,597,446	4,449,647
Current	7,955,188	5,944,336	2,192,894	2,045,095
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-2019	Group Dec -2018	Parent Dec-2019	Parent Dec -2018
Balance, beginning of year	8,348,888	7,091,924	4,449,647	4,718,873
Movement during the year	2,010,852	1,256,964	147,799	(269,226)
Balance, end of year	10,359,740	8,348,888	4,597,446	4,449,647

20.3 Individual life reserves can be analysed as follows:

	Group Dec-2019	Group Dec -2018	Parent Dec-2019	Parent Dec -2018
Individual life	1,518,334	775,525	1,518,334	775,525
	1,518,334	775,525	1,518,334	775,525

Movement in individual life reserves:

	Group Dec-2019	Group Dec -2018	Parent Dec-2019	Parent Dec -2018
Balance, beginning of year	775,525	540,632	775,525	540,632
Changes in individual life reserves	742,809	234,893	742,809	234,893
Balance, end of year	1,518,334	775,525	1,518,334	775,525

20.4 Annuity reserves can be analysed as follows:

	Group Dec-2019	Group Dec -2018	Parent Dec-2019	Parent Dec -2018
Annuity	2,177,817	1,854,619	2,177,817	1,854,619
	2,177,817	1,854,619	2,177,817	1,854,619

Movement in Annuity reserves:

	Group Dec-2019	Group Dec -2018	Parent Dec-2019	Parent Dec -2018
Balance, beginning of year	1,854,619	2,031,619	1,854,619	2,031,619
Annuity premium written during the year	-	10,345	-	10,345
Annuity payout during the year	(292,751)	(293,567)	(292,751)	(293,567)
Accretion to/(release from) annuity fund	615,949	106,222	615,949	106,222
Balance, end of year	2,177,817	1,854,619	2,177,817	1,854,619

The accretion to/ (release from) annuity fund resulted from the changes in interest rates and reserves but no new business during the period

21 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-2019	Group Dec -2018	Parent Dec-2019	Parent Dec -2018
<i>Investment Contract Liabilities - At amortised cost:</i>				
- Guaranteed investment (interest-linked)	3,324,001	2,935,021	3,324,001	2,935,021
- Bonus Life investible (interest-linked)	951,764	756,403	951,764	756,403
	4,275,765	3,691,424	4,275,765	3,691,424
<i>Investment Contract Liabilities - Liabilities designated at fair value:</i>				
- Unitized funds	4,154,695	3,073,457	4,154,695	3,073,457
	8,430,460	6,764,881	8,430,460	6,764,881

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

(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 2019. The movement in interest-linked funds during the year was as follows:

21.1 Movement in interest linked products:	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Balance, beginning of year	3,691,424	3,108,070	3,691,424	3,108,070
Contributions	951,764	756,403	951,764	756,403
Withdrawal	(1,019,725)	(640,294)	(1,019,725)	(640,294)
Interest accrued during the year	652,302	467,245	652,302	467,245
Balance, end of year	4,275,765	3,691,424	4,275,765	3,691,424

The N4.28 billion (2018: N3.69 billion) for Parent and Group refer to the Guaranteed investment (interest-linked) and Bonus life investible (interest linked) contracts shown in note 21. 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).

21.2 The movement in unitised funds during the year was as follows:

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Balance, beginning of year	3,073,457	3,272,242	3,073,457	3,272,242
Contributions	1,537,164	725,312	1,537,164	725,312
Withdrawals	(455,926)	(924,097)	(455,926)	(924,097)
Balance, end of year	4,154,695	3,073,457	4,154,695	3,073,457
Current	4,154,695	3,073,457	4,154,695	3,073,457
Total Investment Contract Liabilities	8,430,460	6,764,881	8,430,460	6,764,881

22 Trade payables

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

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Reinsurance payable	2,645,937	1,861,552	2,645,937	1,861,552
Co-insurance payable	549,116	405,596	549,116	405,596
Unallocated premium & refunds (see (a) below)	2,341,847	2,078,627	2,341,847	2,006,096
Due to agents & brokers	4,646,461	1,139,983	4,557,294	1,139,983
Premium received in advance	6,384,351	5,694,996	6,384,351	5,694,996
	16,567,712	11,180,754	16,478,545	11,108,223

(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.

23 Other liabilities

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Deferred income (see (ii) below)	1,133,852	1,128,543	233,312	306,671
Due to investment brokers	202	195	-	-
Creditors and accruals (see (i) below)	1,778,011	1,299,537	1,330,575	1,034,973
Unclaimed dividend	65,932	67,213	65,932	67,213
Cash settled share based payment liability (see note 45 (b))	70,912	163,299	70,912	163,299
Lease Liability (see 23.1 below)	256,913	-	194,104	-
	3,305,822	2,658,787	1,894,835	1,572,156
Current	2,155,962	1,675,718	1,408,346	1,137,197
Non-current	1,149,860	983,069	486,490	434,959

(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.

(ii) Amounts classified as deferred income relates to deferred commission income and unearned rental income.

23.1 Lease Liability

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Accrued lease liability	209,839	-	156,829	-
Interest Expense	47,074	-	37,275	-
Balance	256,913	-	194,104	-

24 Current income tax liabilities

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Balance, beginning of year	773,819	444,688	257,967	234,959
Current year charge				
- Non-Life	99,731	90,361	99,731	90,361
- Life & Savings	39,858	116,686	39,858	116,686
- AXA Mansard Investments Limited	3,392	60,000	-	-
- AXA Mansard Health Limited	454,504	210,181	-	-
- AXA Mansard Pensions Limited	8,835	6,859	-	-
- APD Limited	385,733	228,071	-	-
Tax settlement with withholding tax credit notes				
Cash Payments during the year	(830,326)	(383,027)	(193,906)	(184,039)
Balance, end of year	935,546	773,819	203,650	257,967

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

(All amounts in thousands of Naira unless otherwise stated)

25 Borrowings

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Bank borrowings	6,950,888	3,479,693	-	-
Loan note	14,916	13,541	-	-
Total borrowings	6,965,804	3,493,234	-	-
Current	-	967,472	-	-
Non-current	6,965,804	2,525,762	-	-

(a) Bank borrowings

The bank borrowings represents a USD 9,748,365 facility granted to APD limited by Rand Merchant Bank payable in 3 years commencing from 31 August 2018. Interest is payable monthly at an average rate of 90 days LIBOR less a spread of 200 basis point subject to a floor annual rate of 10%. Principal is repaid once a year. The Investment property of the Company located at plot 927/928 Bishop Aboyade Cole, Victoria Island, Lagos has been used as collateral for this facility.

Also included in bank borrowing is a facility of N4,047,000,000 granted to AXA Mansard Health Ltd by Rand Merchant Bank payable in one year commencing from 23rd December 2019. Interest is payable quarterly at an annual interest rate of 15%. The loan is expected to be liquidated in one year.

(b) Loan note

Loan note were granted by Karsang Ltd to APD Ltd payable in 7.5 years commencing September 2014. Interest is accrued at a rate of 10.41% and payable at maturity with the principal.

The movement in borrowing during the year is as follows:

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Balance, beginning of the year	3,493,234	3,295,031	-	-
Additional loans	4,047,000	3,447,605	-	-
Impact of foreign exchange rate changes	(234,350)	481,180	-	-
Accrued interest	443,835	443,857	-	-
Payments during the year	(783,915)	(4,174,439)	-	-
	6,965,804	3,493,234	-	-

26 Deferred income tax

(a) Liabilities

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Balance, beginning of year	837,061	656,407	-	-
Charge in income statement for the year	4,435	180,654	-	-
Tax charge /(reversals) relating to components of other comprehensive income	-	-	-	-
Balance, end of year	841,496	837,061	-	-
<i>Deferred income tax liability/(assets) is attributable to the following:</i>				
Property and equipment	(11,029)	13,212	-	-
Unrealised gain on foreign currency translation	-	(63,055)	-	-
Fair value gain on investment property	852,525	878,621	-	-
Unrelieved tax losses	-	-	-	-
Balance, end of year	841,496	837,061	-	-

2019

Group

Movement in deferred tax liability/ (assets):	Opening Balance	Income statement	Other Comprehensive Income	Closing balance
Property and equipment	13,212	(24,241)	-	(11,029)
Unrealised gain/(losses) on foreign currency translation	(54,772)	54,772	-	0
Fair value gains on Investment property	878,621	(26,096)	-	852,525
	837,061	4,435	-	841,496

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

(All amounts in thousands of Naira unless otherwise stated)

**2018
Group**

<i>Movement in deferred tax liability/ (assets):</i>	Opening Balance	Income statement	Other Comprehensive Income	Closing balance
Property and equipment	15,558	(2,346)	-	13,212
Unrealised gain/(losses) on foreign currency translation	(264,471)	209,699	-	(54,772)
Fair value gains on Investment property	903,615	(24,994)	-	878,621
Unrelieved tax losses	1,705	(1,705)	-	-
	656,407	180,654	-	837,061

(b) Unrecognised deferred tax assets

Deferred tax assets relating to the Company's life business have not been recognised in respect of the following items:

<i>In thousands of Naira</i>	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Property and equipment	28,267	28,045	28,267	28,045
Tax losses	2,859,840	1,852,419	2,859,840	1,852,419
Balance, end of year	2,888,107	1,880,464	2,888,107	1,880,464

Deferred tax assets relating to the Company's Non-life business have not been recognised in respect of the following items:

<i>In thousands of Naira</i>	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Property and equipment	451,341	207,892	306,692	207,892
Tax losses	4,116,970	2,505,933	4,036,042	2,505,933
Balance, end of year	4,568,311	2,713,825	4,342,734	2,713,825

In line with IAS 12 on recognition of deferred tax asset, a Company may recognise deferred tax asset to the extent that taxable profit will be available in future against which the assets will crystallise. AXA Mansard Insurance Plc is however of the opinion that the deferred tax assets carried by the Company may not crystallise anytime soon, given the assessable loss position of the Company.

27 Share capital:

27.1 Share capital comprises:

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
(a) Authorized:				
10,500,000,000 Ordinary shares of 50k each (Dec 2017: 10,500,000,000 ordinary shares)	5,250,000	5,250,000	5,250,000	5,250,000
(b) Issued and fully paid				
10,500,000,000 Ordinary shares of 50k each	5,250,000	5,250,000	5,250,000	5,250,000
<i>Movement in issued and fully paid shares</i>				
	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Balance, beginning of year	5,250,000	5,250,000	5,250,000	5,250,000
Additional shares during the year	-	-	-	-
Balance, end of year	5,250,000	5,250,000	5,250,000	5,250,000
(i) Non-Life Business				
Share capital comprises:				
	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
8,500,000,000 Ordinary shares of 50k each	4,250,000	4,250,000	4,250,000	4,250,000
(ii) Life Business				
	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
2,000,000,000 Ordinary shares of 50k each	1,000,000	1,000,000	1,000,000	1,000,000

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

(All amounts in thousands of Naira unless otherwise stated)

27.2 Share premium

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Share Premium	4,443,453	4,443,453	4,443,453	4,443,453
Share premium comprises additional paid-in capital in excess of the par value. This reserve is not ordinarily available for distribution.				

27.3 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 2018, the contingency reserve for non-life business reached 50% of net premiums of 2018.

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

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Balance, beginning of the year	4,139,090	3,615,451	4,139,090	3,615,451
Transfer from retained earnings	131,368	523,639	131,368	523,639
Balance, end of year	4,270,458	4,139,090	4,270,458	4,139,090
Analysis per business segment				
	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Non-life business	3,591,032	3,591,032	3,591,032	3,591,032
Life business	679,426	548,058	679,426	548,058
Balance, end of year	4,270,458	4,139,090	4,270,458	4,139,090

(i) Non-Life Business

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Balance, beginning of year	3,591,032	3,228,032	3,591,032	3,228,032
Transfer from retained earnings	-	363,000	-	363,000
Balance, end of year	3,591,032	3,591,032	3,591,032	3,591,032

(ii) Life Business

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Balance, beginning of year	548,058	387,419	548,058	387,419
Transfer from retained earnings	131,368	160,639	131,368	160,639
Balance, end of year	679,426	548,058	679,426	548,058

27.4 Other reserves

Other reserves comprise of the following:

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Capital reserves (see note (a) below)	2,500,000	2,500,000	2,500,000	2,500,000
Statutory reserves (see note (b) below)	35,406	47,796	-	-
Share-based payment reserves (see note (c) below)	152,077	134,904	152,077	134,904
	2,687,483	2,682,700	2,652,077	2,634,904

(a) Capital reserve

The Company's issued and fully paid capital was reconstructed by a special resolution at its Board meeting on 18th October, 2007, to achieve a reduction of 50% with the result that the issued and fully paid capital will stand at N2,500,000,000 divided into 5,000,000,000 Ordinary shares at 50k each with the surplus nominal value arising from the reconstruction being transferred to the Company's capital reserve account. The reconstruction was sanctioned by the Federal High Court of Nigeria, Lagos on 31st October 2007 and registered by the Corporate Affairs Commission on 18th December 2007. The balance on the capital reserve was allocated between the non-life business and life business segments in the proportion of their share capital, as follows:

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Life business segment	1,000,000	1,000,000	1,000,000	1,000,000
Non-life business segment	1,500,000	1,500,000	1,500,000	1,500,000
	2,500,000	2,500,000	2,500,000	2,500,000

(b) Statutory reserve

In compliance with the Pensions Act (2014), AXA Mansard Pensions Limited is required to reserve 12.5% of its profit after tax. This represents the accumulation of the provision for all statutory reserves from 2011. See statement of changes in equity for movement in statutory reserve.

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

(All amounts in thousands of Naira unless otherwise stated)

(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-2019	Dec-2018	Dec-2019	Dec-2018
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	134,904	95,103	134,904	95,103
Additions, during the year-Tranche 3	17,173	39,801	17,173	39,801
Balance, end of year	152,077	134,904	152,077	134,904

27.5 Treasury shares

Treasury shares represent the 177,281,000 (2017: 177,281,000) 50 kobo ordinary shares held by the Company under the AXA Mansard Share Option Plan (MSOP). Details of the Share Option Plan are as disclosed in note 45.

Treasury shares' balances as at 31 December 2019 are as analysed below:

	Group	Group	Parent	Parent
	Dec-2019	Dec-2018	Dec-2019	Dec-2018
Balance, beginning of year	(304,924)	(304,924)	(304,924)	(304,924)
Value of vested portion of treasury shares	-	-	-	-
Balance, end of year	(304,924)	(304,924)	(304,924)	(304,924)

27.6 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	Group	Parent	Parent
	Dec-2019	Dec-2018	Dec-2019	Dec-2018
At beginning of year	(550,226)	426,131	(549,906)	268,842
Changes in available-for-sale financial assets (net of taxes)	1,630,944	(976,357)	1,473,468	(818,748)
Balance, end of year	1,080,718	(550,226)	923,562	(549,906)

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

	Group	Group	Parent	Parent
	Dec-2019	Dec-2018	Dec-2019	Dec-2018
At beginning of year	(550,226)	426,131	(549,906)	268,842
Net unrealised changes in fair value of AFS assets	1,661,607	(952,025)	1,390,718	(891,587)
Realised (losses)/gains transferred to income statement	(30,663)	(24,332)	82,750	72,839
Balance, end of year	1,080,718	(550,226)	923,562	(549,906)

27.7 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.

28 Non-controlling interests in equity

	Group	Group
	Dec-2019	Dec-2018
Opening balance	4,619,224	3,477,776
Transfer from the profit or loss account	199,598	278,070
Transfer from Fair Value Reserves	-	(12,950)
Transfer from Statutory reserves	-	19,118
Additional subsidiary investment with NCI	-	857,210
Balance as at year end	4,818,822	4,619,224

Non controlling interest represents 44.3% and 40% of the equity holding of the Company's subsidiaries, APD Limited and AXA Mansard Pensions Limited respectively. The Group did not pay any dividend to Non-Controlling Interest during the year (2018: nil).

APD Limited

Non controlling interest (44.3%)

	Group	Group
	Dec-2019	Dec-2018
Opening balance	1,770,918	1,541,070
Transfer from the profit or loss account	165,824	229,848
Balance as at year end	1,936,742	1,770,918

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

(All amounts in thousands of Naira unless otherwise stated)

AXA Mansard Pensions Limited

Non controlling interest (40%)

	Group Dec-2019	Group Dec-2018
Opening balance	683,640	664,552
NCI interest at acquisition date	-	-
Transfer from profit or loss account	33,774	48,222
Balance as at year end	721,676	683,640

29 Contingencies and commitments

(a) Litigations and claims

The Group is presently involved in eight (8) legal proceedings (2018: seven (7)). 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.

30 Net premium income

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Gross written premium	43,620,265	33,923,949	28,014,854	23,026,817
Gross premium income				
Non-life	20,079,265	18,324,648	20,079,264	18,289,852
Life (Group life and individual life)	7,935,590	4,726,620	7,935,590	4,726,620
Annuity	-	10,345	-	10,345
AXA Mansard Health (HMO)	15,605,411	10,897,132	-	-
Provision for unearned premium				
Non life	(169,725)	383,385	(169,725)	383,385
Group life	21,926	(114,159)	21,926	(114,159)
AXA Mansard Health (HMO)	(1,863,054)	(1,526,190)	-	-
Gross premium income	41,609,412	32,701,781	27,867,055	23,296,043
Re-insurance cost				
-Non life	13,077,282	11,295,446	13,077,282	11,295,446
-Life	2,164,851	1,426,530	2,164,851	1,426,530
-AXA Mansard Health (HMO)	152,117	117,364	-	-
Changes in prepaid re-insurance				
-Non life	(137,116)	195,727	(137,116)	195,727
-Group life	51,805	(27,474)	51,805	(27,474)
-Individual life	22,275	(10,972)	22,274	(10,972)
-AXA Mansard Health (HMO)	(11,872)	4,879	-	-
Re-insurance expenses	15,319,342	13,001,500	15,179,096	12,879,257
Net premium income	26,290,070	19,700,281	12,687,959	10,416,786

31 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-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Fees and commission income	1,875,748	1,781,955	1,875,748	1,781,955

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

(All amounts in thousands of Naira unless otherwise stated)

32 Claims:

Claims expenses	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Claims paid during the year (see note (a) below)	19,067,180	16,412,022	8,574,020	9,396,907
Movement in outstanding claims	(718,748)	(430,116)	(787,911)	(446,577)
Claims incurred	18,348,432	15,981,906	7,786,109	8,950,330
Outstanding claims- IBNR	265,836	486,300	101,174	(201,585)
Total claims and loss adjustment expense	18,614,268	16,468,206	7,887,283	8,748,745
Recoverable on IBNR	29,192	(368,928)	45,164	(372,968)
Reinsurance share of outstanding claims	1,699,706	(60,921)	1,699,706	(60,921)
Recovered from re-insurers	(2,852,945)	(3,907,780)	(2,757,049)	(3,877,810)
Total claims expenses recovered from reinsurers	(1,124,047)	(4,337,629)	(1,012,179)	(4,311,699)
Net claims and loss adjustment expense	17,490,221	12,130,577	6,875,104	4,437,046

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

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Non life	5,893,139	7,063,346	5,893,139	7,063,346
Group life	1,775,268	1,547,820	1,775,268	1,547,820
Individual life	580,561	492,175	580,561	492,175
Annuity	292,752	293,567	292,752	293,567
HMO	10,493,161	7,015,115	-	-
	19,034,881	16,412,023	8,541,720	9,396,908

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

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Non life	(1,045,962)	(553,209)	(1,045,962)	(553,209)
Group life	290,349	106,632	290,349	106,632
HMO	69,164	16,461	-	-
	(686,449)	(430,116)	(755,613)	(446,577)

33 Underwriting expenses:

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Acquisition cost	3,223,162	3,086,981	2,766,402	2,761,977
Maintenance cost	268,362	268,430	268,362	268,430
	3,491,524	3,355,411	3,034,764	3,030,407

Analysis of acquisition cost is as shown below:

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Acquisition cost paid during the year	3,328,887	3,144,793	2,860,560	2,827,841
Movement in deferred acquisition cost	(105,725)	(57,812)	(94,158)	(65,864)
	3,223,162	3,086,981	2,766,402	2,761,977

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

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Non life	1,957,468	2,333,419	1,957,468	2,333,419
Life	808,934	428,558	808,934	428,558
Health	456,760	325,004	-	-
	3,223,162	3,086,981	2,766,402	2,761,977

34 Investment income

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Dividend income	734,802	454,549	1,707,958	1,153,301
Interest income on investment securities	2,789,270	2,185,650	2,162,032	1,561,889
Interest income on cash and cash equivalents	134,243	555,845	136,533	511,766
Rental income	1,077,813	1,169,873	-	-
Asset management fees (see note (a) below)	904,248	723,546	-	-
	5,640,376	5,089,463	4,006,523	3,226,956

(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.

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

(All amounts in thousands of Naira unless otherwise stated)

35 Net (losses)/gains on financial instruments

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
(a) Gains on financial assets	108,082	108,378	87,719	90,354
Gain/Loss on Investment Property	-	180,504	-	-
Foreign exchange gain/loss	(270,955)	54,456	(251,124)	107,349
Fair value through Profit or Loss	474,846	(140,425)	474,846	(140,425)
	311,973	22,409	311,441	57,278
Fair value gain on investment property	-	-	-	-
	311,973	22,409	311,441	57,278

Net gains on sale of investment in subsidiary

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
(b) Purchase consideration	-	-	4,400,000	-
Investment in APD	-	-	(1,460,127)	-
Gain on Investment Property	-	-	2,939,873	-

AXA Mansard Health Ltd, a fully owned subsidiary of AXA Mansard Insurance Plc purchased 55.7% of the issued and paid-up share capital of APD held by the Company (AXA Mansard Insurance Plc) for ₦4,400,000,000.00 (Four Billion, Four Hundred Million Naira). The share sale agreement was executed on the 31 December 2019, the acquisition by AXA Mansard Health was accounted for as a business combination under common control as such there is no impact on Group numbers in these financial statements.

36 Profit on investment contracts

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Interest income	559,683	530,219	559,683	530,219
Gains/(losses) from sale of investments	48,752	47,415	48,752	47,415
Total interest income	608,435	577,634	608,435	577,634
Expenses				
Guaranteed interest	(192,161)	(244,776)	(192,161)	(244,776)
Other expenses	(35,428)	(33,900)	(35,428)	(33,900)
Net profit	380,846	298,958	380,846	298,958

37 Other income

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Profit from sale of property and equipment	8,192	7,892	8,172	8,830
Sundry income	371,117	457,879	46,378	120,315
Interest income on loan to subsidiary	-	-	-	315,858
Total	379,309	465,771	54,550	445,003

Sundry income comprises of N239.6m relating to Withholding tax credits which were previously written off but recovered in the current year. The credit notes were used in offsetting part of the current tax liability from prior year, interest earned on staff loans: N18m (2018: N39m) and other income.

38 Expenses for marketing and administration

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Marketing and administrative expenses	1,471,240	1,468,479	1,261,584	1,166,962
Direct selling cost	430,492	366,874	430,492	366,874
	1,901,732	1,835,353	1,692,076	1,533,836

39 Employee benefit expense

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Wages and salaries	1,491,557	1,753,977	775,072	1,289,059
Other employee costs	878,062	284,682	141,789	17,220
Pension costs – defined contribution plans	76,685	56,260	57,173	41,691
Performance-based expenses	408,050	405,185	289,697	313,404
Equity and Cash settled share-based payments	(75,215)	90,160	(75,215)	90,160
	2,779,139	2,590,264	1,188,516	1,751,534

In accordance with Pension Reform Act 2014, the Group contributes 10.0% each of the qualifying staff's salary (Basic, transport, and housing). The contributions are recognised as employee benefits expense when they are due.

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

40 Other operating expenses

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Depreciation charges	409,303	429,435	319,220	313,060
Amortization charges	81,358	94,416	47,591	56,711
Depreciation on ROU	162,508	-	90,178	-
Professional fees	267,391	183,678	217,176	120,437
Directors' emolument and expenses	68,770	100,318	38,173	26,118
Contract services cost	948,749	925,469	797,485	791,976
Auditor's remuneration	40,322	49,930	32,572	44,550
Bank charges	107,670	106,703	73,518	68,207
Stamp duty charge on bank transactions	5,369	6,092	5,368	6,090
Insurance related expenses	41,488	26,683	192,238	183,799
Training expenses	122,129	129,355	106,278	119,587
Asset management fees expense	-	-	184,690	184,301
Information technology expenses	434,878	401,378	371,188	314,955
Maintenance expenses	364,388	259,149	364,388	232,837
Other expenses	314,677	123,105	113,419	16,533
	3,369,000	2,835,711	2,953,481	2,479,161

41 Finance cost

The N37m finance cost in 2019 relates to capitalized lease liability while the group figures for 2019 and 2018 relate to interest expense on external Loans

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Interest expense	443,835	443,857	37,275	-
	443,835	443,857	37,275	-

42 Income tax expense

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
<i>Company income tax</i>				
- Non life	99,731	90,361	99,731	90,361
- Life	39,858	116,686	39,858	116,686
- AXA Mansard Investments Limited	3,392	60,000	-	-
- APD Limited	385,733	228,071	-	-
- AXA Mansard Health Limited	425,662	197,400	-	-
- AXA Mansard Pensions Limited	9,812	9,209	-	-
<i>Education tax</i>				
- APD Limited	16,693	-	-	-
- AXA Mansard Health Limited	28,842	12,781	-	-
- AXA Mansard Investments limited	676	4,644	-	-
	1,010,399	719,152	139,589	207,047
<i>Deferred tax</i>				
- Non life	-	-	-	-
- Life	-	-	-	-
- AXA Mansard Investments limited	4,209	136	-	-
- APD Limited	2,540	205,658	-	-
- AXA Mansard Health Limited	2,080	(12,373)	-	-
- AXA Mansard Pensions Limited	-	(14,782)	-	-
	8,829	178,639	-	-
Total tax charge for the year	1,019,228	897,791	139,589	207,047

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

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-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
<i>Effective tax rate reconciliation analysis</i>				
Profit before income tax	3,927,500	3,380,073	4,978,919	1,828,263
Tax calculated at domestic rate applicable in Nigeria at 30% (2017:30%)	1,178,250	1,275,133	1,493,676	548,479
Effect of:				
Tax exempt income	(2,452,707)	(1,344,903)	(2,154,102)	(1,016,661)
Expenses not deducted for tax purposes	30,980	685,095	-	656,994
Effect of unrecognized tax losses	3,257,470	250,041	1,987,122	256,914
Impact of minimum tax	148,424	215,066	139,589	207,047
Impact of industry tax law	(1,338,583)	(556,827)	(1,326,947)	(531,525)
NITDA Levy	-	3,147	-	-
Withholding tax	-	85,800	-	85,800
Previously recognized deferred tax liability	148,820	-	-	-
Impact of Dividend tax	363	257,400	251	-
Tertiary education tax	46,211	27,839	-	-
	1,019,228	897,791	139,589	207,047

43 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-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Profit attributable to equity holders	2,708,674	2,204,212	4,839,330	1,621,216
Weighted average number of ordinary shares in issue (thousands) (see note (a) (i) below)	10,322,719	10,322,719	10,322,719	10,322,719
Basic earnings per share (kobo per share)	26	21	47	16

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

	Parent Dec-2019	Parent Dec-2018
Issued ordinary shares at 1 January	10,322,719	10,322,719
Effect of ordinary shares issued during the year	-	-
Weighted-average number of ordinary shares at 31 December	10,322,719	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-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Profit attributable to equity holders	2,708,674	2,204,212	4,839,330	1,621,216
Weighted average number of ordinary shares in issue (thousands) (see note (a) (i) below)	10,500,000	10,486,501	10,500,000	10,486,501
Diluted earnings per share (kobo per share)	26	21	46	15

(i) Average number of ordinary shares (diluted)

	Group Dec-2019	Group Dec-2018
Issued ordinary shares at 1 January	10,486,501	10,486,501
Effect of ordinary shares granted under the employee share option	-	-
Weighted-average number of ordinary shares at 31 December	10,486,501	10,486,501

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

(All amounts in thousands of Naira unless otherwise stated)

44 Supplementary income statement information:

- (a) i. Employees, other than the executive directors, whose duties were wholly or mainly discharged in Nigeria, received emoluments (excluding pension contribution and other allowances) in the following ranges:

	Group Dec-2019 Number	Group Dec 2018 Number	Parent Dec-2019 Number	Parent Dec 2018 Number
N720,001 – N1,400,000	-	-	-	-
N1,400,001 – N2,050,000	7	10	-	-
N2,050,001 – N2,330,000	4	1	-	-
N2,330,001 – N2,840,000	-	-	-	-
N2,840,001 – N3,000,000	-	-	-	-
N3,000,001 – N4,500,000	146	154	112	114
N4,500,001 – N5,950,000	52	51	40	39
N5,950,001 – N6,800,000	22	22	17	17
N6,800,001 – N7,800,000	16	10	9	6
N7,800,001 – N8,600,000	9	7	5	5
N8,600,001 – N11,800,000	26	17	21	12
Above N11,800,000	28	21	24	17
	310	293	228	210

- ii. The average number of full time persons employed by the Company during the year was as follow:

	Group Dec-2019 Number	Group Dec 2018 Number	Parent Dec-2019 Number	Parent Dec 2018 Number
Executive directors	4	6	4	3
Management staff	14	16	12	13
Non management staff	299	277	212	197
	317	299	228	213

(b) Directors' remuneration:

- i. Remuneration expensed in respect of the directors was as follows:

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Executive compensation	330,897	120,487	205,340	120,487
Directors' fees	2,107	1,650	900	1,650
Other directors expenses	66,664	24,468	37,273	24,468
Defined contribution	11,771	6,429	6,678	6,429
Equity-settled share-based scheme	13,738	7,226	13,738	7,226
Cash-settled share-based scheme	(54,508)	16,916	(54,508)	16,916
	370,668	177,177	209,421	177,177

- ii. The directors' remuneration shown above (excluding pension contributions) includes:

	Group Dec-2019	Group Dec-2018	Parent Dec-2019	Parent Dec-2018
Chairman	7,867	7,867	7,867	7,867
Highest paid director:				
Executive compensation and pension contribution	61,704	61,704	61,704	61,704
Equity-settled share-based scheme	13,738	1,089	13,738	1,089
Cash-settled share-based scheme	-	12,650	-	12,650
	75,442	75,443	75,442	75,443

- iii. The emoluments of all other directors fell within the following range:

	Group Dec-2019 Number	Group Dec-2018 Number	Parent Dec-2019 Number	Parent Dec-2018 Number
N300,001 - N350,000	-	-	-	-
N500,001 - N1,000,000	-	-	-	-
N1,000,001- N1,500,000	7	7	7	7
N1,500,001 and above	4	4	4	4
	11	11	11	11

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

(All amounts in thousands of Naira unless otherwise stated)

45 Share-based payment arrangements

(a) Equity-settled share based payment : Mansard Staff Share Option Plan (MSOP)

- (i) The Group operates an equity settled share-based payment arrangement under which the entity receives services from employees as a consideration for equity instrument of the Company. The eventual value of the right is settled by receipt of value of shares equivalent to the full value of the options.

The Scheme is granted to senior management staff (employees from Managers to Executive Directors) and middle management staff (employees from Senior Executive Officers to Deputy Managers).

The scheme has a number of grant cycles as illustrated by the table below:

Grant cycle	Grant cycle	Expiry date	Vesting Period	Shares per grant ('000)
1	2013- 2015	2017	3 yrs	237,500
2	2014- 2017	2020	4 yrs	79,167
3	2015- 2018	2021	4 yrs	79,167
4	2017- 2020	2023	4 yrs	79,167

The price at which the options are granted to eligible employees, determined on the grant date, is the six-month average market price of AXA Mansard's shares prior to the grant Date.

All the cycles have a one year restriction period and 1.1/2 years exercise period

(ii) Measurement of fair values

The fair value of the Mansard Share Option Plan has been measured using the Black-Scholes model. The requirement that employees have to be in the Company's employment over the vesting period under the share option scheme has been incorporated into the fair value at grant date by applying a discount to the valuation obtained. The discount has been determined by estimating the staff attrition rate over the period.

The inputs used in the measurement of the fair values at grant dates for the third cycle and the fourth cycle of the equity-settled share option plan were as follows:

	4th Cycle	3rd Cycle
Fair value at grant date (Naira)	0.24	0.41
Share price at grant date (Naira)	1.83	2.82
Exercise price (Naira)	1.89	3.11
Expected volatility (weighted average)	50%	56%
Expected dividends	3.11%	3.02%
Average attrition rate	13%	13%
Risk-free interest rate (based on government treasury bills)	14.83%	13.62%

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with expected term.

(iii) Reconciliation of outstanding share options

The number and weighted-average prices of share options under the share options plans were as follows:

	Dec 2019		Dec 2018	
	No of options	Weighted-average price	No of options	Weighted-average price
	Numbers (000)		Numbers (000)	
Beginning of year	177,281	-	177,281	-
Options exercised	-	-	-	-
Options outstanding at end of year	177,281	-	177,281	-

The weighted average share price for the AXA Mansard Insurance Plc's share as at 31 December 2019 was N1.86 (Dec 2018: N1.83)

(b) Cash settled share based payment- Share Appreciation Rights

- (i) During the year, the Group granted Share Appreciation Rights to certain senior management staff members that entitle the employees to a cash payment. The amount of the cash payment is determined based on the increase in the share price of the Company between grant date and the time of exercise.

The rights are granted to senior management staff (employees from Deputy General Managers to Executive Directors).

The scheme has a number of grant cycles as illustrated by the table below:

Grant cycles	Grant cycle	Expiry date	Vesting Period
1	2015-2017	2018	3 yrs
2	2016-2019	2020	4 yrs
3	2017-2020	2021	4 yrs
4	2018-2021	2022	4 yrs

The price at which the rights are granted to eligible employees, determined on the grant date, is the six-month average market price of AXA Mansard's shares prior to the Grant Date.

All the cycles have a one year restriction period and a maximum of six years exercise period.

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

(All amounts in thousands of Naira unless otherwise stated)

(ii) Measurement of fair values

The fair value of the Share Appreciation Rights has been measured using the Black-Scholes model. The requirement that employees have to be in the Company's employment over the vesting period under the share option scheme has been incorporated into the fair value at grant date by applying a discount to the valuation obtained. The discount has been determined by estimating the attrition rate of staff over the period.

The inputs used in the measurement of the fair values at grant dates for the first grant cycle of the Share Appreciation Rights were as follows:

	Dec-2019	Dec-2018
Fair value at grant date (Naira)	0.61	0.61
Share price at grant date (Naira)	1.63	1.63
Exercise price (Naira)	1.95	1.95
Expected volatility (weighted average)	49.73%	49.73%
Expected dividends	3.12%	3.12%
Average attrition rate	12%	12%
Risk-free interest rate (based on government treasury bills)	20.98%	20.98%

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with expected term.

(d) The total expenses recognised in respect of the share option scheme are as follows:

	Dec-2019	Dec-2018
Equity-settled share-based scheme- Staff	3,435	37,939
Equity-settled share-based scheme- Directors	13,738	7,226
Cash-settled share-based scheme -staff	(37,879)	10,150
Cash-settled share-based scheme- Directors	(54,508)	16,916

46 Dividend paid

No dividend was declared and paid during the year 2019

	Dec-2019	Dec-2018
Gross dividend declared	-	630,000
Dividend on treasury shares	-	-
Net dividend paid	-	630,000

47 Related parties

Parent

The ultimate beneficial of the Company, which is also the ultimate parent company, is Societe Beaujon AXA which owns 76.48% (through Assur Africa Holdings) of the Company's shares. The ultimate parent company is Societe Beaujon AXA under the Latin America and Mediterranean operations. The remaining 23.52% of the shares are widely held.

Subsidiaries

Transactions between AXA Mansard Insurance Plc and the subsidiaries also meet the definition of related party transactions. Where these are eliminated on consolidation, they are not disclosed in the consolidated financial statements.

Transactions with key management personnel

The Group's key management personnel, and persons connected with them are considered to be related parties for disclosure purposes. The definition of key management includes close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive and non-executive directors of the Group. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with AXA Mansard.

The volume of related party transactions, outstanding balances at year end, and related expense and income for the year are as follows:

Statement of financial position

(a) Loans and advances

(i) Loans and advances to key management personnel

<i>In thousands of Nigerian Naira</i>	Dec-2019	Dec 2018
Loans outstanding as at 1 January	25,858	59,368
Loans issued during the year	19,181	-
Loans repayment during the year	(9,453)	(33,510)
Loan outstanding, end of year	35,586	25,858

These are mortgage loans granted to two Directors of AXA Mansard Investments Limited. No impairment has been recognised in respect of loans given to key management personnel (2018: Nil).

(ii) Loans and advances to subsidiaries

<i>In thousands of Nigerian Naira</i>	Dec-2019	Dec 2018
Loans outstanding as at 1 January	-	3,576,625
Net loans and advances issued during the year	-	-
Capitalised interest	-	315,858
Converted to equity	-	(1,077,801)
Loans repayment during the year	-	(2,814,681)
Balance, end of year	-	0

No impairment has been recognised in respect of loans and advances to subsidiaries (2018: Nil).

(b) Intercompany balances

<i>In thousands of Nigerian Naira</i>	Dec-2019	Dec 2018
Intercompany (payables)/receivables	175,647	(237,353)

These balances arise from transactions between the parent Company and other subsidiaries within the Group and related entities in the normal course of business.

(c) Income statement

Intercompany transactions

<i>In thousands of Nigerian Naira</i>	Dec-2019	Dec 2018
Interest income earned on intercompany loans	83,012	315,858
Asset management fees	(184,690)	(184,301)

Key management personnel

Directors' remuneration (<i>See note (44(b) for details</i>)	(370,668)	(177,177)
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Interest income earned on intercompany loans represents interest charged by the parent Company on loans advanced to its subsidiary; APD Limited. The asset management fees are earned by AXA Mansard Investments Limited in respect of funds managed on behalf of the Group.

48 Contraventions

<i>In thousands of Nigerian Naira</i>	Group Dec-2019	Group Dec 2018	Parent Dec-2019	Parent Dec 2018
Penalty to National Insurance Commission (NAICOM)		500		500



AXA Mansard Insurance Plc and Subsidiary Companies

Other National Disclosures

APPENDIX 1 (Claims Paid Triangulations as at 31 December 2019)

Motor

Accident Period	Development																			
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
2010_H1	1,128,397	1,224,283	1,237,026	1,264,465	1,282,410	1,282,416	1,282,505	1,282,505	1,283,560	1,283,560	1,283,560	1,283,560	1,283,560	1,283,560	1,283,560	1,283,560	1,283,560	1,283,560	1,283,560	1,283,560
2010_H2	1,131,865	1,265,504	1,279,530	1,292,193	1,294,273	1,298,208	1,298,208	1,298,208	1,300,607	1,300,607	1,300,642	1,300,642	1,300,642	1,300,642	1,300,642	1,300,642	1,300,642	1,300,642	1,300,642	1,300,642
2011_H1	1,075,681	1,146,277	1,174,740	1,176,357	1,217,900	1,221,441	1,221,441	1,221,441	1,221,441	1,221,441	1,221,441	1,221,441	1,221,769	1,221,776	1,223,675	1,223,675	1,223,675	1,223,675	1,223,675	1,223,675
2011_H2	1,275,807	1,416,250	1,459,518	1,507,075	1,524,878	1,527,461	1,540,857	1,540,857	1,540,857	1,540,857	1,540,857	1,540,857	1,540,863	1,540,863	1,540,863	1,540,863	1,540,863	1,540,863	1,540,863	1,540,863
2012_H1	1,576,122	1,721,109	1,801,734	1,845,824	1,846,696	1,853,583	1,853,654	1,853,907	1,855,648	1,859,674	1,859,674	1,859,674	1,859,674	1,859,674	1,861,462	1,861,462	1,861,462	1,861,462	1,861,462	1,861,462
2012_H2	1,417,110	1,631,444	1,683,902	1,701,658	1,715,296	1,723,550	1,725,281	1,739,041	1,747,773	1,762,857	1,767,520	1,773,831	1,775,023	1,775,023	1,775,023	1,775,023	1,775,023	1,775,023	1,775,023	1,775,023
2013_H1	1,374,775	1,471,690	1,516,144	1,516,776	1,518,464	1,518,464	1,522,104	1,523,783	1,523,783	1,523,783	1,523,783	1,523,783	1,523,783	1,523,783	1,523,783	1,523,783	1,523,783	1,523,783	1,523,783	1,523,783
2013_H2	1,456,085	1,540,466	1,607,057	1,621,068	1,636,491	1,637,014	1,639,216	1,639,216	1,646,796	1,646,796	1,646,796	1,646,796	1,653,551	1,658,326	1,658,326	1,658,326	1,658,326	1,658,326	1,658,326	1,658,326
2014_H1	1,448,204	1,559,800	1,598,440	1,613,361	1,622,226	1,644,925	1,664,925	1,665,850	1,665,850	1,691,358	1,703,477	1,703,477	1,703,477	1,703,477	1,703,477	1,703,477	1,703,477	1,703,477	1,703,477	1,703,477
2014_H2	1,555,563	1,626,608	1,656,001	1,739,878	1,782,901	1,804,124	1,813,313	1,819,306	1,819,306	1,820,357	1,820,357	1,820,357	1,820,357	1,820,357	1,820,357	1,820,357	1,820,357	1,820,357	1,820,357	1,820,357
2015_H1	1,488,085	1,568,184	1,611,693	1,685,002	1,724,240	1,728,714	1,751,282	1,759,677	1,759,677	1,759,677	1,759,677	1,759,677	1,759,677	1,759,677	1,759,677	1,759,677	1,759,677	1,759,677	1,759,677	1,759,677
2015_H2	1,270,097	1,432,053	1,611,590	1,618,560	1,627,424	1,629,635	1,629,635	1,629,635	1,629,635	1,629,635	1,629,635	1,629,635	1,629,635	1,629,635	1,629,635	1,629,635	1,629,635	1,629,635	1,629,635	1,629,635
2016_H1	1,015,316	1,564,709	1,589,405	1,589,658	1,603,153	1,604,931	1,608,156	1,609,946	1,609,946	1,609,946	1,609,946	1,609,946	1,609,946	1,609,946	1,609,946	1,609,946	1,609,946	1,609,946	1,609,946	1,609,946
2016_H2	1,330,765	1,365,112	1,372,847	1,372,943	1,377,719	1,385,288	1,385,709	1,385,709	1,385,709	1,385,709	1,385,709	1,385,709	1,385,709	1,385,709	1,385,709	1,385,709	1,385,709	1,385,709	1,385,709	1,385,709
2017_H1	1,512,449	1,545,811	1,550,072	1,550,090	1,556,877	1,560,125	1,560,125	1,560,125	1,560,125	1,560,125	1,560,125	1,560,125	1,560,125	1,560,125	1,560,125	1,560,125	1,560,125	1,560,125	1,560,125	1,560,125
2017_H2	1,410,940	1,476,751	1,478,927	1,484,257	1,485,740	1,485,740	1,485,740	1,485,740	1,485,740	1,485,740	1,485,740	1,485,740	1,485,740	1,485,740	1,485,740	1,485,740	1,485,740	1,485,740	1,485,740	1,485,740
2018_H1	1,150,082	1,184,613	1,194,386	1,196,100	1,196,100	1,196,100	1,196,100	1,196,100	1,196,100	1,196,100	1,196,100	1,196,100	1,196,100	1,196,100	1,196,100	1,196,100	1,196,100	1,196,100	1,196,100	1,196,100
2018_H2	1,064,294	1,109,297	1,111,802	1,111,802	1,111,802	1,111,802	1,111,802	1,111,802	1,111,802	1,111,802	1,111,802	1,111,802	1,111,802	1,111,802	1,111,802	1,111,802	1,111,802	1,111,802	1,111,802	1,111,802
2019_H1	975,101	983,120	983,120	983,120	983,120	983,120	983,120	983,120	983,120	983,120	983,120	983,120	983,120	983,120	983,120	983,120	983,120	983,120	983,120	983,120
2019_H2	634,120	634,120	634,120	634,120	634,120	634,120	634,120	634,120	634,120	634,120	634,120	634,120	634,120	634,120	634,120	634,120	634,120	634,120	634,120	634,120

Fire

	Development																			
Accident Period	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
2010_H1	60,053	163,005	214,372	224,539	241,497	241,497	320,327	320,327	320,749	320,749	320,749	320,749	320,749	320,749	320,749	320,749	320,749	320,749	320,749	320,749
2010_H2	25,583	56,960	117,484	118,141	118,162	121,458	130,992	132,336	132,336	132,336	132,336	132,336	132,336	132,336	132,336	132,336	132,336	132,336	132,336	132,336
2011_H1	329,755	480,806	504,968	517,253	528,151	529,605	531,003	540,405	540,581	540,581	540,581	540,613	540,613	540,613	540,613	540,613	540,613	540,613	540,613	540,613
2011_H2	157,707	468,946	505,766	516,678	517,038	584,545	584,545	586,900	586,900	586,900	586,900	586,900	586,900	586,900	586,900	586,900	586,900	586,900	586,900	586,900
2012_H1	184,968	288,783	392,340	429,849	439,733	444,332	444,332	444,332	444,332	444,468	444,468	444,540	444,549	444,549	444,549	444,549	444,549	444,549	444,549	444,549
2012_H2	157,194	288,068	288,105	290,997	290,997	292,086	293,057	293,057	293,057	293,057	293,057	293,057	293,057	293,057	293,057	293,057	293,057	293,057	293,057	293,057
2013_H1	359,630	499,724	502,748	508,027	530,085	530,085	530,085	530,656	530,656	530,656	530,656	530,656	530,656	530,694	530,694	530,694	530,694	530,694	530,694	530,694
2013_H2	202,563	374,981	424,366	425,988	426,229	426,385	428,745	429,844	435,800	435,844	435,879	435,920	435,920	435,920	435,920	435,920	435,920	435,920	435,920	435,920
2014_H1	183,855	215,109	276,727	281,342	281,342	285,825	287,586	288,657	289,588	290,147	290,147	290,147	290,147	290,147	290,147	290,147	290,147	290,147	290,147	290,147
2014_H2	212,262	245,871	257,892	260,310	277,449	282,129	284,013	287,410	288,578	288,594	288,594	288,594	288,594	288,594	288,594	288,594	288,594	288,594	288,594	288,594
2015_H1	393,127	418,868	420,466	549,564	554,552	561,696	570,941	586,413	601,046	601,046	601,046	601,046	601,046	601,046	601,046	601,046	601,046	601,046	601,046	601,046
2015_H2	61,971	67,446	166,029	169,246	192,348	200,867	222,831	239,705	239,705	239,705	239,705	239,705	239,705	239,705	239,705	239,705	239,705	239,705	239,705	239,705
2016_H1	15,103	255,197	525,440	533,343	538,722	574,526	594,247	594,247	594,247	594,247	594,247	594,247	594,247	594,247	594,247	594,247	594,247	594,247	594,247	594,247
2016_H2	378,365	558,793	784,861	793,871	817,456	868,038	868,038	868,038	868,038	868,038	868,038	868,038	868,038	868,038	868,038	868,038	868,038	868,038	868,038	868,038
2017_H1	104,761	141,039	153,214	155,185	167,831	188,972	188,972	188,972	188,972	188,972	188,972	188,972	188,972	188,972	188,972	188,972	188,972	188,972	188,972	188,972
2017_H2	123,504	551,741	556,076	559,699	559,802	559,802	559,802	559,802	559,802	559,802	559,802	559,802	559,802	559,802	559,802	559,802	559,802	559,802	559,802	559,802
2018_H1	99,884	327,808	371,990	399,911	399,911	399,911	399,911	399,911	399,911	399,911	399,911	399,911	399,911	399,911	399,911	399,911	399,911	399,911	399,911	399,911
2018_H2	101,014	150,893	216,643	216,643	216,643	216,643	216,643	216,643	216,643	216,643	216,643	216,643	216,643	216,643	216,643	216,643	216,643	216,643	216,643	216,643
2019_H1	200,474	261,199	261,199	261,199	261,199	261,199	261,199	261,199	261,199	261,199	261,199	261,199	261,199	261,199	261,199	261,199	261,199	261,199	261,199	261,199
2019_H2	25,622	25,622	25,622	25,622	25,622	25,622	25,622	25,622	25,622	25,622	25,622	25,622	25,622	25,622	25,622	25,622	25,622	25,622	25,622	25,622

AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019

Marine Hull																				
		Development																		
Accident Period	0	1	2	3	4	5	6	7	8	9										
2010	25,434	27,439	27,439	27,439	27,439	27,439	27,439	27,439	27,439	27,439										
2011	25,973	68,958	68,958	68,958	68,958	68,958	68,958	68,958	68,958	68,958										
2012	119,926	119,926	120,163	120,163	120,163	120,163	120,163	120,163	120,163	120,163										
2013	4,462	4,462	20,600	20,600	20,600	20,600	20,600	20,600	20,600	20,600										
2014	43,719	51,781	51,781	51,781	51,781	51,781	51,781	51,781	51,781	51,781										
2015	360,151	528,523	528,523	529,703	529,703	529,703	529,703	529,703	529,703	529,703										
2016	29,342	37,806	37,806	37,806	37,806	37,806	37,806	37,806	37,806	37,806										
2017	223,088	293,267	293,267	293,267	293,267	293,267	293,267	293,267	293,267	293,267										
2018	104,076	104,076	104,076	104,076	104,076	104,076	104,076	104,076	104,076	104,076										
2019	782	782	782	782	782	782	782	782	782	782										

General Accident																				
		Development																		
Accident Period	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
2010_H1	151,910	257,713	281,039	286,833	300,030	304,408	305,645	309,152	310,892	318,748	318,890	318,890	318,890	318,890	318,890	318,890	318,890	320,056	326,313	326,313
2010_H2	111,906	196,778	251,635	265,268	269,055	279,347	280,809	284,120	284,943	284,971	285,769	286,383	287,082	287,082	287,082	287,486	287,486	287,486	287,486	287,486
2011_H1	126,961	177,912	197,087	207,821	220,426	227,191	233,994	234,490	234,773	248,875	252,032	257,021	257,612	257,612	258,086	258,086	258,086	258,086	258,086	258,086
2011_H2	119,136	190,005	250,043	272,502	311,576	316,184	337,640	340,437	350,642	351,369	351,369	351,369	351,523	351,778	351,778	351,778	351,778	351,778	351,778	351,778
2012_H1	167,064	318,556	349,214	378,404	388,231	388,545	390,776	395,242	395,242	396,693	396,693	398,044	399,200	399,200	399,200	399,200	399,200	399,200	399,200	399,200
2012_H2	139,002	336,691	397,013	435,070	442,660	453,518	454,833	454,859	455,211	457,905	458,234	458,790	458,853	458,853	458,853	458,853	458,853	458,853	458,853	458,853
2013_H1	183,511	261,412	279,716	287,965	290,380	295,455	298,677	299,137	318,490	323,235	323,328	323,328	323,328	323,328	323,328	323,328	323,328	323,328	323,328	323,328
2013_H2	163,992	244,951	265,261	265,516	271,743	272,051	283,352	287,344	287,485	288,521	289,809	289,809	289,809	289,809	289,809	289,809	289,809	289,809	289,809	289,809
2014_H1	119,767	153,141	171,726	187,543	193,689	195,115	195,439	195,752	196,618	196,618	196,618	196,618	196,618	196,618	196,618	196,618	196,618	196,618	196,618	196,618
2014_H2	205,932	317,127	331,620	368,895	373,194	373,529	373,688	374,017	379,220	379,246	379,246	379,246	379,246	379,246	379,246	379,246	379,246	379,246	379,246	379,246
2015_H1	182,791	403,147	419,877	428,207	430,920	431,536	431,997	433,249	433,306	434,329	434,329	434,329	434,329	434,329	434,329	434,329	434,329	434,329	434,329	434,329
2015_H2	315,746	342,465	368,080	386,901	389,875	399,285	400,718	400,802	401,062	401,062	401,062	401,062	401,062	401,062	401,062	401,062	401,062	401,062	401,062	401,062
2016_H1	266,674	381,360	414,683	419,493	423,789	424,266	425,090	425,090	425,090	425,090	425,090	425,090	425,090	425,090	425,090	425,090	425,090	425,090	425,090	425,090
2016_H2	282,071	384,348	396,657	409,829	411,479	411,740	411,746	411,746	411,746	411,746	411,746	411,746	411,746	411,746	411,746	411,746	411,746	411,746	411,746	411,746
2017_H1	198,474	270,942	296,013	302,918	304,404	304,643	304,643	304,643	304,643	304,643	304,643	304,643	304,643	304,643	304,643	304,643	304,643	304,643	304,643	304,643
2017_H2	209,886	268,394	286,388	323,380	327,286	327,286	327,286	327,286	327,286	327,286	327,286	327,286	327,286	327,286	327,286	327,286	327,286	327,286	327,286	327,286
2018_H1	177,891	242,121	257,515	259,381	259,381	259,381	259,381	259,381	259,381	259,381	259,381	259,381	259,381	259,381	259,381	259,381	259,381	259,381	259,381	259,381
2018_H2	194,084	221,474	222,197	222,197	222,197	222,197	222,197	222,197	222,197	222,197	222,197	222,197	222,197	222,197	222,197	222,197	222,197	222,197	222,197	222,197
2019_H1	90,445	177,143	177,143	177,143	177,143	177,143	177,143	177,143	177,143	177,143	177,143	177,143	177,143	177,143	177,143	177,143	177,143	177,143	177,143	177,143
2019_H2	65,740	65,740	65,740	65,740	65,740	65,740	65,740	65,740	65,740	65,740	65,740	65,740	65,740	65,740	65,740	65,740	65,740	65,740	65,740	65,740

AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019

Engineering																				
Accident Period	Development																			
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
2010_H1	22,207	24,345	128,299	135,361	136,474	140,627	140,627	140,627	140,627	140,627	141,643	141,653	141,653	141,653	141,653	141,653	141,653	141,653	141,653	141,653
2010_H2	121,596	182,788	190,272	190,565	192,468	192,468	192,468	192,468	192,468	192,468	192,468	192,468	192,468	192,468	192,468	192,468	192,468	192,468	192,468	192,468
2011_H1	39,721	72,471	74,792	76,583	77,514	77,560	77,560	77,560	77,747	78,232	78,232	78,232	78,232	78,232	78,232	78,232	78,232	78,232	78,232	78,232
2011_H2	105,947	239,949	258,246	269,388	269,388	269,388	269,388	269,388	269,388	269,388	269,388	269,388	269,388	269,388	269,388	269,388	269,388	269,388	269,388	269,388
2012_H1	34,082	44,323	50,562	53,576	53,645	53,645	53,674	53,674	53,674	53,674	53,674	53,674	53,674	53,674	53,674	53,674	53,674	53,674	53,674	53,674
2012_H2	75,513	131,462	137,392	137,415	137,415	142,115	142,308	142,308	142,308	142,308	142,308	142,308	142,308	142,308	142,308	142,308	142,308	142,308	142,308	142,308
2013_H1	41,546	66,462	126,308	136,169	136,169	136,169	136,169	136,387	136,387	136,387	136,387	136,387	136,387	136,387	136,387	136,387	136,387	136,387	136,387	136,387
2013_H2	96,974	121,083	122,518	122,518	122,518	122,518	122,518	122,518	122,518	122,518	122,565	122,778	122,778	122,778	122,778	122,778	122,778	122,778	122,778	122,778
2014_H1	40,878	55,542	56,734	57,850	62,058	62,066	64,644	64,644	64,644	64,644	64,644	64,644	64,644	64,644	64,644	64,644	64,644	64,644	64,644	64,644
2014_H2	115,855	224,256	246,865	260,222	260,222	260,222	260,222	260,222	260,222	260,222	260,222	260,222	260,222	260,222	260,222	260,222	260,222	260,222	260,222	260,222
2015_H1	68,913	109,625	165,447	165,447	171,337	181,501	181,501	183,110	183,110	183,110	183,110	183,110	183,110	183,110	183,110	183,110	183,110	183,110	183,110	183,110
2015_H2	12,750	19,582	30,214	30,214	30,214	30,214	30,214	30,214	30,214	30,214	30,214	30,214	30,214	30,214	30,214	30,214	30,214	30,214	30,214	30,214
2016_H1	79,171	108,456	133,898	142,630	142,630	142,630	142,630	142,630	142,630	142,630	142,630	142,630	142,630	142,630	142,630	142,630	142,630	142,630	142,630	142,630
2016_H2	29,302	59,312	63,887	63,887	63,887	75,235	75,235	75,235	75,235	75,235	75,235	75,235	75,235	75,235	75,235	75,235	75,235	75,235	75,235	75,235
2017_H1	48,018	78,685	85,125	85,125	85,125	85,125	85,125	85,125	85,125	85,125	85,125	85,125	85,125	85,125	85,125	85,125	85,125	85,125	85,125	85,125
2017_H2	66,767	78,781	101,173	104,356	104,420	104,420	104,420	104,420	104,420	104,420	104,420	104,420	104,420	104,420	104,420	104,420	104,420	104,420	104,420	104,420
2018_H1	89,902	124,540	124,716	124,729	124,729	124,729	124,729	124,729	124,729	124,729	124,729	124,729	124,729	124,729	124,729	124,729	124,729	124,729	124,729	124,729
2018_H2	13,945	81,920	81,920	81,920	81,920	81,920	81,920	81,920	81,920	81,920	81,920	81,920	81,920	81,920	81,920	81,920	81,920	81,920	81,920	81,920
2019_H1	66,664	138,112	138,112	138,112	138,112	138,112	138,112	138,112	138,112	138,112	138,112	138,112	138,112	138,112	138,112	138,112	138,112	138,112	138,112	138,112
2019_H2	5,248	5,248	5,248	5,248	5,248	5,248	5,248	5,248	5,248	5,248	5,248	5,248	5,248	5,248	5,248	5,248	5,248	5,248	5,248	5,248

Marine Cargo																				
Accident Period	Development																			
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
2010_H1	191,745	194,623	199,522	199,964	203,504	206,495	206,495	209,263	209,263	210,437	210,437	210,437	210,437	210,437	210,437	210,437	210,437	210,437	210,437	210,437
2010_H2	27,928	71,187	83,086	83,086	83,086	83,256	83,256	83,499	83,499	83,499	83,499	83,499	83,499	83,499	83,499	83,499	83,499	83,499	83,499	83,499
2011_H1	68,434	84,769	84,769	84,769	84,873	89,268	116,299	116,299	118,100	118,100	118,100	118,100	118,100	118,100	118,100	118,100	118,100	118,100	118,100	118,100
2011_H2	95,642	159,980	199,339	200,459	200,459	200,459	200,459	200,459	200,459	200,459	200,459	200,459	200,459	200,459	200,459	200,459	200,459	200,459	200,459	200,459
2012_H1	177,995	179,412	197,915	197,925	197,925	197,925	197,925	197,925	197,925	197,925	197,925	197,925	197,925	197,925	197,925	197,925	197,925	197,925	197,925	197,925
2012_H2	179,071	193,224	195,080	202,403	203,310	203,310	203,310	203,310	203,310	203,310	203,310	203,310	203,310	203,310	203,310	203,310	203,310	203,310	203,310	203,310
2013_H1	32,717	33,254	33,254	33,254	37,179	37,179	37,179	37,179	37,179	37,179	37,179	37,179	37,179	37,179	37,179	37,179	37,179	37,179	37,179	37,179
2013_H2	48,769	49,867	125,777	125,777	125,923	130,550	130,550	130,550	130,550	130,550	130,550	130,550	130,550	130,550	130,550	130,550	130,550	130,550	130,550	130,550
2014_H1	42,441	50,461	50,461	50,865	65,246	65,246	65,246	65,246	65,246	65,246	65,246	65,246	65,246	65,246	65,246	65,246	65,246	65,246	65,246	65,246
2014_H2	23,932	30,766	32,130	66,220	71,701	71,701	71,701	71,701	71,701	71,701	71,701	71,701	71,701	71,701	71,701	71,701	71,701	71,701	71,701	71,701
2015_H1	22,257	27,215	30,129	30,129	34,292	34,292	34,292	34,292	34,292	34,292	34,292	34,292	34,292	34,292	34,292	34,292	34,292	34,292	34,292	34,292
2015_H2	8,335	11,590	19,089	19,089	19,089	19,395	19,395	19,395	19,395	19,395	19,395	19,395	19,395	19,395	19,395	19,395	19,395	19,395	19,395	19,395
2016_H1	3,605	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699
2016_H2	3,823	4,731	5,271	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280
2017_H1	49,861	94,476	94,571	94,571	94,571	94,571	94,571	94,571	94,571	94,571	94,571	94,571	94,571	94,571	94,571	94,571	94,571	94,571	94,571	94,571
2017_H2	16,945	17,516	17,516	17,516	17,516	17,516	17,516	17,516	17,516	17,516	17,516	17,516	17,516	17,516	17,516	17,516	17,516	17,516	17,516	17,516
2018_H1	3,808	25,257	29,673	29,715	29,715	29,715	29,715	29,715	29,715	29,715	29,715	29,715	29,715	29,715	29,715	29,715	29,715	29,715	29,715	29,715
2018_H2	16,927	23,334	176,088	176,088	176,088	176,088	176,088	176,088	176,088	176,088	176,088	176,088	176,088	176,088	176,088	176,088	176,088	176,088	176,088	176,088
2019_H1	8,264	8,382	8,382	8,382	8,382	8,382	8,382	8,382	8,382	8,382	8,382	8,382	8,382	8,382	8,382	8,382	8,382	8,382	8,382	8,382
2019_H2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Marine Cargo																				
Accident Period	Development																			
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
2010_H1	191,745	194,623	199,522	199,964	203,504	206,495	206,495	209,263	209,263	210,437	210,437	210,437	210,437	210,437	210,437	210,437	210,437	210,437	210,437	210,437
2010_H2	27,928	71,187	83,086	83,086	83,086	83,256	83,256	83,499	83,499	83,499	83,499	83,499	83,499	83,499	83,499	83,499	83,499	83,499	83,499	83,499
2011_H1	68,434	84,769	84,769	84,769	84,873	89,268	116,299	116,299	118,100	118,100	118,100	118,100	118,100	118,100	118,100	118,100	118,100	118,100	118,100	118,100
2011_H2	95,642	159,980	199,339	200,459	200,459	200,459	200,459	200,459	200,459	200,459	200,459	200,459	200,459	200,459	200,459	200,459	200,459	200,459	200,459	200,459
2012_H1	177,995	179,412	197,915	197,925	197,925	197,925	197,925	197,925	197,925	197,925	197,925	197,925	197,925	197,925	197,925	197,925	197,925	197,925	197,925	197,925
2012_H2	179,071	193,224	195,080	202,403	203,310	203,310	203,310	203,310	203,310	203,310	203,310	203,310	203,310	203,310	203,310	203,310	203,310	203,310	203,310	203,310
2013_H1	32,717	33,254	33,254	33,254	37,179	37,179	37,179	37,179	37,179	37,179	37,179	37,179	37,179	37,179	37,179	37,179	37,179	37,179	37,179	37,179
2013_H2	48,769	49,867	125,777	125,777	125,923	130,550	130,550	130,550	130,550	130,550	130,550	130,550	130,550	130,550	130,550	130,550	130,550	130,550	130,550	130,550
2014_H1	42,441	50,461	50,461	50,865	65,246	65,246	65,246	65,246	65,246	65,246	65,246	65,246	65,246	65,246	65,246	65,246	65,246	65,246	65,246	65,246
2014_H2	23,932	30,766	32,130	66,220	71,701	71,701	71,701	71,701	71,701	71,701	71,701	71,701	71,701	71,701	71,701	71,701	71,701	71,701	71,701	71,701
2015_H1	22,257	27,215	30,129	30,129	34,292	34,292	34,292	34,292	34,292	34,292	34,292	34,292	34,292	34,292	34,292	34,292	34,292	34,292	34,292	34,292
2015_H2	8,835	11,590	19,089	19,089	19,089	19,395	19,395	19,395	19,395	19,395	19,395	19,395	19,395	19,395	19,395	19,395	19,395	19,395	19,395	19,395
2016_H1	3,605	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699	4,699
2016_H2	3,823	4,731	5,271	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280
2017_H1	49,861	94,476	94,571	94,571	94,571	94,571	94,571	94,571	94,571	94,571	94,571	94,571	94,571	94,571	94,571	94,571	94,571	94,571	94,571	94,571
2017_H2	16,945	17,516	17,516	17,516	17,516	17,516	17,516	17,516	17,516	17,516	17,516	17,516	17,516	17,516	17,516	17,516	17,516	17,516	17,516	17,516
2018_H1	3,808	25,257	29,673	29,715	29,715	29,715	29,715	29,715	29,715	29,715	29,715	29,715	29,715	29,715	29,715	29,715	29,715	29,715	29,715	29,715
2018_H2	16,927	23,334	176,088	176,088	176,088	176,088	176,088	176,088	176,088	176,088	176,088	176,088	176,088	176,088	176,088	176,088	176,088	176,088	176,088	176,088
2019_H1	8,264	8,382	8,382	8,382	8,382	8,382	8,382	8,382	8,382	8,382	8,382	8,382	8,382	8,382	8,382	8,382	8,382	8,382	8,382	8,382
2019_H2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Notes to the financial statements
for the year ended 31 December 2019**

**AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019**

AXA MANSARD INSURANCE PLC
APPENDIX 2 (SUMMARISED REVENUE ACCOUNTS (NON LIFE BUSINESS))
for the period ended 31 December 2019

	FIRE =N=000	GENERAL ACCIDENT =N=000	MOTOR =N=000	MARINE =N=000	ENGINEERING =N=000	OIL & ENERGY =N=000	AVIATION =N=000	December 2019 =N=000	December 2018 =N=000
REVENUE									
Gross written premium	2,753,217	1,855,225	2,948,839	839,663	866,301	9,914,007	858,175	20,035,427	18,243,082
Add Reinsurance Inward Premium	21,569	2,544	3,276	3,182	6,307	5,042	1,917	43,837	46,770
	2,774,786	1,857,769	2,952,115	842,845	872,608	9,919,049	860,092	20,079,264	18,289,852
Less Unexpired Risks Provision	362,082	(285)	(11,900)	125,214	(25,683)	(611,755)	(7,398)	(169,725)	383,384
Gross Premium Earned	3,136,868	1,857,484	2,940,215	968,059	846,925	9,307,294	852,694	19,909,539	18,673,236
Less Reinsurance Cost									
Local Facultative Premium	(1,410,203)	(402,476)	(209,955)	(225,984)	(322,988)	(7,778,460)	(642,124)	(10,992,190)	(9,254,282)
Prepaid Reinsurance	(369,752)	(30,182)	53,544	(112,293)	2,565	595,670	(2,437)	137,115	(195,726)
Reinsurance Treaty Premium	(565,181)	(34,164)	(100,959)	(224,521)	(266,407)	(788,833)	(105,028)	(2,085,093)	(2,041,166)
Net Premium	(2,345,136)	(466,822)	(257,370)	(562,798)	(586,830)	(7,971,623)	(749,588)	(12,940,167)	(11,491,174)
Net Earned Premium	791,732	1,390,662	2,682,845	405,261	260,095	1,335,671	103,106	6,969,372	7,182,062
Add Commission Received									
Direct Business Commission	53,501	-	-	-	(572)	355,502	26,215	434,646	196,117
Local Facultative Comm	271,636	55,356	3,382	5,220	40,493	74,551	56,394	507,032	916,449
Reinsurance Treaty Comm	147,055	-	-	63,912	80,985	190,563	-	482,515	396,633
Deferred Comm. Income	75,504	7,710	(6,394)	12,892	2,576	(16,035)	(3,272)	72,981	(22,663)
Investment income	60,595	106,433	205,329	31,016	19,906	102,224	7,891	533,395	424,239
	608,291	169,499	202,317	113,039	143,388	706,805	87,229	2,030,569	1,910,774
Total Income	1,400,023	1,560,161	2,885,162	518,300	403,483	2,042,476	190,334	8,999,941	9,092,836
Expenses									
Claims Paid	673,459	446,271	1,804,424	270,168	245,309	2,392,883	60,625	5,893,139	7,063,346
Outstanding Claims	(2,985,770)	(150,781)	(4,257)	13,500	(243,858)	2,347,569	(22,363)	(1,045,961)	(553,209)
IBNR OS	(398,662)	(50,443)	24,385	37,540	(110,901)	129,596	88,701	(279,783)	650,489
Gross Claims	(2,710,972)	245,048	1,824,552	321,208	(109,450)	4,870,047	126,963	4,567,395	7,160,626
Treaty Claims Recovered	320,497	91,906	25,872	59,824	84,892	173,620	-	756,611	428,215
Facultative Claims Recovered	22,295	37,443	63,173	106,802	52,835	1,295,200	3,338	1,581,086	2,954,753
Co-insurers Claims Recovered	8	-	-	-	-	-	-	8	115,812
Ri Claim Recoverable	(3,038,690)	(64,061)	(1,492)	13,813	(295,555)	1,812,771	5,445	(1,567,769)	(60,502)
IBNR Recoverable	(209,137)	(10,832)	17,769	21,459	(61,937)	108,395	6,703	(127,580)	558,618
Total Claims Recovered/Recoverable	(2,905,026)	54,456	105,322	201,898	(219,765)	3,389,986	15,486	642,356	3,996,895
Net claims Incurred	194,054	190,592	1,719,230	119,310	110,315	1,480,061	111,476	3,925,039	3,163,730
Underwriting Expenses (commission expenses)	487,137	280,006	207,378	108,757	166,853	204,494	71,352	1,525,977	2,030,155
Deferred Acquisition Cost (Comm)	80,076	2,380	192	(4,812)	(2,753)	18,396	679	94,158	65,865
Other acquisition Cost	142,518	17,718	94,776	54,922	12	27,078	310	337,334	237,396
Maintenance Costs	22,861	33,992	46,213	4,416	7,951	94,004	12,636	222,073	230,823
Total underwriting expenses	732,592	334,096	348,559	163,283	172,063	343,972	84,977	2,179,542	2,564,239
Underwriting Profit	473,377	1,035,473	817,373	235,707	121,105	218,443	(6,119)	2,895,360	3,364,867

*Notes to the financial statements
for the year ended 31 December 2019*

*AXA Mansard Insurance Plc and Subsidiary Companies
Annual Report
31 December 2019*

APPENDIX 3 (SUMMARISED REVENUE ACCOUNTS (LIFE))

	GROUP LIFE	INDIVIDUAL LIFE	ANNUITY	December 2019 TOTAL	December 2018 TOTAL
	=N=000	=N=000	=N=000	=N=000	=N=000
REVENUE					
Gross written premium	5,913,811	2,021,779	-	7,935,590	4,736,965
Less Unexpired Risks Provision	21,926	-	-	21,926	(114,159)
	5,935,737	2,021,779	-	7,957,516	4,622,806
Less Reinsurance Premium					
Local Facultative Premium	(1,590,524)	(125,789)	-	(1,716,313)	(877,219)
Ri share of Insurance Liabilities	(51,805)	(22,273)	-	(74,078)	38,446
Reinsurance Treaty Premium	(371,433)	(77,106)	-	(448,538)	(547,954)
Net Premium	3,921,976	1,796,611	-	5,718,587	3,236,080
Add commission received					
Direct business commission	14,467	649	-	15,116	6,716
Local Facultative	222,679	11,271	-	233,949	125,615
Reinsurance treaty	108,637	20,872	-	129,509	163,516
Investment Income	630,963	289,037	396,411	1,316,411	877,114
	976,746	321,828	396,411	1,694,985	1,172,961
Total income	4,898,722	2,118,439	396,411	7,413,572	4,409,041
Expenses					
Claims paid	1,775,268	401,285	292,751	2,469,305	2,270,245
Surrenders	32,300	179,276	-	211,576	63,316
Outstanding Claims	258,049	-	-	258,049	106,632
IBNR OS	380,958	-	-	380,958	(852,074)
Gross claims incurred	2,446,575	580,561	292,751	3,319,888	1,588,119
Reinsurance claims recovered	(28,621)	-	-	(28,621)	(50,526)
Co insurance claims recovered	(282,459)	(108,263)	-	(390,722)	(328,506)
RI Claims Recoverable	131,938	-	-	131,938	(121,423)
RI Share of IBNR	(82,416)	-	-	(82,416)	185,649
Net claims incurred	2,185,017	472,299	292,751	2,950,067	1,273,313
Acquisition expenses (commission expenses)	486,622	216,692	-	703,314	393,433
Other acquisition costs	32,583	73,036	-	105,619	35,062
Maintenance cost	22,330	23,959	-	46,289	37,607
Transfer to life fund	-	742,809	323,198	1,066,007	57,894
Total expenses	2,726,552	1,528,795	615,949	4,871,296	1,797,310
Underwriting profit	2,172,169	589,645	(219,538)	2,542,276	2,611,731

APPENDIX 4 (ANNUITY DISCLOSURES)
STATEMENT OF ASSETS AND LIABILITIES

ASSETS		N'000		N'000		
Cash balances	Counterparty			Carrying amount		
	GTBank Plc	Bank balance		46,877		
Short term deposits	Counterparties	Interest rate	Maturity date	Carrying amount		
	Money Market Fund			3,286		
				3,286		
Treasury bills	Issuer	Maturity date	Amortised cost	Fair value		
	CENTRAL BANK OF NIGERIA	30/01/2020	31,825	36,615		
				31,825 36,615		
Equity	Issuer		Purchase Cost	Market Value		
	ZENITHBA NL Equity		7,582	5,580		
	UBA NL Equity		12,983	10,335		
	UACN NL Equity		1,851	860		
	TOTAL NL Equity		3,602	2,218		
	STANBICIBTC NL EQUITY		704	2,050		
	STANBIC NL Equity		1,439	4,100		
	GUARANTY NL Equity		3,429	4,455		
	FLOURMIL NL Equity		11,149	6,895		
	DANGSUGA NL Equity		2,847	6,049		
	DANGCEM NL Equity		17,318	13,147		
				62,903 55,690		
	Bonds	Description	Coupon rate	Maturity date	Amortised cost	Fair value
		13.50% NGN LAGOS STATE SG 27-11-2020	13.50%	27/11/2020	-	21,338
13.25% NGN STANBIC IBTC BANK CORB 30-09-2024		13.25%	30/09/2024	-	67,013	
14.25% NGN FIRST CITY MONUMENT BANK PLC CORB 07-11-2021		14.25%	07/11/2021	-	54,187	
14.20% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 14-03-2024		14.20%	14/03/2024	22,822	26,035	
15.54% NGN CENTRAL BANK OF NIGERIA FGN 13-02-2020		15.54%	13/02/2020	34,756	31,657	
12.4000% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-03-2036		12.40%	18/03/2036	-	58,327	
14.20% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 14-03-2024		14.20%	14/03/2024	44,520	47,336	
12.1493% NGN CENTRAL BANK OF NIGERIA FGN 18-07-2034		12.15%	18/07/2034	580,613	636,326	
10.00% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 23-07-2030		10.00%	23/07/2030	46,998	51,972	
12.4000% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-03-2036		12.40%	18/03/2036	8,465	9,650	
12.4000% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-03-2036		12.40%	18/03/2036	26,250	32,165	
14.75% NGN LAFARGE AFRICA BOND 09-06-2021		14.75%	09/06/2021	-	108,640	
12.4000% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-03-2036		12.40%	18/03/2036	17,500	22,087	
12.4000% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-03-2036		12.40%	18/03/2036	76,450	107,218	
16.249900% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-04-2037		16.25%	18/04/2037	305,818	402,900	
12.4000% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-03-2036		12.40%	18/03/2036	48,646	55,753	
12.1493% NGN CENTRAL BANK OF NIGERIA FGN 18-07-2034		12.15%	18/07/2034	92,050	108,774	
12.1493% NGN CENTRAL BANK OF NIGERIA FGN 18-07-2034		12.15%	18/07/2034	92,050	108,774	
12.4000% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-03-2036		12.40%	18/03/2036	19,210	22,087	
16.249900% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-04-2037		16.25%	18/04/2037	120,100	134,300	
12.1493% NGN CENTRAL BANK OF NIGERIA FGN 18-07-2034		12.15%	18/07/2034	91,000	108,774	
12.4000% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-03-2036		12.40%	18/03/2036	88,850	107,218	
12.4000% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 18-03-2036		12.40%	18/03/2036	2,476	3,217	
14.50% NGN FEDERAL GOVERNMENT OF NIGERIA BOND 15-07-2021		14.50%	15/07/2021	28,488	32,957	
14.80% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 26-04-2049		14.80%	26/04/2049	-	234,192	
14.80% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 26-04-2049		14.80%	26/04/2049	-	585,480	
14.80% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 26-04-2049		14.80%	26/04/2049	204,147	234,192	
14.80% NGN FEDERAL GOVERNMENT OF NIGERIA FGN 26-04-2049		14.80%	26/04/2049	103,580	117,096	
			2,054,787 3,529,665			
			3,672,131			
TOTAL ASSETS						
LIABILITIES						
Annuity Reserves						
			2,177,817			

APPENDIX 5 A (FIVE YEAR FINANCIAL SUMMARY)

(All amounts in thousands of Naira unless otherwise stated)

Group

STATEMENT OF FINANCIAL POSITION					
	Dec-19	Dec-18	Dec-17	Dec-16	Dec-15
	N' 000	N' 000	N' 000	N' 000	N' 000
ASSETS					
Cash and cash equivalents	17,911,416	5,238,705	5,333,318	3,523,136	6,461,385
<i>Investment securities</i>					
– At fair value through profit or loss	5,302,005	3,266,048	-	-	-
– Available-for-sale	27,836,825	22,313,670	22,691,784	17,539,369	16,333,844
– Held-to-maturity	-	-	-	-	-
Financial assets designated at fair value	4,154,695	3,073,457	3,272,242	3,325,455	7,657,492
Pledged assets	-	-	-	-	-
Trade receivables	5,418,424	3,615,646	1,961,018	854,923	686,163
Reinsurance assets	8,974,246	12,549,017	10,165,983	9,184,177	5,055,844
Other receivables	1,548,652	1,507,844	909,097	840,036	883,382
Deferred acquisition cost	331,047	436,772	494,584	593,862	578,744
Loans and receivables	403,548	311,449	3,843,254	3,177,293	183,484
Investment property	15,801,949	17,525,962	14,072,384	12,017,000	9,205,350
Intangible assets	1,580,297	1,588,175	1,648,896	1,688,903	1,728,515
Property and equipment	1,989,781	1,843,362	1,672,516	1,714,019	1,932,823
Right of use	535,863				
Statutory deposit	500,000	500,000	500,000	500,000	500,000
TOTAL ASSETS	92,288,748	73,770,107	66,565,076	54,958,173	51,207,026
LIABILITIES					
Insurance liabilities	25,162,941	22,538,993	21,167,952	14,433,322	12,916,775
<i>Investment contract liabilities:</i>					
– At amortised cost	4,275,765	3,691,424	3,108,070	2,734,268	2,656,066
Financial liabilities designated at fair value	4,154,695	3,073,457	3,272,242	2,916,273	7,657,492
Borrowing	6,965,804	3,493,234	3,295,031	4,225,811	4,028,230
Trade payables	16,567,712	11,180,754	8,524,336	7,423,560	2,200,234
Other payables	3,305,822	2,658,787	2,333,758	2,215,341	1,639,740
Current income tax liabilities	935,546	773,819	444,688	256,067	202,654
Deferred income tax	841,496	837,061	656,407	567,529	286,941
TOTAL LIABILITIES	62,209,781	48,247,529	42,802,484	34,772,171	31,588,132
EQUITY					
Paid up share capital	5,250,000	5,250,000	5,250,000	5,250,000	5,250,000
Share premium	4,443,453	4,443,453	4,443,453	4,443,453	4,443,453
Contingency reserve	4,270,458	4,139,090	3,615,451	3,173,900	2,722,013
Other reserves	2,687,483	2,663,582	2,625,479	2,612,567	2,547,607
Treasury shares	(304,924)	(304,924)	(304,924)	(304,924)	(304,924)
Retained earnings	7,832,957	5,262,379	4,229,226	3,221,949	1,820,069
Fair value reserves	1,080,718	(550,226)	426,131	(986,947)	935,054
SHAREHOLDERS' FUNDS	25,260,145	20,903,354	20,284,816	17,409,998	17,413,272
Total equity attributable to the owners of the parent	25,260,145	20,903,354	20,284,816	17,409,998	17,413,272
Non-controlling interests in equity	4,818,822	4,619,224	3,477,776	2,776,004	2,205,622
TOTAL EQUITY	30,078,967	25,522,578	23,762,592	20,186,002	19,618,894
TOTAL LIABILITIES AND EQUITY	92,288,748	73,770,107	66,565,076	54,958,173	51,207,026
STATEMENT OF COMPREHENSIVE INCOME					
	Dec-19	Dec-18	Dec-17	Dec-16	Dec-15
	N' 000	N' 000	N' 000	N' 000	N' 000
Gross premium written	43,620,265	33,923,949	26,824,830	20,713,129	16,574,614
Gross premium earned	41,609,412	32,701,781	26,198,134	20,676,584	16,891,241
Profit before taxation	3,927,500	3,380,073	3,232,099	3,125,627	2,023,653
Taxation	(1,019,228)	(897,791)	(556,991)	(490,631)	(361,472)
Profit after taxation	2,908,272	2,482,282	2,675,108	2,634,996	1,662,181
Transfer to contingency reserve	131,368	523,639	441,551	451,887	377,508
Earnings per share- Basic (kobo)	26.24	21.35	19.16	20.00	11.81
Earnings per share- Diluted (kobo)	25.80	21.02	18.86	19.69	11.72

APPENDIX 3 B (FIVE YEAR FINANCIAL SUMMARY)

(All amounts in thousands of Naira unless otherwise stated)

Parent

	Dec-19	Dec-18	Dec-16	Dec-15	Dec-14
	N' 000	N' 000	N' 000	N' 000	N' 000
ASSETS					
Cash and cash equivalents	16,133,274	4,218,348	4,779,865	2,878,081	5,648,247
<i>Financial assets</i>					
– At fair value through profit or loss	5,302,005	3,266,048	-	-	-
– Available-for-sale	22,032,646	17,888,088	17,677,702	14,234,470	13,973,364
– Financial assets designated at fair value	4,154,695	3,073,457	3,272,242	3,194,131	4,130,895
– Held-to-maturity	-	-	-	-	-
Loans and receivables	882,168	323,287	7,562,215	5,098,392	1,520,068
Pledged assets	-	-	-	-	-
Trade receivables	1,224,373	572,586	251,383	315,806	315,359
Reinsurance assets	8,895,612	12,504,524	10,115,242	9,134,825	5,033,551
Other receivables	801,891	779,072	649,146	555,287	493,179
Deferred acquisition cost	321,055	415,213	481,077	574,413	570,875
Investment in subsidiaries	3,537,247	4,997,374	3,919,573	3,919,573	3,919,573
Deferred tax asset	-	-	-	-	-
Intangible assets	215,450	190,086	218,772	229,332	239,493
Property and equipment	1,784,543	1,667,654	1,437,960	1,442,216	1,575,469
Statutory deposit	500,000	500,000	500,000	500,000	500,000
TOTAL ASSETS	65,784,959	50,395,737	50,865,177	42,076,526	37,920,073
LIABILITIES					
Insurance liabilities	17,491,746	16,964,677	17,824,172	13,033,944	12,293,840
<i>Investment contract liabilities:</i>					
– At amortised cost	4,275,765	3,691,424	3,108,070	2,734,268	2,656,066
Financial liabilities designated at fair value	4,154,695	3,073,457	3,272,242	2,916,719	4,130,895
Borrowing	-	-	-	-	-
Trade payables	16,478,545	11,108,223	8,511,603	7,406,965	2,198,437
Other liabilities	1,894,835	1,572,156	1,358,567	1,017,461	974,108
Current income tax liabilities	203,650	257,967	234,959	202,157	144,206
Deferred income tax	-	-	-	183,220	125,362
TOTAL LIABILITIES	44,499,236	36,667,904	34,309,613	27,494,734	22,522,914
EQUITY					
Paid up share capital	5,250,000	5,250,000	5,250,000	5,250,000	5,250,000
Share premium	4,443,453	4,443,453	4,443,453	4,443,453	4,443,453
Contingency reserve	4,270,458	4,139,090	3,615,451	3,173,900	2,722,013
Other reserves	2,652,077	2,634,904	2,595,103	2,593,900	2,532,978
Treasury shares	(304,924)	(304,924)	(304,924)	(304,924)	(304,924)
Retained earnings	5,863,179	1,155,216	687,639	283,393	(98,290)
Fair value reserves	923,562	(549,906)	268,842	(857,930)	851,929
SHAREHOLDERS' FUNDS	23,097,805	16,767,833	16,555,564	14,581,792	15,397,159
Total equity attributable to the owners of the parent	23,097,805	16,767,833	16,555,564	14,581,792	15,397,159
TOTAL EQUITY	23,097,805	16,767,833	16,555,564	14,581,792	15,397,159
TOTAL LIABILITIES AND EQUITY	67,597,041	53,435,737	50,865,177	42,076,526	37,920,073

STATEMENT OF COMPREHENSIVE INCOME

	Dec-19	Dec-18	Dec-17	Dec-16	Dec-15
	N' 000	N' 000	N' 000	N' 000	N' 000
Gross premium written	28,014,854	23,026,817	20,602,218	17,330,219	15,009,324
Gross premium earned	27,867,055	23,296,043	21,248,558	17,872,878	15,616,615
Profit before taxation	4,978,919	1,828,263	1,446,155	1,263,787	689,232
Taxation	(139,589)	(207,047)	(78,334)	(223,408)	(223,134)
Profit after taxation	4,839,330	1,621,216	1,367,821	1,040,379	466,098
Transfer to contingency reserve	131,368	523,639	1,289,487	816,971	377,508
Earnings per share (kobo)	47	16	13	10	5

APPENDIX 6 (Statement of Value Added)

(All amounts in thousands of Naira)

	Group				Parent			
	Dec 2019	%	Dec 2018	%	Dec 2019	%	Dec 2018	%
Gross premium income	43,620,265		33,923,949		28,014,854		23,026,817	
Re-insurance, claims and commission & others	(42,358,313)		(32,641,589)		(28,783,841)		(22,475,444)	
	1,261,952		1,282,360		(768,987)		551,373	
Investment and other income	5,928,620		5,824,408		7,303,233		4,028,195	
Value added	7,190,572		7,106,768		6,534,246		4,579,568	
Applied to pay:								
Employee benefits	2,779,139	39%	2,590,264	36%	1,188,516	18%	1,751,534	38%
Government as tax	1,019,228	14%	897,791	13%	139,589	2%	207,047	5%
Shareholder as dividend	-	0%	630,000	9%	-	0%	630,000	14%
<i>Retained in the business</i>								
Contingency reserve	131,368	2%	523,639	7%	131,368	2%	523,639	11%
Depreciation and amortisation	490,661	7%	523,851	7%	366,811	6%	369,771	8%
Retained profit for the year	2,570,578	36%	1,663,153	23%	4,707,962	72%	1,097,577	24%
Non-controlling interest	199,598	3%	278,070	4%	-	0%	-	0%
Value added	7,190,572	100%	7,106,768	100%	6,534,246	100%	4,579,568	100%